



ALLIED BIOTECH CORP
The Carotenoid Company



Corporate Social Responsibility Report

2019

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About this Report



Thank you for reading the 2019 Corporate Social Responsibility (hereinafter referred to as CSR) Report of Allied Biotech Corporation (hereinafter referred to as Allied Biotech). The main purpose of this report is to disclose our current Environmental, Social, and Governance actions, performance, and future strategies to the general public and our stakeholders. This report covers issues relating to our operational status, corporate governance, product development and innovation, quality management, employee relations, social prosperity, and green environment. We hope that this report can aid our stakeholders in understanding the efforts we have made toward sustainable corporate development, our social responsibilities, and our commitment to continued progress.

Report Period and Scope

Allied Biotech plans to publish a CSR report each year. We have voluntarily compiled and issued Chinese versions of our CSR reports since 2016; this is our fourth annual report. The data and content disclosed in the English version of this CSR report were taken from the Chinese version of our 2019 CSR Report (from January 1 to December 31, 2019). In order to fully present information relevant to our corporate social responsibilities, the content in this report may also touch on our mid- to long-term operational prospects and projects. The information in this report mainly concerns our headquarters in Taiwan and our factory located in the Taoyuan Guanyin Industrial Park.

Publication Years

Current issue: 2020

Publication of next issue: 2021

Contact Us

If you have any questions or suggestions regarding the content and activities in this report, please feel free to contact us.

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Words from the Chairman

Allied Biotech Corporation was founded 19 years ago. Under the continuous efforts and hard work of our entire team, Allied Biotech now has a world-class research and development team, which offers high-quality, customized manufacturing services with superior technology. Over the past few years, our sales have continued to grow steadily, while our profit has also grown continuously. Allied Biotech is now the world's third-largest, and Asia's largest, supplier of carotenoid products. In the future, we shall continue to improve and expand our efforts with the following five business strategies:

1. Focus on R&D and Production: be Scientific, Professional, and Precise:

Focus on every aspect of R&D and manufacturing, ensure product safety, and commit to the development and investment of energy recycling. At the same time, conduct customer-oriented new product development based on market demand and market intelligence, where R&D resources are concentrated.

2. Expand the Market and Focus on Performance:

Select target markets to intensively develop, and effectively increase market share, market awareness, and customer satisfaction.

3. Inspire Colleagues' Potential and Create a Happy Workforce:

Maximize the potential of each colleague, create high-performance results with high-quality talents, and implement training of thinking and growth.

4. Enhance Management to Create Value:

Ensure effective management and create a strong, cohesive company culture where everyone believes in and strives for the benefit of the company and our stakeholders.

5. Commit to Energy Conservation and Waste Reduction for Sustainable Development:

We aim for zero-waste production and an environmentally friendly work place through continuous improvement in the resource recycling process and energy conservation.

The rise of the concept of "healthy aging" indicates the advent of the era of preventive medicine. The improvement of living standards and the increase in health awareness result in an increase of attention to food safety and healthy dining. As a manufacturer of a full range of carotenoids, Allied Biotech strives to continue innovative development and manufacture with precision and specialized technology. We will continue to focus on the development of safe food additives and the preventive medicine market, and hope to contribute to areas that are beneficial to human health through carotenoids.

Allied Biotech Corporation
Chairman

2019 Highlights

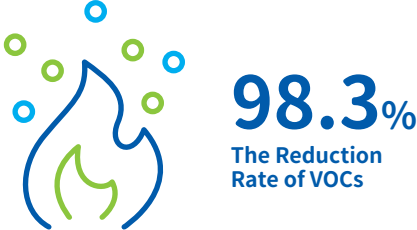
Environmental



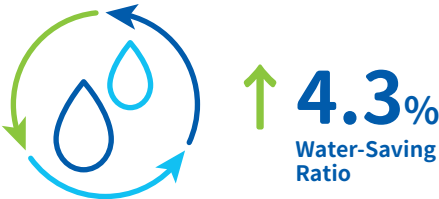
Our customer product development department and formulation plant collaborated to complete mass production of 8 new Palm Free products.



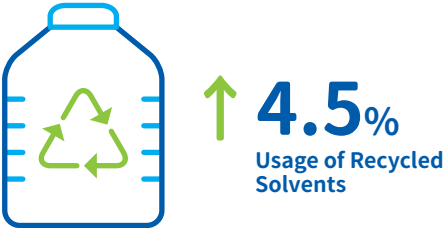
Wastewater discharge in 2019 was reduced by 10.4% compared to 2018.



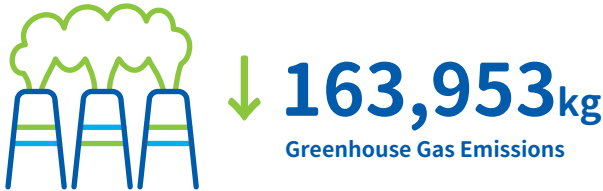
RTO Efficiency: the reduction rate of VOCs reached 98.3%, exceeding the regulated standard of 95%.



Water savings in 2019 increased by 2,549 metric tons and water-saving ratios rose by 4.3% compared to 2018.



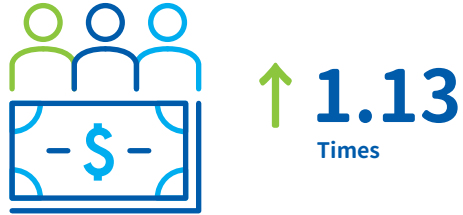
Usage of recycled solvents in 2019 rose by 4.5% compared to 2017.



RTO waste heat recovery in 2019 reduced fuel oil consumption by 55,577.41 kg and greenhouse gas emissions by 163,953.37 kg/year.

2019 Highlights

Social



All employee salaries are at least 1.13 times higher than regulated standards.



According to records taken by the Occupational Health and Safety Administration, the Allied Biotech Taoyuan factory accumulated a total of 1,618,225 injury-free working hours from July 1, 2011 to December 31, 2019.



In 2019, the occupational health and safety personnel at the Allied Biotech Taoyuan factory were presented with an outstanding personnel award by the Occupational Health and Safety Advisory Group of the Taoyuan City Labor Inspection Office.



Average salary increases over the past three years reached 2-3%.



Compared to 2018, training hours for female employees increased considerably by 94.6%, and training hours for male employees also increased by 39.5%.



In 2019, Allied Biotech engaged in industrial bill negotiations and food safety activities for a total of 174 hours.

2019 Highlights

Governance



Our 2019 net profit after tax was NT\$ 106.9 million, marking our fourth consecutive profitable year.



In 2019, Allied Biotech invested nearly NT\$25 million (around 3-4% of total revenues) in research and development.



In 2019, we completed 30 internal audit reports and no major abnormalities were found.



All raw materials and finished products were inspected and were found to comply with quality control standards.



According to our supplier assessments, all suppliers are well-qualified in on-time delivery and material quality.



On-time delivery rates of raw materials have been maintained at more than 90% since 2015.

Ch1 Sustainable Business

- 1.1 About Allied Biotech
- 1.2 Corporate Governance
- 1.3 Risk Management



1.1 About Allied Biotech

Company Profile

Established in 2001, Allied Biotech Corp. is headquartered in Taipei. In 2002, a factory in Guanyin Industrial Park was purchased. Allied Biotech was initially engaged in the manufacturing and sales of miscellaneous food products, precision chemical materials, and environmental chemicals.

With years of experience in the industry, Allied Biotech has continued to develop the latest technologies and products. We are currently the third in the world and the first in Asia to produce a full range of carotenoid products, including β -Carotene, β -Apo-8'-Carotenal, Lycopene, Lutein, Canthaxanthin, and Coenzyme Q10. We are selling products in the form of healthcare products, food, and cosmetics globally. From the upstream R&D and production to downstream sales, our company provides a wide range of technical and customer-oriented services. Allied Biotech stands out on the market and continues to expand sales territory, and has become a leading domestic manufacturer of food and healthcare products in nutraceuticals.

Allied Biotech will continue to focus on R&D and innovation, as well as manufacture with precision and specialized technology. Our goal is to become a leading carotenoid manufacturer in the world and contribute to areas where carotenoids are beneficial to human health. We hope that with our base in Taiwan, we will be leading relevant domestic industries and manufacturers to establish a health care product system that meets international standard and create wellness for society as a whole.

Financial Performance

Against a backdrop of a high base period, a slowdown in the global economy, and appreciation of Taiwanese currency, our consolidated revenues for 2019 were NT\$639.4 million; consolidated net operating profits were NT\$136.5 million, a decrease of 6.11% compared with 2018. Net profits after tax were NT\$106.9 million; we have been profitable for four consecutive years.

Allied Biotech at a Glance

Established Year	2001
Capital	NT\$ 946 million
2019 Revenue	NT\$ 639.4 million
Net Profit after Tax	NT\$ 106.9 million
Total Number of Employees (as of Year-End 2019)	169

1.1 About Allied Biotech

Business Presence

Taipei Headquarters	Responsible for marketing and sales (except for Europe), as well as coordinating shipments and sales with subsidiaries
Taoyuan Factory	Responsible for all product R&D and manufacturing
European Subsidiary	Responsible for sales in Europe
Shanghai Subsidiary	Responsible for sales in China



Product, Market, and Company Vision

As a supplier of carotenoid products, Allied Biotech provides a wide range of technical and customer-oriented services from the upstream R&D and production to downstream sales. The company's business is export-based. Customers are located all over the world, with more than 80% of the sales in Europe and the Americas. The brand has successfully entered the international market and continues to expand its sales territory. Our products are raw materials for food, healthcare supplements, and cosmetics-related products. Our main products are carotenoid products, including β -Carotene, β -Apo-8'-Carotenal, Lycopene, Lutein, Canthaxanthin, and Coenzyme Q10. We are committed to R&D, production, and sales of preventive medical products (Nutraceuticals), and possess the capabilities to produce precision chemical materials and environmental agents.

With the vision of "continuous innovation and R&D, focusing on the development of biotechnology and becoming a leading player in the international safe food additives and preventive medicine industry," we have formulated sustainable development strategies and goals for the short-term, mid-term, and long-term respectively.

Goals and Vision

Short-Term	Through continuous R&D and innovation and manufacturing with specialized precision technology, we are committed to the development of safe food additives and nutraceuticals market, and focus on target market development to effectively increase market share and performance growth.
Mid-Term	Our goal is to become a leading carotenoid manufacturer in the world and contribute to areas where carotenoids are beneficial to human health. We will also strive to develop product categories other than synthetic carotenoids, with the hope of expanding our business.
Long-Term	To become a leading manufacturer in the food additives and nutraceuticals industry, leading domestic manufacturers to establish food safety and health care product systems that meet international standards, enhancing biochemical technology of domestic manufacturers, improving international competitiveness, and the creation of wellness for society as a whole.

