



Corporate
Social
Responsibility Report



About this Report

To systematically demonstrate the efforts and results in the economic, environmental and social aspects of Mingtai Chemical Co., Ltd. (hereinafter referred to as “Mingtai Chemical”, “the Company” or “Mingtai”), this report was written with reference to the Core Option of the GRI (Global Reporting Initiative) Standards. This covers as many major issues of concern to the stakeholders as possible, demonstrating Mingtai Chemical’s sustainable actions for corporate operations.





Message from the Chairman

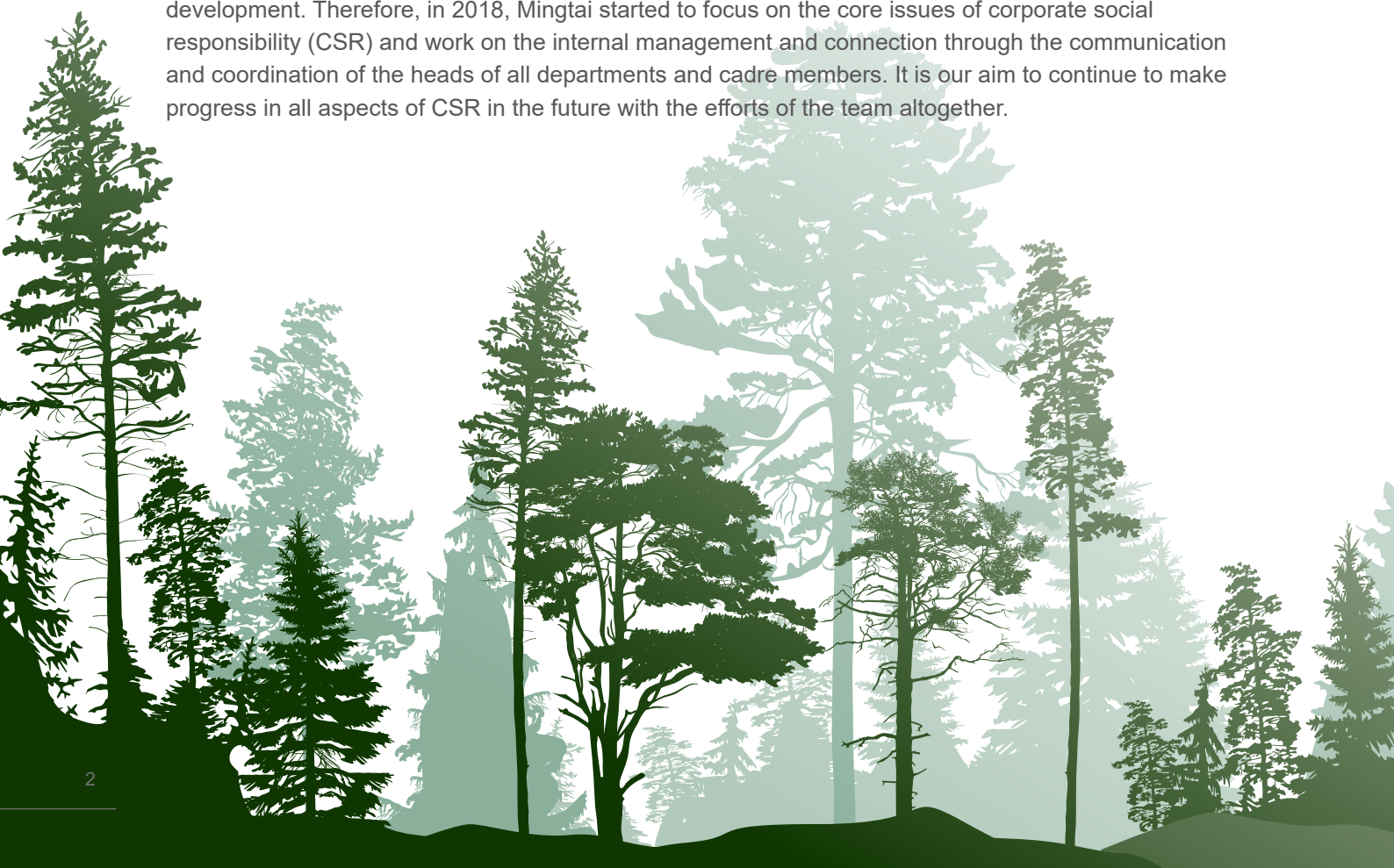
*The second generation leading the company
with a conscientious and industrious attitude.*

*Our layered management working as one,
laying foundations for Mingtai to thrive in a century to come.*

2018 was a year for Mingtai to carry on the heritage and open up the future. I took over the company from my father, Mingtai's founder, Mr. Mark Chen, and in the face of an unpredictable and changeable environment, I always follow the spirit of my father's insistence and am wary of working hard to lay foundations for Mingtai to thrive in a century to come as my own mission.