Allied Biotech's Major Milestones

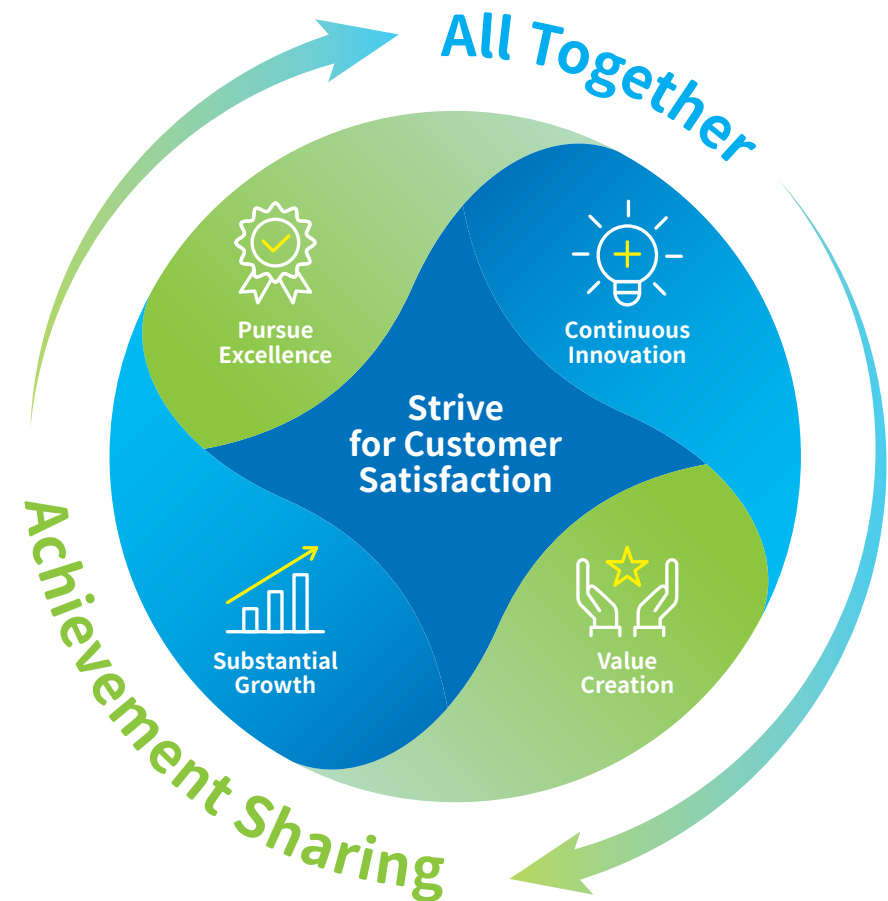
Year	Milestone
2001	<ul style="list-style-type: none"> Allied Biotech Corporation was founded and was initially engaged in the manufacturing and sales of miscellaneous food products, precision chemical materials, and environmental chemicals.
2002	<ul style="list-style-type: none"> Purchased a factory at Guanyin Industrial Park. Acquired Kosher certification.
2003	<ul style="list-style-type: none"> Initial Public Offering approval by the Securities and Futures Commission of the Ministry of Finance. Acquired Halal certification.
2006	<ul style="list-style-type: none"> Completion of development and mass production of Canthaxanthin.
2007	<ul style="list-style-type: none"> In addition to continuing the certification of ISO 9001 quality management system, Allied Biotech also acquired the certification of ISO 22000 food safety management system and HACCP. Completion of development and mass production of β-Apo-8'-Carotenal.
2010	<ul style="list-style-type: none"> Listed on the Taiwan OTC and began trading as an emerging stock on April 29. Completion of development and mass production of Lycopene.
2011	<ul style="list-style-type: none"> Successfully acquired the US patent on Lutein production technology.
2012	<ul style="list-style-type: none"> Successfully acquired the EU patent on Lutein production technology.
2014	<ul style="list-style-type: none"> Reelection of chairman Cheng-Li Yang.
2016	<ul style="list-style-type: none"> Successfully acquired the US patent on Lycopene production technology.
2018	<ul style="list-style-type: none"> Successfully acquired the EU patent on Lycopene production technology.

Allied Biotech's Awards and Accolades

Year	Award
2003	• Received the Market Penetration Award from Frost & Sullivan Company.
2005	• Received the Product Line Strategy Award from Frost & Sullivan Company. • Listed in Deloitte's 2005 Taiwan Fast 50 for Fast Revenue Growth.
2013	• Received the Silver Medal Award of Technology Commercialization in the Taipei BioTech Awards.
2017	• Listed as a benchmark Bio-Agriculture company in the 2017 BioTaiwan Highlights by the Institute for Biotechnology and Medicine Industry.

Business Ethos

In the course of its business, Allied Biotech attaches great importance to the value of "sharing accomplishments," hoping to inspire employees' enthusiasm for work as well as to promote adherence to the three central ideas of "sense of empathy," "learning for growth," and "being nice to others." In pursuit of excellence, continuous innovation, rapid growth, and value creation, we hope to improve operating performance while satisfying customer needs.


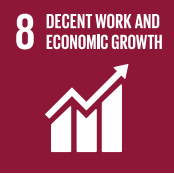



Responses to the UN Sustainable Development Goals

Sustainable development is the most important indicator of Allied Biotech’s business strategy. Allied Biotech continues to innovate and develop new products, using our professional expertise to produce top quality products while focusing on our target markets. We hope to achieve steady performance growth year over year, thereby generating more localized job opportunities. Apart from promoting economic growth, we consider ourselves to be a global citizen. We are aware that global climate change and global warming have a serious impact on the environment and ecology. Allied Biotech has developed a full range of RSPO (Roundtable on Sustainable Palm Oil) certified or Palm Free products to reduce the use of palm oil-related raw materials. By doing so, the local ecology and species damage caused by the destruction of rainforests for the purpose of planting palm trees will be avoided.

Also, starting from the R&D stage of product development, Allied Biotech has considered the types and amounts of waste that may be generated in the production process. We strive to reduce the amount of waste before mass production in order to create an environmentally friendly production and work place to achieve our sustainable development goals. We also continue to implement water conservation programs at our factory, reducing wastewater discharge through process improvements, and utilizing recycled water in certain production processes. Waste solvents from production undergo processing to remove residual acids and impurities, following which the waste is distilled and collected for recycling and reuse in production processes after they are tested and confirmed to comply with quality control standards. We will continue development and improvement of our production processes to reduce usage of palm oil materials, wastage of water resources, generated waste, and air pollutants in order to achieve our sustainable development goals.

Allied Biotech’s Responses to the UN Sustainable Development Goals

SDGs	Allied Biotech Practices
 3 GOOD HEALTH AND WELL-BEING	Allied Biotech is committed to innovative R&D and is dedicated to manufacturing high-quality products that meet the international standards of food safety and health wellness. With specialized technology, we hope to contribute to areas that are beneficial to human health in terms of carotenoids, and to enhance human well-being.
 8 DECENT WORK AND ECONOMIC GROWTH	Allied Biotech produces high-quality products with specialized technology and focuses on the target market to create more local employment opportunities, promote economic growth, build a good working environment, and enhance employee benefits.
 15 LIFE ON LAND	Allied Biotech is developing a full range of Palm Free products. We hope that, by reducing the use of palm oil-related raw materials, the deforestation and incineration of rainforests for the purpose of planting palm trees will be reduced. In turn, local ecological and species loss caused by the destruction of rainforests can be avoided.

Regulatory Compliance

<p>Policies and Commitments</p>	<p>Compliance with requirements of stock trading regulations, the Company Act, accounting standards, Act Governing Food Safety and Sanitation, Occupational Safety and Health Act, human resource laws, and relevant international laws and standards; thorough implementation of regulatory requirements; regular attention to revisions in laws and regulations; and execution of related solutions.</p>				
<p>Objectives</p>	<table border="1"> <tr> <td data-bbox="336 566 488 786"> <p>Short-Term</p> </td> <td data-bbox="488 566 1305 786"> <ul style="list-style-type: none"> • Compliance with the Occupational Safety and Health Act and related laws and regulations; maintain operations of our food safety group; monitor and respond to food safety events; and adhere to human resource and labor laws. • Continued tracking of regulatory updates and revision of internal control regulations as necessary. </td> </tr> <tr> <td data-bbox="336 786 488 1082"> <p>Mid- and Long-Term</p> </td> <td data-bbox="488 786 1305 1082"> <ul style="list-style-type: none"> • Internal requirements relating to occupational health and safety as well as food safety should surpass legal requirements, and we plan to actively participate in discussions and negotiations relating to industrial bills, provide suggestions from an industrial perspective, and assist promotion of relevant bills. • Strive to establish systems that protect labor interests and achieve mutual benefits for employees and enterprises. Our aim is to meet the highest standards of the industry. </td> </tr> </table>	<p>Short-Term</p>	<ul style="list-style-type: none"> • Compliance with the Occupational Safety and Health Act and related laws and regulations; maintain operations of our food safety group; monitor and respond to food safety events; and adhere to human resource and labor laws. • Continued tracking of regulatory updates and revision of internal control regulations as necessary. 	<p>Mid- and Long-Term</p>	<ul style="list-style-type: none"> • Internal requirements relating to occupational health and safety as well as food safety should surpass legal requirements, and we plan to actively participate in discussions and negotiations relating to industrial bills, provide suggestions from an industrial perspective, and assist promotion of relevant bills. • Strive to establish systems that protect labor interests and achieve mutual benefits for employees and enterprises. Our aim is to meet the highest standards of the industry.
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<p>Communication</p>	<p>We have set up an official website message board, direct telephone access to our spokesperson, an inbox for external communications, and a reporting mechanism for employee feedback: electronic employee appeal forms were officially launched in March 2017.</p>				



Board Operations

The Board of Directors (Board) is the highest governance unit at Allied Biotech. It is composed of 3 corporate directors, 6 individual directors (male to female ratio is 4:2), and 3 independent directors (male to female ratio is 3:0). All Board members execute their duties in accordance with the Company Act, the Allied Biotech Articles of Incorporation, and other relevant laws.

Major Motions Passed by the Board in 2019

Month	Major Motions
2019.02	<ul style="list-style-type: none"> • Approved distribution of employee compensation and director remuneration for 2018: Employee compensation: NT\$5,157,726/ director remuneration: NT\$2,578,863. • Approved distribution of stock dividends for 2018: Cash dividends for surplus profits: NT\$1.00 per share; total cash (stock) dividends distributed to shareholders: NT\$94,600,000.



Functional Committees

Remuneration Committee

Allied Biotech has established a Remuneration Committee composed of 3 members who were elected in May 2019. The Committee is mainly responsible for providing suggestions to the Board from a professional and objective manner regarding director and manager salaries and remuneration as well as welfare policies and systems.

Audit Committee

Allied Biotech has established an Audit Committee made up of 3 independent directors with professional industrial expertise, accounting and finance expertise, or legal expertise; Committee members were elected in May 2019. The Committee is convened at least once every quarter, and is mainly responsible for overseeing Company financial statements; selection and dismissal of CPAs; independence and performance of CPAs; internal control systems; legal compliance; risk controls; selection and dismissal of financial, accounting, and internal audit managers; trading of major assets and derivatives; and major capital loans, endorsements, and guarantees.

Integrity and Ethical Management

Corporate Ethics

<p>Policies and Commitments</p>	<p>Integrity management formulates ethical policies based around a transparent and responsible philosophy to establish corporate governance and risk control systems, and ensure accounting accuracy and appropriateness of financial statements, thereby building a business environment for sustainable development.</p>	
<p>Objectives</p>	<p>Short-Term</p>	<ul style="list-style-type: none"> • The Audit Committee monitors the appropriateness of financial statements. • Maintain a good business model which adheres to our "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Code of Practice for Corporate Governance." • Enforce legal compliance in internal management and external commercial activities.
	<p>Mid- and Long-Term</p>	<ul style="list-style-type: none"> • Strengthen codes of practice for corporate governance and internal audit systems. • Aim to build a sustainable corporation, establish transparent and open operating environments, provide investors with trustworthy financial statements, and strive to be recognized as an excellent enterprise by the corporate governance evaluations.
<p>Communication</p>	<p>We have set up an official website message board, direct telephone access to our spokesperson, and an inbox for external communications.</p>	



1.2 Corporate Governance

Ethical Corporate Management Best Practice Principles

Allied Biotech has formulated the Ethical Corporate Management Best Practice Principles and requires our directors and senior management team to issue a statement of compliance with ethical management policies. Our employment conditions also require our employees to comply with ethical management policies. To improve upon our ethical management, we have also established a dedicated unit under the Board which is responsible for formulating and overseeing implementation of ethical management policies and programs for preventing violations. The unit reports to the Board at least once every year, and strictly prohibits actions that may directly or indirectly damage the interests, health, and safety of consumers and other stakeholders.



Code of Ethical Conduct

Allied Biotech ensures that director and manager conduct adhere to ethical standards through the Code of Ethical Conduct; we prevent conflicts of interest and opportunities to realize personal interests, comply with confidentiality responsibilities and fair trade, protect and appropriately utilize corporate assets, comply with laws and regulations, and encourage reporting of any illegal or unethical actions. We use a variety of channels, such as e-mail messages and announcements, to reinforce the necessity of compliance with the Code of Ethical Conduct and to ensure that all employees understand its importance.

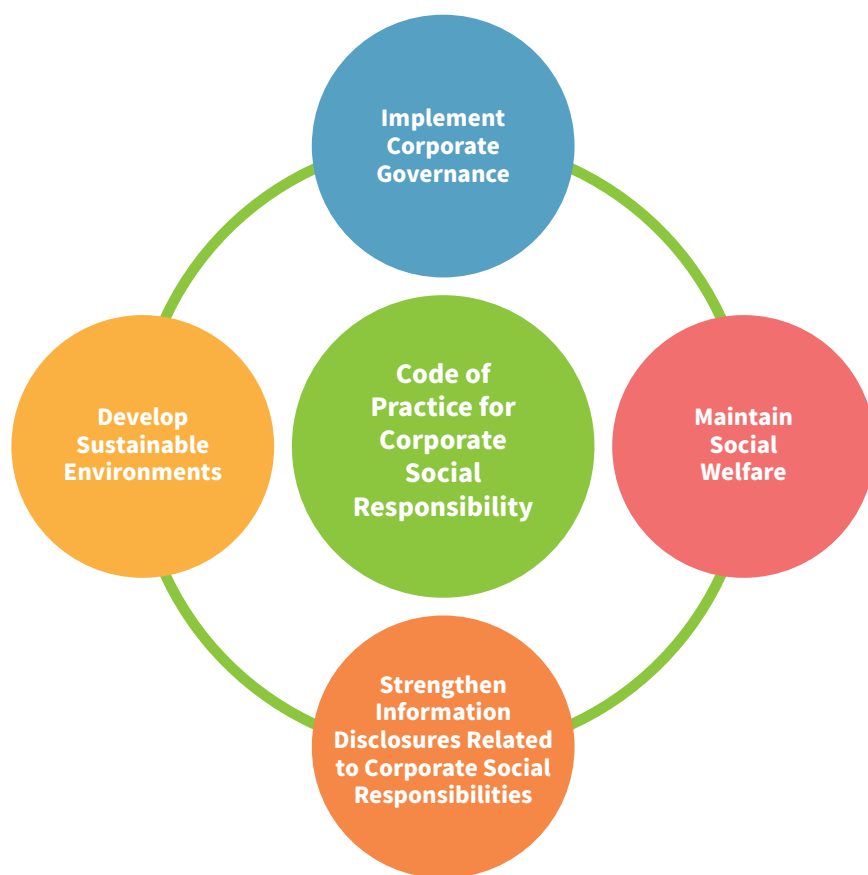
Code of Practice for Corporate Governance

Allied Biotech has formulated the Code of Practice for Corporate Governance in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Our corporate governance systems comply with legal regulations, our Articles of Incorporation, contracts signed with TWSE and TPEX, and other regulated items to strengthen the establishment of effective corporate governance structures, protect shareholder interests, reinforce Board functions, respect stakeholder interests, and enhance information transparency.

Additionally, with regard to reporting mechanisms for unethical/illegal behaviors or issues pertaining to the integrity of our organization, we have established a suggestion and feedback platform. Employee appeals are directly delivered to the head of the human resource department via e-mail, forming a smooth communication channel for exchanging feedback with our employees.

Code of Practice for Corporate Social Responsibility

Allied Biotech has established the Code of Practice for Corporate Social Responsibility in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies to manage economic, environmental, and social risks and impacts.



Product Quality Management Teams

Food Safety Team

Allied Biotech have established a food safety team for the purposes of strengthening product quality. Members from the team are appointed by the CEO, and include personnel from different departments. The team is responsible for formulating, implementing, and maintaining the HACCP system. Food safety team meetings are convened every six months and the system is evaluated on a regular basis. Relevant team tasks include preparation of Company HACCP plans and relevant information; implementation of HACCP programs; documentation management; verification of supervision, inspection, and monitoring process accuracy and system audits; collection of customer feedback related to product quality; selection and evaluation of suppliers; formulation of supplier evaluation systems; inspection of environment, production, and equipment hygiene and safety to ensure that they meet requirements; HACCP training for employees; and consultation of relevant laws and regulations. We did not incur any penalties for violations of product and service health and safety regulations or product labeling requirements in 2019.

Hygiene Management Committee




Allied Biotech has established a Hygiene Management Committee for the purposes of ensuring that our operating environments, operators, and production processes comply with food safety regulations. The Committee is composed of managers from various departments. Hygiene management personnel are responsible for compiling and analyzing hygiene inspection results and improvements which are reported to the Hygiene Management Committee each month. The Committee convenes periodically to track hygiene management performance. Committee members may conduct joint hygiene inspections if necessary.



Risk Management


<p>Policies and Commitments</p>	<p>Establish a sound risk management culture and environment, formulate good risk control mechanisms, identify potential risks to the Company, and form relevant contingency measures.</p>	
<p>Objectives</p>	<p>Short-Term</p>	<p>We strive to establish a comprehensive risk control mechanism which is jointly implemented by management personnel and employees of all levels. Apart from compliance with relevant laws and regulations, we also evaluate the probability and impacts of potential risks that may be encountered during operational activities, identify major risk issues, and effectively manage these risks through continued monitoring and improvement.</p>
	<p>Mid- and Long-Term</p>	<p>Apart from possible risks that may be encountered during operational activities, we also refer to international management trends, include major global risk issues in our risk management evaluations, and formulate relevant contingency measures.</p>


The items for determining effectiveness of internal control systems at Allied Biotech adhere to the regulations set out in the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Our audit team is subordinate to the Board, and the appointment and removal of auditing managers is subject to approval by the Audit Committee and the Board. The audit team conducts various auditing tasks in accordance with annual audit plans approved by the Board, and compiles periodic audit reports which are submitted for approval. After audit items have been completed, the report is resubmitted to the Audit Committee for review at the end of the next month and internal audit performance is reported to the Board. In 2019, we completed 30 audit reports and no major abnormalities were discovered.

Faced with increasing globalization in operational scope, global economic impacts, and growing challenges, Allied Biotech has identified possible risks to sustainable development in daily operations, and has formulated relevant management strategies and response measures to reduce the risk of interruptions to our operations. We keep abreast of operational risks within our enterprise and minimize risks through risk transfer, mitigation, and prevention, seeking to find new opportunities in these operational challenges. In 2019, we began managing climate change risks to identify potential risks and increases in operating costs caused by revisions to environmental laws in different countries, and further formulated strategies and response measures to achieve our goal of sustainable development.

Risk Category	Potential Risks	Control Strategies and Response Measures
 <p>Market Risks</p>	<ul style="list-style-type: none"> Entry of new competitors: several new carotenoid suppliers have recently emerged in China. 	<ul style="list-style-type: none"> Fully integrate our R&D, production, and marketing teams to accelerate technical R&D and develop innovative, differentiated, unique, competitive, top-quality products, thereby adjusting product portfolios in response to changes in current trends and increasing our market competitiveness. Enhance our product technology platform to provide comprehensive services (Total Solution), reduce pressures of price competition, enhance product and brand value, strengthen brand marketing, and avoid competition on price. Combine external resources, seek out strategic partners, and grasp business opportunities to expand our operational scope and performance.
 <p>Currency Risks</p>	<ul style="list-style-type: none"> Allied Biotech customers are mainly international companies; 80% of our revenue comes from American and European markets. Most of our transactions are conducted using US dollars or Euros. Therefore, changes in exchange rates impact greatly on our profitability. 	<ul style="list-style-type: none"> Allied Biotech adopts hedging strategies to manage currency risks. Our accounting and finance department regularly asks our managers to sign off on requests for forward exchange transactions; these requests include analysis of currency markets, reports on currency positions, and notes on transaction limits.
 <p>Product Quality Risks</p>	<ul style="list-style-type: none"> Food quality incidents have occurred frequently in recent years, and therefore it is important to manage the quality and safety of upstream raw materials and establish effective management systems to meet quality requirements. 	<ul style="list-style-type: none"> The Allied Biotech factory has obtained certification for many international management systems including ISO9001, ISO22000 Food Safety Management System, HACCP certification, FSSC 22000 Food Safety System certification, and TFDA Food Health and Safety Management System. Our raw materials and products have undergone many inspections and received many international certifications that ensure our product quality.

Risk Category	Potential Risks	Control Strategies and Response Measures
 <p>Water Risks</p>	<ul style="list-style-type: none"> • Our factory mainly uses tap water, and average monthly water usage was around 5,665 metric tons in 2019. Water supplies have a great impact on factory operations as tap water is used for all factory production processes. Therefore, our production capacity is highly correlated with adequate water supplies. 	<ul style="list-style-type: none"> • Apart from conserving water as part of our daily routine, we also try to save water through process improvements. During water shortages, we implement response measures and water distribution plans to maintain production.
 <p>Climate Change Risks</p>	<ul style="list-style-type: none"> • Revisions in environmental laws and policies: Many countries have revised environmental laws related to waste and greenhouse gas emissions in response to climate change, which may increase operational costs (such as emissions taxes and processing fees). • Increases in energy prices: Greenhouse gas reduction requirements may cause energy (electricity/petroleum) prices to rise, which may increase raw material costs and operational costs. 	<ul style="list-style-type: none"> • Continued R&D and process improvement, and reduction of wastewater discharge through recycling of water resources and waste solvents. • We also seek to improve current levels of waste reduction through periodic projects, and we continue to research how generated waste can be transformed from hazardous to non-hazardous industrial waste to further strengthen our recycling and reuse levels. • We have also installed Regenerative Thermal Oxidizers (RTOs) at our factory. RTOs can effectively treat VOC emissions, and residual heat can be recycled and reused. In future, we plan to install steam heating equipment which will allow us to recycle residual heat and substitute it for electricity to reduce electricity consumption and save energy.

Risk Category	Potential Risks	Control Strategies and Response Measures
 <p>Environmental Risks</p>	<ul style="list-style-type: none">• Leakage of chemicals and raw materials and failure of air pollution processing equipment during production processes may cause environmental impacts.• Toxic chemicals used in our pipelines and stored in our tanks are at risk for leakages and may cause environmental impacts.• Negligence and equipment failure may cause wastewater to flow to neighboring regions, causing water pollution.• Environmental impacts may trigger protests from residents.	<ul style="list-style-type: none">• Formulate and implement well-designed operating procedures and training, and regularly review implementation effectiveness. Air pollutant processing equipment are inspected by dedicated personnel before, during, and after operations, and undergo periodic maintenance to ensure that they continue to operate normally.• In accordance with relevant regulations, we take out operator liability insurance when there is a need to use large amounts of registered toxic chemicals. We have installed detection and alarm systems in storage and production areas. These are regularly calibrated to ensure that they are operating normally. We also provide employee training on toxic chemicals and establish an emergency response unit.• Discharging of wastewater is conducted in accordance with relevant regulations. We conduct inspections during every shift and have conducted factory-wide employee training to prevent water pollution incidents.• Production units are required to conduct inspections during every shift to prevent environmental pollution incidents from occurring.

Risk Category	Potential Risks	Control Strategies and Response Measures
 <p>Industrial Safety Risks</p>	<ul style="list-style-type: none"> • Flammable chemicals used at our factory may leak due to negligence, faulty pipelines, or packaging issues. If leakages are not contained in a timely manner, these chemicals may be ignited by static electricity, sparks, or high equipment surface temperatures, causing fires or explosions. • Toxic gases may leak during production processes due to improper storage, delivery, or production. Personnel who are exposed to these substances may suffer injuries or fatalities. • Failure to shutdown factory machinery during inspection and maintenance, inappropriate operations, and removal of protective measures may cause injuries and fatalities due to pinch-point hazards, induction, or falls. • Failure to apply for permits and conduct environment inspections when undergoing hot work, working in confined spaces, or conducting other high-risk operations during routine factory and contractor processes may cause fires, explosions, or hypoxia poisoning and other serious industrial safety incidents. • Failure to adhere to safety operational procedures during production processes may cause minor injuries. 	<ul style="list-style-type: none"> • Implement and evaluate on-site hazard identification training. • Implement fire controls throughout our factory. • Require industrial safety personnel and on-site engineers to conduct routine inspections of plant areas. • Immediate updating of regulations and on-site inspections to ensure compliance with regulations. • Implement static removal measures during operations and when transporting materials. • Inspect explosion-proof equipment in explosion-proof production areas. • Regularly maintain and calibrate emergency shutdown equipment for hazardous chemicals and pre-operation gas detectors. • Use and maintain personal protective equipment. • Provide emergency response equipment and conduct regular drills. • Ensure that repair and maintenance work comply with safety regulations. • Implement safety checks and entry management for contractors. • Inspect appropriateness of chemicals, fire equipment, and public hazards. • Conduct safety inspections of public buildings and employee dormitories. • As of December 2019, our Taoyuan Factory has accumulated 1.61 million injury-free working hours.

Ch2

Product

- 2.1 Product Innovation
- 2.2 Quality Management
- 2.3 Customer Services



Product Development and Innovation

<p>Policies and Commitments</p>	<p>Allied Biotech is committed to product development and innovation focused on safe food additives and preventive medicine; we not only keep pace with current product and technology trends, but also work to enhance our worldwide brand visibility.</p>	
<p>Objectives</p>	<p>Short-Term</p>	<ul style="list-style-type: none"> • Continue to optimize existing production technologies while reducing costs. • Promote substitution of uncertified materials with RSPO certified materials to protect tropical rainforests. • Continued tracking of regulatory updates and revision of internal control regulations as necessary.
	<p>Mid- and Long-Term</p>	<ul style="list-style-type: none"> • Develop new products and technologies, and obtain patents to protect our R&D results. • Promote Palm Free formulas in hopes of utilizing raw materials which require no sacrifices from tropical forests. • Develop Sugar Free formulas in hopes of creating sugar-free products that are beneficial for the health of our customers.