Mingtai was established in 1972, and we are about to enter an important milestone of our 50th anniversary. In this big family of Mingtai, the top management is like the head of the family who not only has to take care of the safety of employees but also is responsible for profit sharing with the shareholders and further to give back to the society. I hope that the management team and I will continuously enhance our competitiveness with new and innovative thinking and business model to bravely open up the future.

While we make steady growth in business, we realized the importance of sustainable development. Therefore, in 2018, Mingtai started to focus on the core issues of corporate social responsibility (CSR) and work on the internal management and connection through the communication and coordination of the heads of all departments and cadre members. It is our aim to continue to make progress in all aspects of CSR in the future with the efforts of the team altogether.





▣ Business Philosophy

Integrity, Quality, Innovation, Perseverance, Reciprocity, and a modern management team pursuing excellence has been Mingtai Chemical's business philosophy. In the process of advancing, Mingtai has created a corporate value that is completely trusted by customers. The Company has also sincerely served its customers, shared gains with employees, gave back to shareholders and benefited the society. This ideal and persistence is exactly the belief in excellence and corporate spirit Mingtai is pursuing.

Meanwhile, to implement the spirit of "taking from the society and giving back to the society", we engage in caring for the neighborhood and making charity short films that would purify hearts and create social harmony. In terms of environmental issues, the main raw material of Mingtai's products, wood pulp, is provided by FSC or PEFC certified suppliers to promote sustainable forest management, avoid environmental impacts and realize sustainable symbiosis of the environment. Mingtai works closely with partners with the same philosophy around the world to create a win-win situation.

In the process of the half-century development, Mingtai has consistently stuck to the concept of providing the highest quality. We are aware of our significant influence on the environmental and social development. Therefore, Mingtai will continue to set an example and strengthen the foundation of sustainable development through actual actions to create a healthier and better future with the society.