With years of experience in the industry, Allied Biotech has continued to develop the latest technologies and products, and is currently the third company in the world and the first in Asia to produce a full range of carotenoid products. We sell products in the form of healthcare products, food additives, and cosmetics globally. From upstream R&D and production to downstream sales, we provide a wide range of technical and customer-oriented services.

Commitment to Product Development and Innovation

Through continuous innovation and precise product positioning, Allied Biotech maintains a competitive business advantage. Over the years, the investment supporting innovation and development, on average, amounts to 3-4% of its total turnover. In 2019, we invested about NT\$ 25 million in product development and innovation. Superior product quality and innovative technology are essential for maintaining Allied Biotech as the world's third-largest carotenoid manufacturer. We also hold a number of EU and US patents on Lutein and Lycopene.

Additionally, in order to provide environmentally friendly and cruelty-free products in line with customer demands, Allied Biotech has developed a full range of RSPO (Roundtable on Sustainable Palm Oil) certified or Palm Free products to reduce the use of palm-oil-related raw materials. Currently, more than 90% of Allied Biotech products adhere to Palm Free or RSPO principles.



Allied Biotech Products

Product	Description
Altratene® β -Carotene	The Altratene® β -Carotene product line comes in water-soluble powder, emulsion, oil suspension, and tablet formulations suitable for food and beverage products, as well as dietary supplement products and cosmetics. Altratene® β -Carotene products offer a full spectrum of yellow to reddish orange shades, creating a vibrant and appealing color in various applications.
Altratene® β -Apo-8'-Carotenal	Altratene® β -Apo-8'-Carotenal powder-based and oil-in-water fluid emulsion products are commonly used in beverages or other food applications to replace artificial colors like Allura Red or Ponceau 4R. In addition, Altratene® β -Apo-8'-Carotenal oil solution and oil suspension products are designed for processed cheeses, dressings, and soup applications to achieve a light orange shade.
Lycotene® Lycopene	Lycotene® Lycopene products come in water-soluble powder, emulsion, oil suspension, and tablet formulations in a range of fine red colors and are used as a nutrient for food, dietary supplements, and pharmaceutical products.
Lutene® Lutein	Lutene® Lutein powder products are water-soluble and can be used as dietary supplements and food colorants with a bright yellow color. On the other hand, Lutene® Lutein oil suspension products are mainly used in soft gel capsules and oil/fat-based applications.
Canthatene® Canthaxanthin	Canthatene® Canthaxanthin powder and emulsion products come in shades of reddish orange and are used as a colorant in food and beverage applications. Canthatene® Canthaxanthin powder is also commonly used as a feed additive in the poultry and aquaculture industries.
NanoQ® Coenzyme Q10	NanoQ® Coenzyme Q10 water-soluble powder products are suitable for innovative food products and nutritional beverages.



Quality Management

<p>Policies and Commitments</p>	<p>Policies Top Quality and Safety First.</p> <p>Objectives Meet product quality requirements from customers.</p> <p>Commitments Achieve quality objectives, implement solutions, review appropriateness and evaluate deficiencies during Management Review Meetings to ensure that all quality management personnel have a full understanding of quality related policies and management systems, and are able to utilize their understanding in their respective positions, so as to establish an efficient quality management system that complies with international standards. Our commitments to quality requirements include:</p> <ul style="list-style-type: none"> • Continuous improvement and quality enhancement. • Protect product quality to establish an ethical management system. • Comply with international regulatory requirements. • Quality assurance is part of our commitment to society. • Strengthen training and set "zero quality deficiencies" as our priority. 	
<p>Objectives</p>	<p>Short-Term</p>	<ul style="list-style-type: none"> • Inspect each batch of raw materials, conduct on-site inspections of production processes, and check each batch of finished products to ensure product quality. • Participate in external quality management activities to reduce occurrences of quality deficiencies and strengthen personnel training. • Participate in external certified inter-laboratory comparisons to confirm the accuracy of our inspections, and organize external inspection training courses for QC personnel to enhance inspection capabilities, reduce occurrences of quality deficiencies and strengthen personnel training. • Maintain FSSC 22000, ISO 9001, KOSHER, and HALAL certifications, and comply with international regulatory requirements for product quality and food safety standards. • Strengthen voluntary inspections and reduce occurrence of quality deficiencies as 1% errors will result in 100% of losses.
	<p>Mid- and Long-Term</p>	<p>Formulate annual quality objectives according to corporate development strategies and market conditions, and implement PDCA improvement activities to ensure achievement of quality objectives.</p>

Customer Health and Safety

<p>Policies and Commitments</p>	<p>Policies</p> <ul style="list-style-type: none"> • Use legal and safe raw materials. • Evaluate and select qualified suppliers to ensure quality and safety of raw materials and products. <p>Commitments</p> <ul style="list-style-type: none"> • Zero food safety incidents. • Provide customers with safe products of stable quality that can be used without cause for concern. 	
<p>Objectives</p>	<p>Short-Term</p>	<ul style="list-style-type: none"> • Inspect each batch of procured raw materials. • Conduct on-site inspections of production processes and check each batch of finished products to ensure product quality and safety. • We continue to conduct training for on-site personnel according to GHP principles; managers of production units conduct health and safety checks during each shift and daily QA patrols to implement food safety policies and ensure food safety.
	<p>Mid- and Long-Term</p>	<ul style="list-style-type: none"> • Regular supplier evaluations and visits to domestic suppliers. • Continued screening of top-quality raw material suppliers. • Maintain FSSC 22000, ISO 9001, KOSHER, and HALAL certifications, and comply with international regulatory requirements for product quality and food safety standards.



Quality Control

Allied Biotech has established rigorous internal quality control policies and processes; we supervise, measure, and conduct data analysis during the production of all products, while also implementing internal and external audits, preventive measures, and management reviews to strengthen product quality, eradicate hazards, and ensure that our finished products are delivered to our customers under the best conditions.

Due to the unique nature of our products, we have made considerable investments in resources and time to ensure the quality of our production processes and finished products. Through internal and external inspections, we ensure that no prohibited chemicals are added to or exists in our finished products. In 2019, we commissioned the Tentamus Group and SuperLab company to conduct external quality inspections and external laboratory comparisons. In 2019, a total of 810 items (383 raw materials and 427 finished products) were inspected, and no quality abnormalities were found.

Quality Management Procedures



2.2 Quality Management

Certificates

Allied Biotech meets the requirements of the ISO 9001 Quality Management System standard, the ISO 22000 Food Safety Management System standard, the HACCP certification (Hazard Analysis and Critical Control Point System), the FSSC 22000 Food Safety System certification, and the TFDA Food Safety and Sanitation Management System certification.

Allied Biotech products have also passed many international certifications reflecting the company's commitment to this agenda. We put our resources into addressing needs such as Kosher and Halal certifications to meet the regulations of destination countries.

In addition, the company's product design and use of raw materials comply with the following regulations to ensure customers' health and safety: R.O.C health regulations of the Act Governing Food Safety and Sanitation, as well as JECFA (The Joint FAO/WHO Expert Committee on Food Additives), USP (The United States Pharmacopeial Convention), EFSA (European Food Safety Authority), HACCP, and GMP related regulations and principles. Also, our products are in compliance with non-GMO and allergen-free specifications, and we are actively developing a Palm Free/RSPO series.

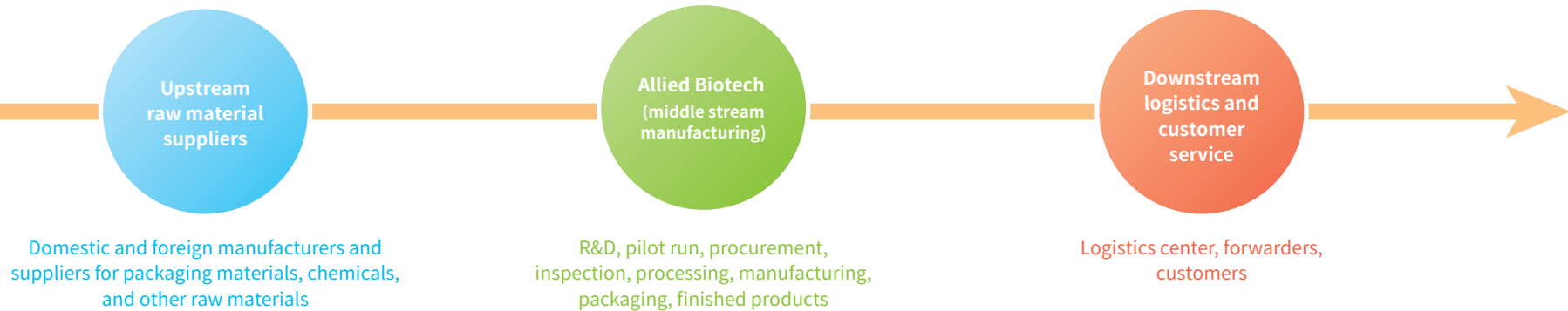
Supply Chain Management

Allied Biotech products are all manufactured at our factory at Taoyuan Guanyin Industrial Park. The supply chain provides raw materials for carotenoid production.

Our supply chain management is carried out at different levels which include rigorous supplier reviews and follow-up supplier audits. Suppliers must go through sample tests, documentation evaluations, and site evaluations if necessary before becoming our suppliers.



Allied Biotech Value Chain



We require all of our raw material suppliers to provide original manufacturer product certifications such as Kosher, Halal, and ISO certificates, as well as legally acquired source certificates including original manufacturer test reports, import declarations, and TFDA issued product import permits to prove the legality of their raw materials.

Due to the unique nature of our products, almost all the raw materials used come from foreign manufacturers, through Taiwanese agents and distributors. When the goods arrive at our factory, a certificate of analysis (COA) must be provided. We also rigorously examine product packaging and labeling, take a sample of each batch of raw materials to test and inspect, and review the supporting documents to ensure quality and legality of the raw materials.

We conduct regular audit assessments of suppliers every year. The auditing items include the supplier's delivery capability, product quality, service, and documentation as the four major evaluation principles. Suppliers that do not meet the eligibility criteria will be excluded from procurement considerations for one year. After one year, should there be a need to procure from the supplier, it must be re-evaluated with the assessment conditions for a new supplier.

Target achievement rates of raw material deliveries from 2015-2019 surpassed 90%, meeting our quality requirements. In 2018, there was only one incident where raw materials were returned because of failure to pass appearance inspections. All raw materials passed inspections in 2019, showcasing supplier excellence in deliveries and material quality. We replaced supplier evaluations with a supplier scoring system in 2017. Scoring results are divided into four levels (A, B, C, D). All suppliers received A ranking in 2018 and 2019, and no suppliers failed to pass evaluations.

2.2 Quality Management

Delivery Management

Delivery management plays an important role in meeting customers' demands. Starting from preparing raw materials to producing finished products, as well as delivery to customers, we take every step seriously and carefully. There are eight aspects in our delivery management procedure to ensure that customers receive our high-quality products on time. Our raw materials are all procured from long-term contacts with no supply shortages, and we continually develop new material sources to maintain at least two suppliers for each type of raw material. We have also established a safety stock and stay abreast of market changes in raw materials.



Customer Satisfaction

Policies and Commitments	We utilize our innovative expertise in product development to provide diligent customer services, dedicate ourselves to developing products that meet customer demands, and commit to providing customers with safe products of stable quality. We hope to serve as a long-term trusted partner for our customers.	
Objectives	Short-Term	<ul style="list-style-type: none">• Continually develop new products to meet the needs of different customer applications.• Offer close collaboration and rapid responses when providing support on product applications, and assist customers in solving various product problems.
	Mid- and Long-Term	<ul style="list-style-type: none">• Customize products to meet customer needs.• Utilize the excellent R&D capabilities we have developed over the years and work with our customers to develop innovative products and achieve mutually beneficial results through collaboration.
Appeal Process	We conduct customer satisfaction surveys every year, and have also established a “Customer Feedback Management System” and a website customer service mailbox to maintain contact with existing or potential customers.	



Specific Actions

Investments in Human Resources

- Added the position of Chief Operating Officer: We promoted our former technical director to the position of Chief Operating Officer, who is responsible for managing and facilitating coordination between sales and production units, and ensuring rapid responses to customer needs and market changes.
- Added dedicated marketing personnel: We added a dedicated marketing personnel to integrate corporate marketing resources and update materials relating to our corporate image and product marketing to promote our products.
- Added supply and demand coordinator: We added a supply and demand coordinator to coordinate communication between customers, sales personnel, and production units; oversee product inventory levels; and ensure on-time deliveries.

Marketing

- Complete updating of marketing materials: We designed completely new product flyers to promote our products under a new and more professional image, thus bringing a whole new look to our customers.
- Complete updating of corporate website: We began development and design of our new corporate website in 2019, and expect to officially launch the new website in mid-2020, using lively and bright design elements to shape a whole new corporate image.

Establishment of China subsidiary

At the end of 2019, we prepared for establishment of our subsidiary in Shanghai, China, and obtained our business permit on January 1, 2020. In the past, the Chinese market was managed by our distributor, but in future, our Shanghai subsidiary will be responsible for promoting and selling Allied Biotech products, making for more direct contact with our customers and faster responses to customer needs.



Channels for Customer Communication

Allied Biotech is dedicated to developing products that meet customer demands while assisting customers in solving any issues and offering product application knowledge. We conduct customer satisfaction surveys every year, and have also established a website customer service mailbox to maintain contact with existing or potential customers. We have also formulated “Customer Feedback Management System” to handle customer complaints.

Quality Management Procedures



Ch3 People

- 3.1 Workforce Data
- 3.2 Compensation and Benefits
- 3.3 Talent Development
- 3.4 Health and Safety
- 3.5 Social Participation



Allied Biotech believes that high-quality human assets are one of the key factors for the success of the company. Based on Allied Biotech’s corporate philosophy, our continuous investment in human capital also helps us gradually move toward our business objectives. Allied Biotech continues to use established recruitment processes in 2019 to select, screen, and appoint talent. Our overall talent recruitment plan is moving toward more standardized operational procedures which enhance efficiency and prioritize recruitment quality.

Workforce Structure

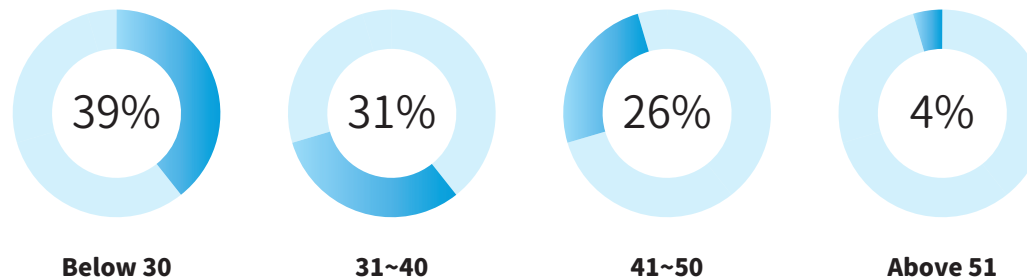
Employee Composition

Allied Biotech attaches great importance to stable and long-term personnel development supplemented by establishment of clear performance targets, driving managers and employees of all levels to expend full efforts in completing their tasks and reviewing their own performance. Stable human resource planning allows us to effectively build employee commitment.

We had 169 employees in 2019. We currently hire no contractors and our ratio of male to female employees is around 8:2. We have no disabled personnel on staff at present, and no union has been founded by our employees.

In 2019, we hired 23 full-time employees. Most of our new recruits were under 40 years of age, making up 70% of new recruits; 19 employees resigned over the past year, bringing our overall turnover rate to 11.2%. Additionally, Allied Biotech is currently facing a transition in employee age groups; in future, we will strengthen transfer and cultivation of work skills and corporate culture in our mentorship system to quickly fill our talent gaps.

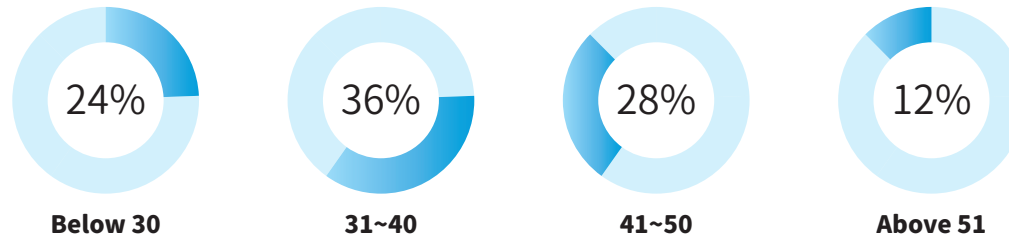
New Recruits in 2019 (Total 23 Employees)



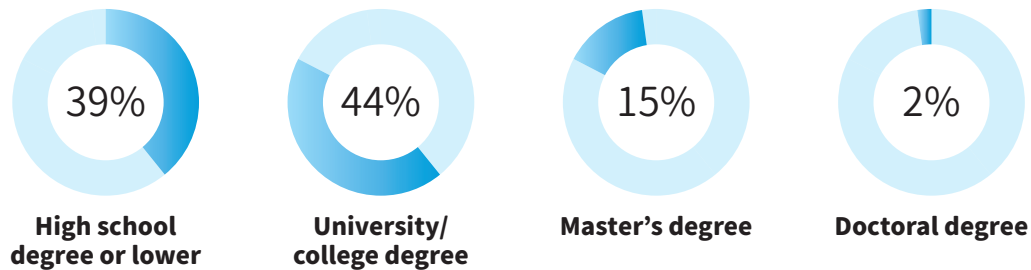
3.1 Workforce Data

In terms of age distribution, the highest proportion of employees are aged between 30 and 50 years of age, accounting for 64% of all personnel. In terms of education levels, 60% of our employees hold a college degree or higher; of these, university/college degree make up the largest proportion at 44%. In terms of job positions, the largest proportion of employees are made up of entry-level staff and managers, respectively accounting for 39% and 32% of all personnel. We have worked to flatten our corporate structure in recent years for the purposes of building up a solid internal organizational structure, which is why we have a higher number of office units and a relatively high proportion of management personnel.

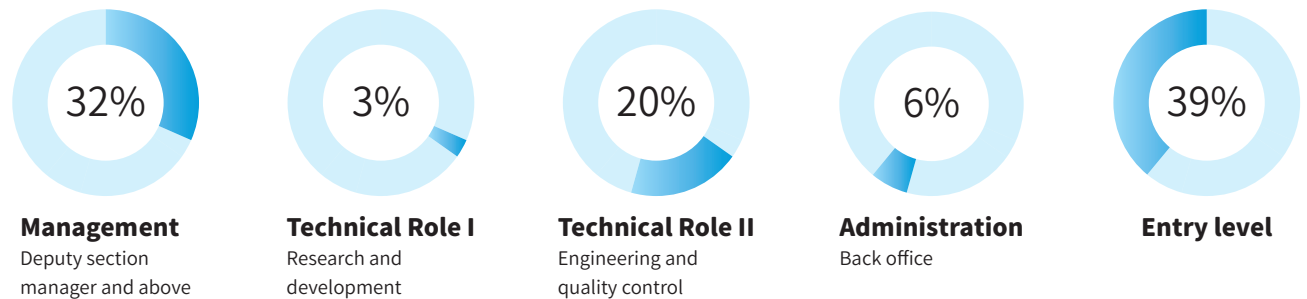
Employee Age Distribution in 2019



Distribution of Employee Education levels in 2019



Distribution of Employee Job Positions in 2019

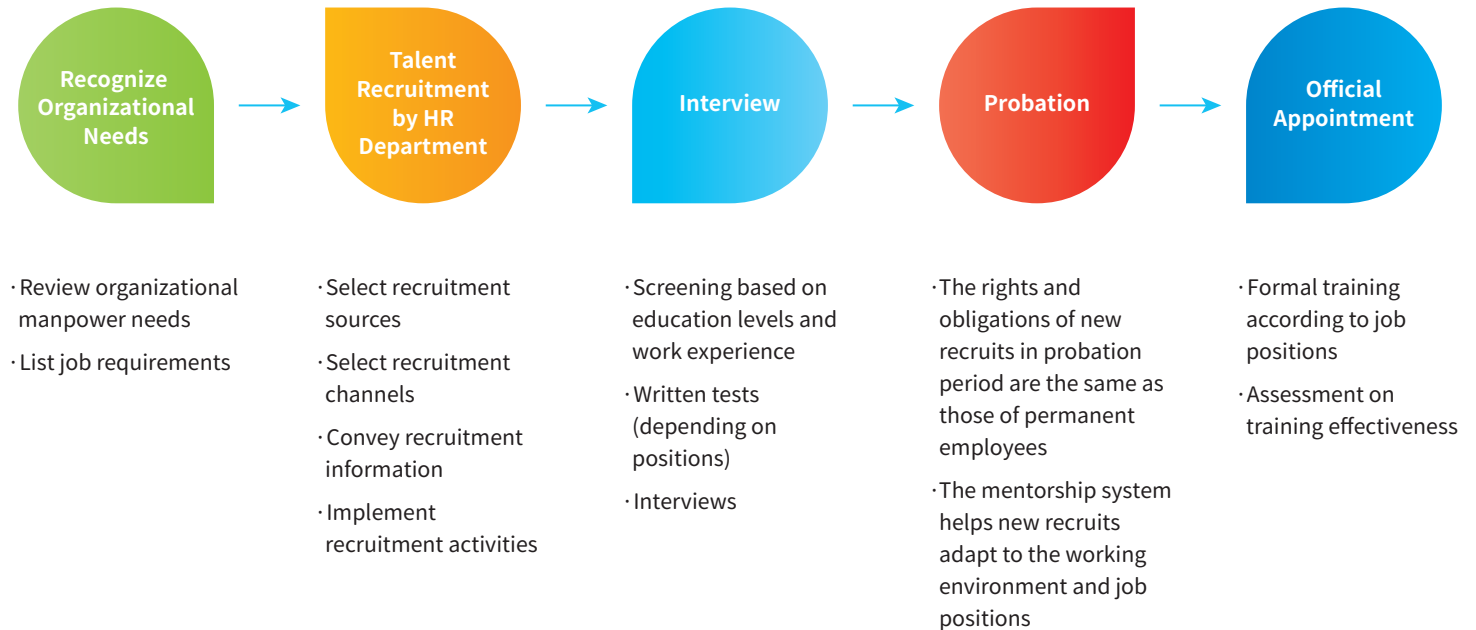


Employment Policies

Allied Biotech does not discriminate on the basis of race, class, language, ideology, religion, political affiliation, ancestral home, birthplace, gender, sexual orientation, age, marital status, physical appearance, facial features, physical or mental disabilities, or previous union membership regarding recruitment, selection, deployment, allocation, appraisal, promotion, pay, retirement, severance, resignation, dismissal, training, and benefits for personnel of all levels. No discriminatory incidents occurred during the period covered by this report.

Employment Process

We believe that putting people in positions suitable for their talents can make the best use of their strengths and maximize their value, thereby enhancing the company’s production value, profitability, and even shareholder benefits. Therefore, we are committed to selecting suitable talents for Allied Biotech using the following procedures:

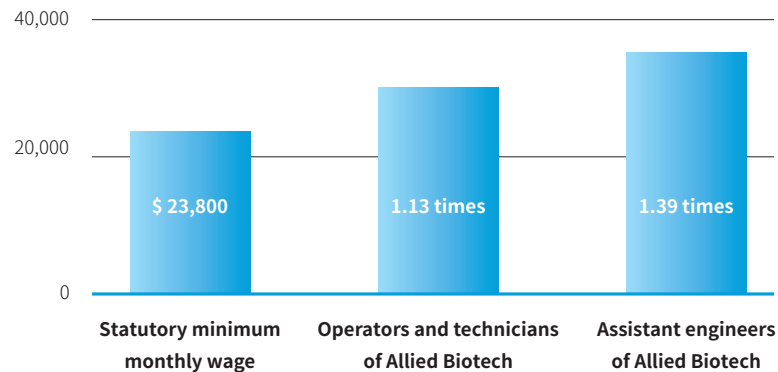


3.2 Compensation and Benefits

Salary and Compensation

Allied Biotech provides competitive compensation packages and appraisal systems. The starting salaries of our entry-level staff (including operators and technicians) and assistant engineers are all at least 1.13 times higher than statutory minimum monthly wage for 2020, displaying the level of importance that Allied Biotech attaches to employee well-being. New recruits of all levels at Allied Biotech are paid according to the salary levels listed in our job position and salary scale charts. Salaries of those with relevant experience or who deserve special merits may be adjusted as appropriate. Additionally, we make salary adjustments each year based on operational performance; relevant indices released by the Directorate-General of Budget, Accounting and Statistics; and conditions of related industries. Average salary adjustments over the past three years have reached 2-3%.

Entry-Level Staff Wage Standard



3.2 Compensation and Benefits

Employee Care

Allied Biotech has established relevant policies on labor and human rights to comply with government regulations, which are implemented on all employees. We have not incurred any violations or penalties relating to labor and human rights laws over the past three years. We did not incur any violations of our commitment to protect the human rights of our employees in 2019, and we have also passed relevant labor inspections conducted by governing authorities. Furthermore, our employee labor conditions adhere with the latest revisions made to the Labor Standards Act and related regulations. Our commitment to the maintenance of labor and human rights are as follows.