Richer Chen, Chairman and President





1

Sustainable Management

1.1 Overview of Mingtai Chemical Co., Ltd.

1.2 Identification of and Communication with Stakeholders

1.3 Management of Material Topics



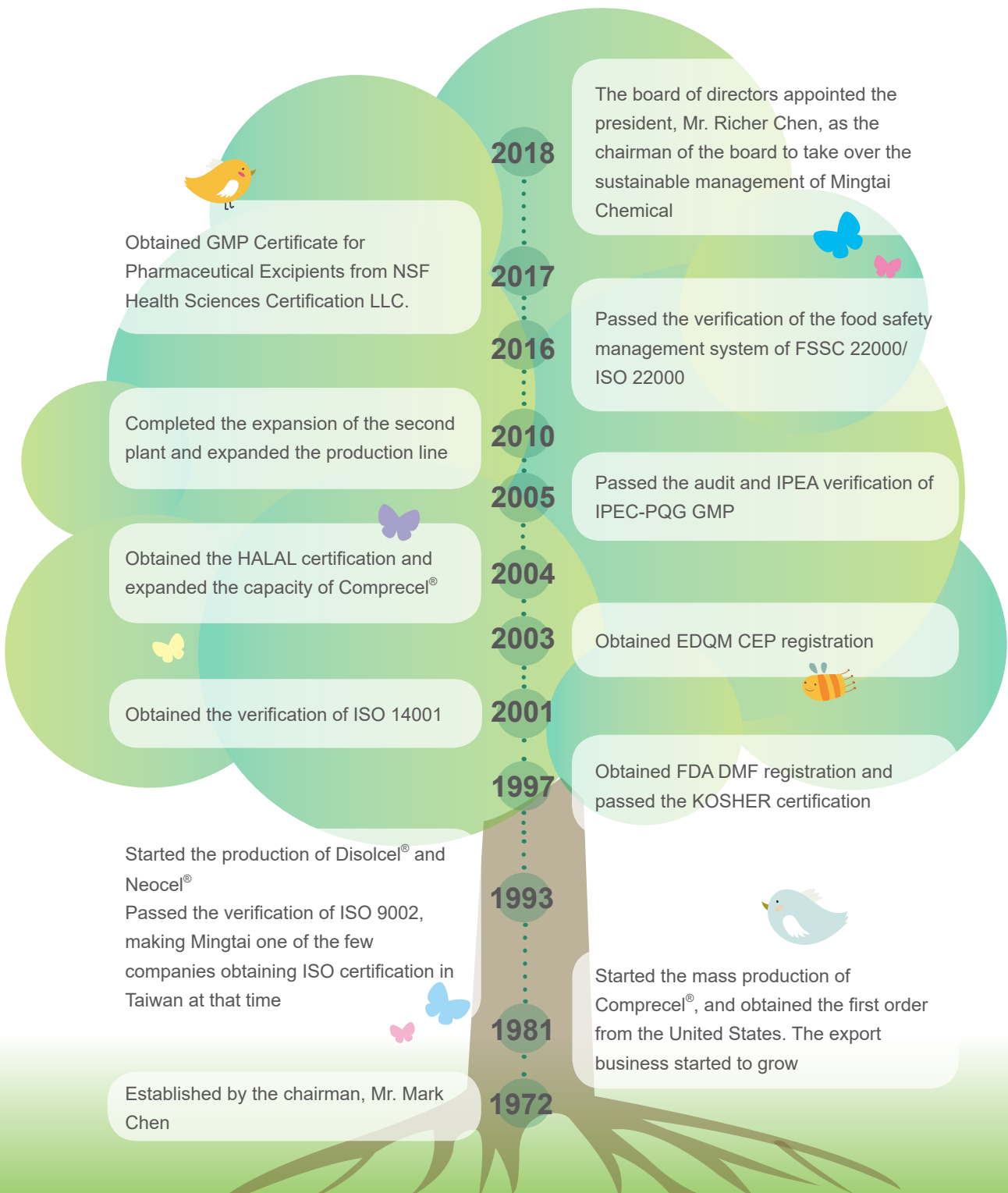




1.1 Overview of Mingtai Chemical Co., Ltd.

Mingtai Chemical Co., Ltd. was established by its founder, Mr. Mark Chen in 1972, located in Taoyuan City in Taiwan. Mingtai’s main products, includes Comprecel® (Microcrystalline Cellulose), Disolcel® (Croscarmellose Sodium), and Neocel® (Colloidal Microcrystalline Cellulose). They are widely used in pharma, health care products and food industry. Mingtai Chemical is the leading manufacturer of excipients located in Taiwan, and the products have been successfully exported to more than 70 countries, making us one of the top three Comprecel® manufacturers in the world. The president, Mr. Richer Chen, took over the company as the chairman in 2018, and the corporate mission was passed on to the new successor.

Our products are characterized by high added value, high market economy, low pollution and so on, making it an industry with great development potential. We are devoted to sustainable management with internationalization and diversification to realize our vision of becoming the world’s leading excipient manufacturer.





Corporate Core Value

As a modern management team pursuing excellence, Mingtai Chemical has been upholding the business philosophy of “Integrity, Quality, Innovation, Perseverance, Reciprocity”. In the process of advancing as time goes on, we have created great quality that is fully trusted by our customers. The Company constructed a corporate value of serving customers sincerely, sharing gains with employees, giving back to shareholders and benefiting the society to implement the spirit of “taking from the society and giving back to the society”. This philosophy and persistence are exactly what the company is pursuing and where the corporate spirit lies in.





Implementation of Corporate Social Responsibility

To implement corporate governance of corporate social responsibility, Mingtai has established the Corporate Social Responsibility Policy that sets relevant policies and declarations on business ethics, employee care, environmental protection, product quality and management system.

Ethics Policy	All business interactions must be based on integrity.
	Improve the moral behavior of employees.
	Respect intellectual property rights and prohibit counterfeiting.
	Bribery, corruption, extortion and embezzlement of public funds are strictly prohibited.
	Engagement in activities that conflict with the interests of the company is strictly prohibited.
	Fraud and money laundering are strictly prohibited.
	Non-retaliation.

Labor Policy	Forced labor, bonded labor, contract labor or involuntary labor are prohibited.
	Child labor is prohibited.
	Ensure that work and rest time are in line with the provisions of Labor Standards Act.
	Ensure that the salary and benefits provided to employees are in line with government laws.
	Treat every employee fairly and respectfully. There would not be corporal punishment, coercion, brutality, insults or any other inhumane treatments.
	Provide equal job opportunities to job applicants and every employee without discrimination based on race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, beliefs, political affiliation, community members or marital status.
	Respect the employees' legal rights to freedom of association and protect employees to openly communicate with the management about working conditions without fear of retaliation, threats or harassment.

Health, Safety, Quality and Environmental Policy	Strictly comply with environmental safety and health regulations and strengthen risk management of environmental safety and health.
	Communicate internally and externally and establish as well as maintain internal and external communication procedures.
	Attach importance to the prevention of pollution and prevent abnormal accidents.