Compensation and Benefits	Salaries are negotiated between Allied Biotech and its employees, but shall not be lower than statutory minimum wage. Allied Biotech will not withhold labor wages for liquidated damages or indemnification. An employee welfare committee has been established to provide holiday bonuses, birthday bonuses, annual company trips, year-end parties, and other benefits.
Prohibition of Child Labor	Article 44 of the Labor Standards Act stipulates that no child labor or underage workers (between 16 and 18 years of age) are permitted to engage in any potentially dangerous or hazardous job tasks. Therefore, we ensure that all employees have reached statutory working age.
Working Hours and Overtime	The regular working hours may not exceed 8 hours a day and 40 hours a week. If there is a need for overtime work, employee consent must be received and overtime pay or compensatory leave must be provided to employees. When an employee is unable to work outside of regular working times due to health or other legitimate reasons, the employer shall not force him/her to work.
Sexual Harassment Prevention	According to the Act of Gender Equality in Employment, when employers become aware of the occurrence of sexual harassment, effective correctional and remedial measures must be implemented immediately. Allied Biotech has established measures for sexual harassment prevention, incident reporting and disciplinary action. All these measures mentioned above are regularly communicated and promoted in the workplace.

Employee Health Checks

To ensure the physical health of all employees in the workplace, we carry out annual health checks for our factory employees. In addition to statutory inspection items, abdominal ultrasounds and bone mass density tests are also included in annual health checks. We hope that employee health check reports can provide an early warning for lifestyle modifications to maintain physical health. We have also started conducting regular health checks on employees at our Taipei headquarters in 2017.

Employee Welfare Committee

According to the Organization Regulations on Employee Welfare Committee, an ex officio member is appointed, and the rest of the members are subject to elections. According to the Organization Regulations on Employee Welfare Committee and the Employee Welfare Fund Act, the Employee Welfare Committee reviews, promotes, and supervises employee welfare activities, and also engages in planning, custody, and use of the employee welfare fund.

Employee Welfare

Category	Content
Bonus	<ul style="list-style-type: none"> • Year-end bonuses • Profit sharing with stock bonuses • Holiday bonuses/gifts
Insurance	<ul style="list-style-type: none"> • Labor insurance, health insurance, employee group insurance, accident insurance, and occupational insurance
Fundamental Welfare	<ul style="list-style-type: none"> • Daily shuttle services from Taipei to Taoyuan factory • Employee canteen at Taoyuan factory • Annual domestic company trips
Incentives	<ul style="list-style-type: none"> • Newcomer referral bonus • Performance bonus • Production bonus • Shift allowance • Double-time wages on holidays • Comprehensive promotion system
Leave	<ul style="list-style-type: none"> • Annual leave • Paternity leave • Family care leave • Menstrual leave
Subsidies	<ul style="list-style-type: none"> • Marriage allowance • Maternity benefit

Parental Leave

To provide sufficient support in balancing their life and work, Allied Biotech offers employees parental leave in accordance with legal regulations. In 2018 and 2019, a total of 2 persons applied for parental leave.

Foreign Employee Care

The “Foreign Worker's Living Care Service Plan” has been established to provide benefits and effective management of foreign employees in terms of their daily life and accommodation.

Pension System

Allied Biotech has established a solid pension system. Based on the Labor Pension Act, Allied Biotech contributes 6% of the employees’ monthly wage to Labor Pension Reserve Fund every month. Employees may apply for pension payments from the date of eligibility.

3.2 Compensation and Benefits

Internal Communication

Allied Biotech focuses on facilitating open communication in the workplace. When encountering any problems at work or providing feedback about the company, we encourage our employees to directly inform their unit supervisors who will then report to the CEO.

Additionally, Allied Biotech has established an "Employee Appeal and Feedback Mechanism" and set up electronic employee appeal forms which were officially launched online in March 2017. Employees can submit appeals through this channel, and relevant electronic forms will be delivered to the head of the human resources department, who will handle the matter according to the nature of the appeal. The head of the human resources department will then report to CEO or chairman. We have received no employee appeals as of December 31, 2019, though we will continue to follow up on relevant matters and ensure smooth communication with our employees.

The "mid-year/year-end appraisal mechanism" also allows employees to provide feedback to the Company. Through this mechanism, supervisors can communicate directly with employees to ensure their opinions are heard and handled.

Future Plans

- Continued provision of additional and more effective channels for internal communication
- Periodic review and resolution of employee-reported problems



Career Development

Allied Biotech career development ideals:

- Utilize existing employee training to reduce gaps in necessary skills, enhance job-related skills, improve performance, and create learning motivation so that our employees can possess the capabilities to execute their jobs and gain job satisfaction.
- Implement training in stages for the needs of different ranks and job functions, and offer external or self-organized internal training to our employees.
- Adhere to the skills required by our corporate operational targets to realize mutual growth for our employees and the entire organization.

Training

Talent Training Practices

Allied Biotech has formulated a comprehensive talent development system which speeds employee learning through five main methods. The system is regularly reviewed and adjusted, and serves as a basis for adjustment of employee development policies.



Development of Core Skills



Mentorship Teaching



Training for New Recruits



Training in New Technologies



Professional Performance Appraisals

Our training programs include training for new recruits, training in general knowledge and skills, technical training, and management training. Different training programs are provided based on employee needs and job requirements.

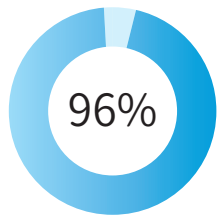
During training, the "Performance Evaluation Chart for Internal Training" is used to assess the learning results of attendees, and to determine whether training objectives and needs have been achieved. For outsourced training sessions, unit managers are required to fill out a "Comprehensive Training Evaluation Chart" within three months after training has concluded to assess how attendees are applying what they have learned in their work; manager feedback aids with planning for more appropriate lecturers and more effective training.

3.3 Talent Development

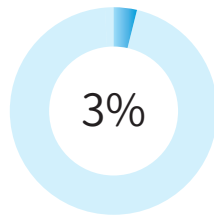
Training Implementation

The number of total training hours in 2019 rose compared with the previous year. In terms of training attendee numbers, the number of attendees and training hours for technical training was the highest, accounting for 96% of all training hours. To comply with the regulations of the Occupational Safety and Health Act and the need to enhance various professional skills, our total training hours increased compared with 2018. Training hours for our female employees increased greatly by around 94.6%, while training hours for male employees rose by around 39.5%.

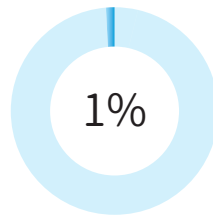
Training Hours in 2019 (Total 3,081.5 hours)



Technical Training



Management Training



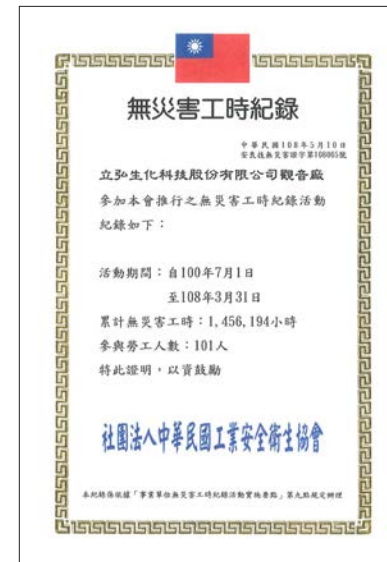
Training for New Recruits



Occupational Health and Safety

<p>Policies and Commitments</p>	<p>Policies "Safety first"; maintain health and safety management in the workplace; promote safe production environments; protect employee health and safety.</p> <p>Commitments Allied Biotech is dedicated to providing employees with safe workplace environments, occupational health and safety training, and health benefits and systems to prevent occurrence of occupational hazards while protecting the health and safety of our staff during work activities, thereby allowing our employees to achieve a work-life balance.</p>	
<p>Objectives</p>	<p>Short-Term</p>	<ul style="list-style-type: none"> • Improve process environments • Personnel health and safety training • Monitor workplace environments • Special health checks for prevention of occupational diseases
	<p>Mid- and Long-Term</p>	<ul style="list-style-type: none"> • Substitution with safe chemicals • Renewal of hazardous equipment • Ensure workplace environments adhere to permissible exposure limits • Safety appraisal systems for personnel promotion

Maintenance of safety conditions and safe workplace environments is one of the basic elements for protecting personnel safety. We consider "top quality, safety first" to be our core ideal for production-related operations. In 2019, we continued to participate in the injury-free working hours competition hosted by the Occupational Health and Safety Administration. As of December 2019, our Taoyuan Factory has accumulated 1,618,225 injury-free working hours.



Injury-free working hours certificate for 2019

Accumulated injury-free working hours as of March 31, 2019

Future Plans

- Maintain our injury-free working hours record and continue to build a safe workplace environment for our employees
- Continue to organize personnel safety training
- Continue to convene Health and Safety Committee meetings to discuss work safety issues and regulations

3.4 Health and Safety

Occupational Health and Safety

Governing authorities have conducted non-periodic occupational health and safety inspections over the past few years, but no projects at Allied Biotech have been suspended as a result of these inspections. Incidents that incurred fines were improved upon within 3 days, and we have taken effective preventive measures to prevent future violations from occurring.

We have established a first-level occupational health and safety management unit at our Taoyuan Factory; the unit is mainly responsible for formulating, planning, and overseeing occupational health and safety regulations and systems; promoting management of occupational health and safety tasks; guiding implementation in relevant units; reviewing health and safety codes of practice from time to time; and facilitating revisions alongside labor representatives. Additionally, we comply with the requirements of occupational health and safety management regulations, occupational health and safety management plans, and voluntary inspection plans to prevent occupational hazards from occurring.

To ensure the physical and mental health of all employees in the workplace, we carry out annual preventive health checks relating to noise and other special operational environments, thus protecting our employees from suffering adverse effects. Furthermore, we have formulated emergency response programs in preparation for announcements of serious epidemic conditions made by the Centers for Disease Control to prevent epidemics from spreading and to protect the safety of our employees. Apart from implementing regular health checks on our factory employees in accordance with legal regulations, Allied Biotech has also implemented regular health checks on employees at our Taipei headquarters starting from 2017.

Employee Health Checks in 2019



3.4 Health and Safety

Statistics on Work-Related Injuries

We are focused on improving unsafe environments and actions in the workplace, providing adequate and effective personal protective equipment, and helping each employee understand the importance of safe operational procedures. No disabling injuries occurred at our factory from 2011 to 2019. The total number of work hours at our factory for 2019 was 192,040 hours.

Health and Safety Committee

We have established a Health and Safety Committee at our Taoyuan factory. As the number of personnel at our factory do not meet regulated requirements, Committee meetings are convened non-periodically. Labor representatives make up one-third of Committee members. Review of false alarms, revision of work safety regulations, safety management of production processes, and risk evaluations are fully discussed and implementation methods are approved during the meetings.

Fire Hose Training



Fire Extinguisher Training



3.4 Health and Safety

Labor Safety Training

Allied Biotech conducts annual health and safety training at our factory. Our training courses include periodic employee health and safety training and non-periodic occupational health and safety training organized by external units. In 2019, our comprehensive training program for all employees included occupational health and safety courses, emergency response drills for toxic chemical substances, promotion of environmental laws and regulations, and fire drills. We hosted a total of 2 training sessions which were attended by 121 participants.

Additionally, we established health and safety training for dangerous and hazardous materials that new recruits have to complete prior to entering our factory. We hosted a total of 13 training sessions in 2019 which were attended by 17 attendees.

External training and refresher training are conducted according to professional management and operational tasks, including training for operators of stackers with loads of more than 1 metric ton, Level B boiler operators, managers of operations involving specific chemical substances, managers of oxygen-deficient operations, managers of operations involving organic solvents, and operators of hazardous equipment. In 2019, we sent 54 attendees to 32 training sessions. All occupational health and safety inspections conducted by governing authorities in 2019 found us to be in compliance of regulations. No fines were incurred.

Group Training for Emergency



Fire Prevention Training Responses



Allied Biotech supports social welfare activities and encourages employee participation. We are also attentive to formulation and discussion of industrial bills, and have joined many discussions and seminars. We hope that our participation in diversified social activities can bring about more proactive actions in future. In 2019, Allied Biotech was mainly involved in the following two types of social participation:

1. Participation in bill negotiations and food safety activities
2. Participation in community activities

Occupational Health and Safety Advisory Group receives an award from the mayor in 2019



Participation in Bill Negotiations and Food Safety Activities

Allied Biotech utilizes our expertise as a professional industry player to actively participate in discussions and negotiations of industrial bills, thus realizing our corporate social responsibilities. We have participated in multiple meetings and briefings related to the Food Enzyme Management Act, food safety evaluations for suspicious chemical substances, and cross-strait food safety standards and optimization of regulations, allowing full discussion of relevant issues and assisting promotion of these bills. In 2019, 5 Allied Biotech employees participated in these events; the total number of discussion hours was 62 hours.

Additionally, Allied Biotech also actively participates in food safety activities and even hosted three seminars and other pre-meetings related to evolution and application of food safety and food additives on behalf of CFAA and HACCP. In 2019, 8 Allied Biotech employees participated in these events; the total number of discussion hours was 112 hours.

Participation in Community Activities

We make it our mission to support development and activities in neighboring communities, not only acting as a consultant for the Caota Volunteer Firefighting Squad, but also continuing to serve as the main training factory for the Health and Safety Promotion Association of the Guanyin Industrial Park, for which we received an award from the service center of the Guanyin Industrial Park at the end of the year. Our occupational health and safety personnel were also nominated as national outstanding industrial park personnel this year and received an award from the Manufacturers' United General Association of Industrial Park of R.O.C. Allied Biotech continues to regularly participate in community activities, and we also encourage our employees to participate in government-run activities. Our factory occupational health and safety personnel also joined the Occupational Health and Safety Advisory Group of the Taoyuan City Labor Inspection Office in 2019 and received an outstanding personnel award from the mayor. In future, we plan to participate in even more charitable and social activities.

Ch4 Environment

- 4.1 Environmental Responsibility
- 4.2 Management of Raw Materials
- 4.3 Climate Change and Energy Management
- 4.4 Water Management
- 4.5 Waste Management and Pollution Control



Fulfill Environmental Protection Responsibilities and Prevent Environmental Pollution

Our environmental policy is to fulfill our environmental protection responsibilities, continue to improve the environment, and prevent occurrence of environmental pollution incidents. In order to realize our commitment to green operations and sustainable development, we have formulated short-, mid-, and long-term environmental sustainability targets, and regularly review our performance evaluation systems.

Our initial investments in environmental protection were focused on infrastructure equipment for protecting the environment, and we gradually optimized processing equipment and processes each year. Our recent investments in environmental protection continue to optimize our processes, and we supplemented these investments with reuse of resources. For example, we strengthened management of wastewater, waste, and safety routes in 2019 to fulfill our corporate environmental responsibilities beyond the limits required by law.

Reduce Environmental Impacts of Products and Services

Allied Biotech is attentive to environmental impacts that may arise from our R&D processes, raw materials, product development, suppliers, and overall operations; we also strive to reduce our environmental impacts and strengthen our environmental protection actions.

- **R&D processes:** We comprehensively consider all possible waste types and volumes that may be generated during production processes, and work to reduce waste prior to mass production processes.
- **Raw materials:** In terms of raw material management, we store all liquids in storage tanks, and our suppliers deliver all liquid materials in tanker trucks which can directly pour materials into our storage tanks.
- **Product development:** We continue our efforts to develop a full range of Palm Free products in 2019, and have begun switching to RSPO-certified materials in hopes of reducing our use of palm oils as part of our contribution to environmental protection. In 2019, our customer product development department and formulation plant collaborated to complete mass production processes for 8 new Palm Free products; the quality and cost for these products all complied with expected targets.
- **Suppliers:** We evaluated supplier features relating to environmental impacts, including environmental management systems, emergency response plans, prior involvement in environmental pollution incidents over the past two years, and whether packaging materials can be recycled and reused. Evaluation results are taken into consideration during supplier selection and auditing processes.
- **Overall operations:** We continue to implement water-saving measures at our factories and attempt to reduce wastewater discharge through process improvement; recycled water is used in some non-production processes. Waste solvents produced by production processes undergo processing to remove residual acids and impurities, following which the waste is distilled and collected for recycling and reuse in production processes after they are confirmed to comply with quality control standards. In 2019, we also planned to install high-concentration wastewater evaporators and rectification equipment. The former is used for integrating extracted VOCs with RTO to produce clean energy (air vapor) and reduce COD levels in wastewater; the latter is used for increasing solvent recycling rates and solvent concentration, decreasing amounts for outsourced incineration, and increasing carbon reduction benefits.

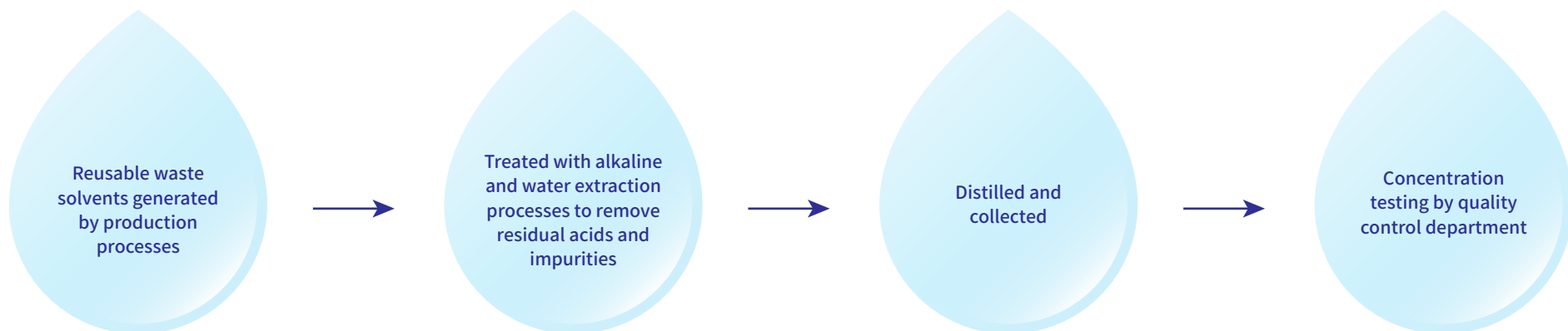
4.2 Management of Raw Materials

Allied Biotech mainly produces health foods and food additives. Therefore, the raw materials used directly in our products are not renewable materials. However, we recycle and reuse supplementary raw materials in order to enhance resource usage efficiency. Allied Biotech strives to increase the proportion of renewable raw materials; over the past three years, our ratio of renewable materials has increased by 4.5%.

Usage of Raw Materials and Renewable Materials

Year	2017	2018	2019
Total Usage of Raw Materials (kg)	2,598,909.20	2,759,082.25	2,890,956.34
Total Usage of Renewable Materials (Recycled Solvents) (kg)	623,086.40	775,187.50	823,327.00
Ratio of Renewable Materials (%)	23.97%	28.10%	28.48%

We mainly recycle solvents from our synthesis plant for reuse. The waste solvents generated through various production processes are first subjected to alkaline and water extraction processes to remove residual acids and impurities, following which the waste is distilled and collected for concentration testing by our quality control department. Materials which comply with standards are then reused in our production processes.

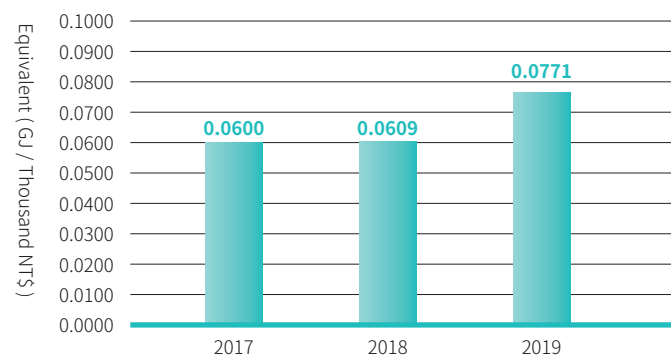



4.3 Climate Change and Energy Management


Energy Usage Management


The primary energy sources used at Allied Biotech are electric power, heavy crude oil, and liquefied petroleum gas. Electricity is mostly used to power our air-conditioning systems and production machinery, while heavy crude oil and liquefied petroleum gas are used to power our factory steam boilers. We used 9,548.8 MWh of electricity in 2019, a decrease of 2.5% compared with 2018. In future, we will continue to manage and enhance our electricity usage efficiency. Furthermore, we also strive to decrease our usage of heavy crude oil to reduce pollution. We used 113.66 kL of heavy crude oil in 2019, a decrease of 28% compared with 2017. The overall energy consumption within our organization in 2019 was 49,301 GJ, and our energy usage intensity was 0.0771 GJ/thousand NTD of revenue, an increase of 26.6% compared with 2018 (0.0609 GJ/per thousand NTD of revenue).


Energy Usage Intensity



Electric Power	Consumption (kWh) / Per Year		
	2017	2018	2019
	8,545,200	9,795,400	9,548,800

Heavy Crude Oil	Consumption (kL) / Per Year		
	2017	2018	2019
	158	102.22	113.66

Liquefied Petroleum	Consumption (kg) / Per Year		
	2017	2018	2019
	70,100	136,980	198,460

Diesel Oil	Consumption (Liters) / Per Year		
	2017	2018	2019
	8,010	8,700	9,550

Notes : Electricity costs for our Taipei office include electricity usage in the amenity spaces of our office building and in the Allied Biotech offices. As these did not affect electricity usage at our factory, we have not included these costs in our calculations.

4.3 Climate Change and Energy Management

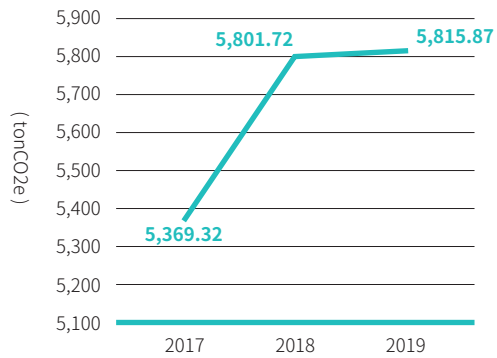
Management of Greenhouse Gases

Allied Biotech has begun conducting simplified organizational greenhouse gas inventories in recent years, including identification of emission sources, establishment of activity intensity data, and recording of emissions data to calculate our greenhouse gas emissions. Our usage of heavy crude oil, liquefied petroleum gas, and diesel oil rose in 2019 due to increased investment in sludge dryers in our wastewater treatment plants and increased steam usage in our production processes. Therefore, our internal greenhouse gas emissions rose slightly compared with the previous year.

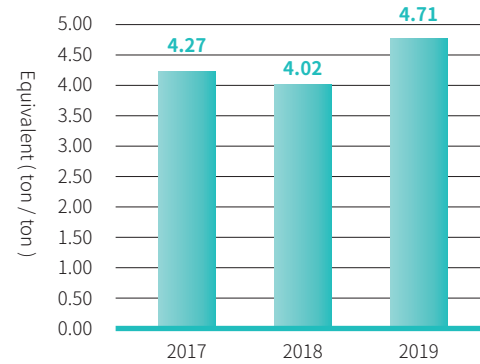
Energy and Carbon Reduction Measures and Performance

We require a large number of refrigerated areas to store our products during the production processes, which necessitate a high amount of electricity usage. Therefore, we consider introduction of technologies for maintenance and optimization of factory equipment to be an important energy-saving measure. In future, we will reduce and manage greenhouse gas emissions through energy- and carbon-reducing programs, and we have already formulated a two-year plan to achieve our energy and carbon reduction targets.

Greenhouse Gas Emissions



Greenhouse Gas Intensity



Notes: Greenhouse gas emission intensity=greenhouse gas emissions/production volume



4.4 Water Management

Our water resource usage is growing daily, necessitating complete and effective water resource management. Our water savings in 2019 increased by 2,549 metric tons compared with the previous year, and our water savings rate rose by 4.3%.

Future Plans

- Maintain water usage intensity
- Maintain water-saving measures and performance
- Manage indicators of poor performance through regular follow-up and review, and organize reduction plans

Water Resource Management

Water resources used at Allied Biotech are mainly sourced from tap water supplied by Taiwan Water Corporation. This water is mainly used in our production processes, including the water circulation systems of our cooling towers, RO water systems, and washing water for direct production processes. Water is also used in non-production processes for wet scrubbers in pollution prevention facilities, for washing sludge dewatering filter presses, and for domestic use by employees (for example cleaning of staff canteens and employee washroom usage). Our water consumption was decreased by 14.2% compared with 2018.

Unit: Tons

Tap water	2017	2018	2019
Usage amounts	76,060	79,240	67,978
Ratio	89.4%	89.0%	84.7%
Recycled water	2017	2018	2019
Usage amounts	9,033	9,765	12,314
Ratio	10.6%	11.0%	15.3%
Total consumption	85,093	89,005	80,292

4.4 Water Management

Water Usage Intensity

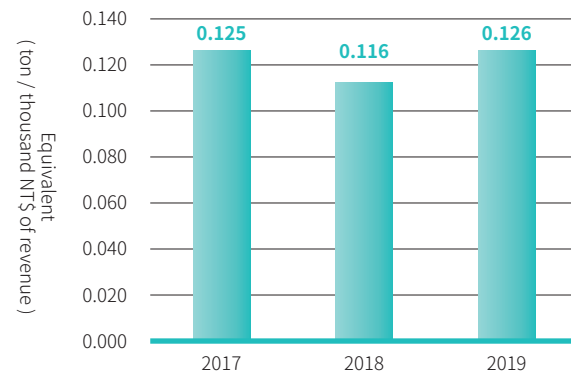
Our water usage intensity in 2019 was 0.126 tons/thousand NTD in revenue. Our usage of water resources was reduced by 4,801 metric tons compared with 2017. However, our unit water usage intensity rose slightly by 0.8% in 2019 due to a decrease in our product revenues.

Water-Saving Measures and Performance

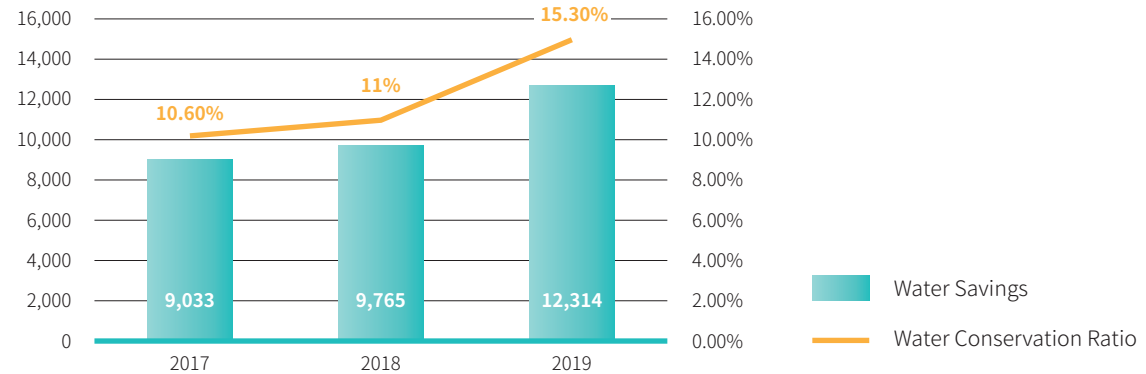
Our improvement measures for water conservation have always focused on evaluations of water usage benefits. Allied Biotech began promoting factory-wide water-saving plans (including process improvements and reduction of domestic water usage) starting in 2015. We successfully reduced our tap water usage by 36.3% in 2019 compared with 2017, demonstrating that our continued investment in water-saving measures has begun to pay off. Our future goal is to implement water-saving measures and review our water-saving efficiency each year to meet our water-saving targets.

Measures to reduce domestic water usage include installation of water-saving devices and adjustment of flushing water volumes in toilet tanks. Our wastewater discharge for 2019 was reduced by 10.4% compared with the previous year. We not only reduced our usage of water resources and operating costs of our wastewater treatment plants, but also increased environmental protection by reducing our amounts of wastewater discharge.

Water Usage Intensity



Water-Savings



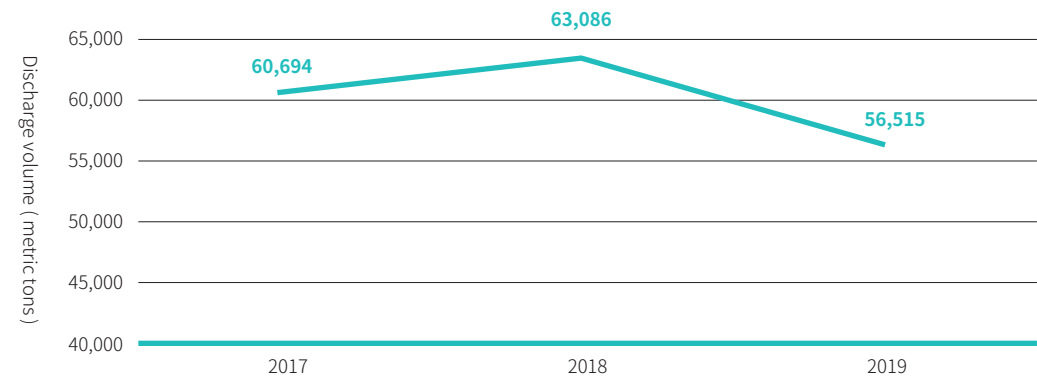
Treatment of Wastewater Discharge

The wastewater treatment plant at our factory was completed and commenced operations in 1998. It has operated stably since then, and we continue to facilitate updates. Allied Biotech fully supports improvements made to wastewater discharge volumes and is highly attentive of all possible risks relating to excessive wastewater discharge. We have established handling procedures for rapid resolution of hazardous issues that not only ensure our wastewater discharge comply with regulated standards, but also reduce our operational risks. In 2019, the average monthly COD level of our wastewater discharge was 409 mg/L, and the average monthly SS level was 22 mg/L.

Procedures for handling risks of excessive wastewater discharge

- Establishment of checkpoints and inspection highlights
- Listed as handover items for each shift
- Regular equipment maintenance
- Training for sand filter operators
- Monthly testing of alarm systems

Wastewater Discharge Volumes



COD and SS Levels of Discharged Wastewater

Unit: mg/L

Water Quality Indicator	Average Monthly Level			Monthly Discharge Limit
	2017	2018	2019	
COD (Chemical Oxygen Demand)	480.8	429	409	560
SS (Suspended Solids)	34.1	21	22	480

Waste and Wastewater

Policies and Commitments	To prevent environmental pollution incidents from occurring, all wastewater and waste generated during production activities are treated according to legal regulations. Our waste is classified, removed, and handled in accordance with legal requirements, and our wastewater quality complies with all regulated standards for wastewater discharge, in line with our responsibilities toward the environment.	
Objectives	Short-Term	<ul style="list-style-type: none"> • Ensure that wastewater and waste comply with legal regulations • Reuse of process waste • Improvement of wastewater pipelines
	Mid- and Long-Term	<ul style="list-style-type: none"> • Reduction of wastewater pollution sources • Increase in waste reuse ratios • Waste reutilization

Management of Air Pollutants

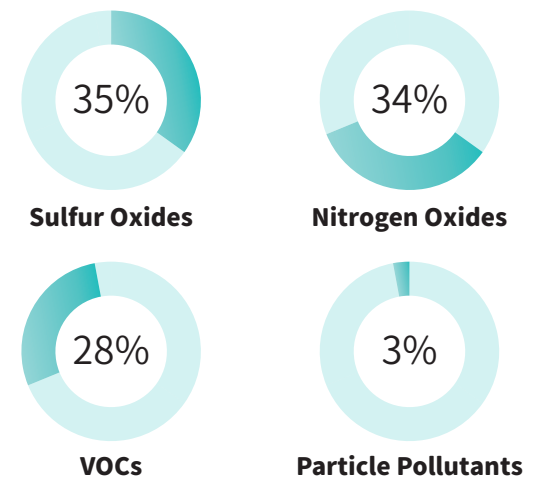
Our facilities for prevention and control of stationary pollution sources have obtained an operating license from the governing authorities, and is operated according to said license. We conduct periodic inspections in compliance with legal requirements and analyze and follow up on inspection results to ensure that all gases emitted within our factory adhere to regulated standards, minimize our air pollutants, and reduce our impacts on the surrounding environment.

All prevention and control equipment are included in daily inspections and regular annual maintenance to ensure that they continue to operate normally. Changes in production processes are all conducted in accordance with revisions made to our licenses to comply with legal requirements.

Future Plans

- Follow-up of actual air pollution improvements after installation of RTOs
- Follow-up of trends in total air pollution emissions and reduction of emission intensity
- Continue strengthening of air pollution and waste management to achieve zero-waste targets

Ratio of Air Pollutant Emissions in 2019 (Total 7.4 t)



4.5 Waste Management and Pollution Control

Management of Industrial Waste

Allied Biotech makes prior consideration of possible waste types and volumes generated by production processes during research and development stages, and we attempt to reduce waste before commencing mass production processes. This not only decreases removal and handling costs, but is also better for the environment. Our factory takes great care when outsourcing removal and handling of generated waste. Waste removal and handling companies must hold licenses issued by environmental protection authorities, and their vehicles must be GPS-enabled to facilitate subsequent route analysis and follow up on abnormal factory entry and exit times.

Factory personnel who have obtained professional certification for waste handling issued by the Environmental Protection Administration are responsible for monitoring waste removal vehicles to prevent leakages, ensure compliance with odor requirements, assess appropriateness of handling methods, and screen capabilities to ensure that waste removal companies adhere to existing standards.

During contracted waste handling periods, our personnel may accompany waste removal vehicles to treatment plants from time to time to confirm whether waste is treated according to regulations, and to prevent illegal waste dumping.

Our waste disposal volume for 2019 was 957.46 metric tons, a decrease of 30.5% compared to the 1,376.9 metric tons of 2018. Allied Biotech actively promotes waste sorting and resource recycling systems, reducing industrial waste volumes and environmental impacts through process improvement. In 2019, we launched a project for installing equipment to treat copper waste solutions in our synthesis plant; installation was completed in the first quarter of 2020, and the equipment is now able to effectively treat copper waste solutions. We believe that effective recycling and reuse of copper waste solutions generated during production can facilitate the building of a sustainable environment.

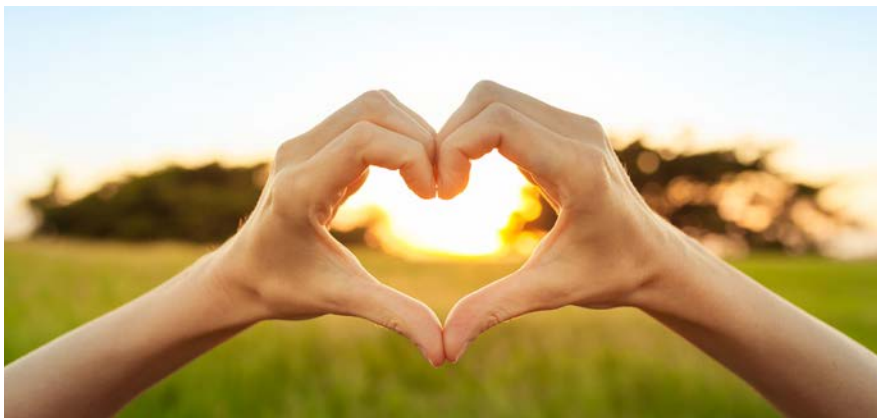


4.5 Waste Management and Pollution Control

Waste Reduction Targets

Allied Biotech continues to promote measures for reducing and reusing waste. We began implementing our wastewater sludge dryer project in 2018 and commenced trial runs in 2019, using sludge dryers to effectively reduce waste volumes. We recycle waste resources and reduce waste generated through production processes to create mutual benefits for our enterprise and the environment.

In terms of actual implementation, our R&D unit works with our production, industrial safety and environmental protection units to assess feasibility of back-end waste handling and estimate waste removal fees when evaluating new products, while also proposing actual actions for reducing, reusing, or recycling waste. We also seek to improve current levels of waste reduction through periodic projects, and we continue to research how generated waste can be transformed from hazardous to non-hazardous industrial waste. We further strengthen our recycling and reuse levels to achieve our zero waste targets.



Regenerative Thermal Oxidizers (RTO)

In order to treat VOC (volatile organic compounds) emissions more efficiently and conserve energy, we invested NT\$ 34,580,000 in 2018 to import relevant equipment for environmental protection to ensure that our treated VOC emissions can be more eco-friendly.

Regenerative thermal oxidizers (RTOs) are one of the most economic and effective methods for treating VOC emissions as they do not require additional fuel during treatment, and residual heat can be recycled and reused, currently providing the heat needed for the evaporation and sludge drying equipment at our synthesis plant. Recycled residual heat serves as a substitute for electric power while reducing electricity consumption, conserving energy, and being eco-friendly, bringing us one step further toward our goal of sustainable operations.

Actual RTO Treatment Benefits in 2019

- Legal regulations stipulate that pollution prevention and control equipment should reduce VOCs by 95%. However, tests conducted in 2019 indicate that the RTOs installed in our factory can effectively reach reduction levels of 98.3%, which complies with and exceeds legal requirements.
- Recovery of residual heat generated steam outputs of 896,463.70 kg/year in 2019, reducing 55,577.41 kg of heavy crude oil usage, and decreasing annual carbon emissions by 163,953.37 kg/year. Our actual performance exceeded our expectations, and has greatly improved the level of air pollution caused by burning of heavy crude oil.

Corporate Social Responsibility Report

2019



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