Health, Safety, Quality and Environmental Policy	Energy conservation and promotion of resource recycling to reduce waste.
	Establishment of the identification, assessment and control of new raw materials/machines/chemical hazards within the company to assess the extent of hazard and identify significant ones for further effective control.
	Establish the company's environmental safety and health goals and indicators in accordance with the company's environmental policy and set up control measures and appropriate management programs to ensure the achievement of targets and indicators.
	Establish procedures for investigations and handling of accidents and non-conformities and report mechanism of accidents in accordance with regulations. Set up and maintain control procedures for corrective actions to prevent similar problems from happening again.
Management System	Ensure compliance with relevant regulations, laws and contracts with customers.
	The suppliers are also required to comply with relevant laws and regulations.
	Make regular audits to ensure that the company's operations and procedures are in line with legal requirements and company policies, and continuously improve the company's quality and environmental management systems.
	Establish the management review process. The top management representative and department heads regularly review the company's quality and applicability and effectiveness of environmental policies and environmental management systems.
	Implement staff education and training, and clearly require employees to participate in training to meet their training needs.
	Establish and maintain documents and records control procedures to ensure that relevant activities are properly maintained and all documents and records are effectively controlled.






1.2 Identification of and Communication with Stakeholders

The identification of and communication with stakeholders are the foundation of corporate social responsibility. Executives in all departments in Mingtai held internal discussions and with the reference to stakeholder groups identified by the same trade, 5 categories of stakeholders were identified, including employees, shareholders, customers, raw material suppliers/contractors/agents and government agencies. Mingtai attaches great importance to the stakeholders' interests and opinions and has established multiple communication channels with its stakeholders to not only provide relevant information concerning the management of corporate social responsibility but also better understand topics of the stakeholders' concern to review and improve the performance of corporate social responsibility. In addition, under the leadership of the management, information of each topic was collected while communication and response were conducted in accordance with the company's hierarchical system to facilitate the management of the topics proposed by the stakeholders.





CH 1. Sustainable Management

Stakeholders	Issues of Concern	Communication Channels	Frequency
 Employees	Training and education, employment and labor relations and labor conditions, employee diversity and equal opportunities, compensation and benefits, working environment	e-mail, telephone, bulletin notices, staff mailbox	Instantly
		Labor-management consultation meeting	Quarterly
		Employee welfare Committee	Monthly
		Staff gatherings	Annually
 Shareholders	Environmental compliance, economic performance, socioeconomic compliance	Shareholders' hotline, e-mail	Instantly
		Financial reports	Monthly
		Board of directors and shareholder's meeting	Annually
 Customers	Customer satisfaction, chimney emissions, customer health and safety	Customer service line, service center	Instantly
		Customer satisfaction survey	Annually
 Raw material suppliers/ contractors/ agents/distributors	Economic performance, supplier environmental assessment, customer health and safety	e-mail, telephone	Instantly
 Government	Chimney emissions, training and education, environmental compliance	e-mail, telephone, official documents, visits	Instantly
		Environmental safety and health report	Annually











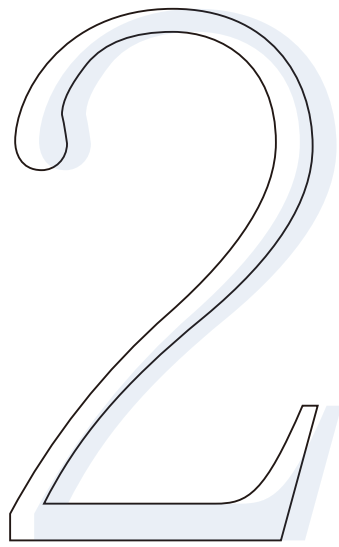
1.3 Management of Material Topics



Material Topics and the Structure of the Report

The material topics in Mingtai’s CSR framework include four aspects of “Integrity Management”, “Trustworthy Products”, “Green Production”, and “Workplace Well-being”, serving as the main structure of this Report. Mingtai will continue to strengthen management, and relevant information will be disclosed in the CSR Report.

Sustainability Aspects	Corresponding GRI Standards	Boundary of Content	Corresponding Chapter and Section of DMA
 Integrity Management	Socioeconomic Compliance	Mingtai Chemical	 Chapter 2 Corporate Governance
 Trustworthy Products	Economic Performance Supplier Environmental Assessment Supplier Social Assessment Customer Health and Safety Customer Satisfaction	Mingtai Chemical, suppliers, agents	 Chapter 3 Product Liability
 Green Production	Energy Water Chimney Emission (Air Pollutant Emission Management) Effluents and Waste Environmental Compliance	Mingtai Chemical	 Chapter 4 Green Environment
 Workplace Well-being	Employment and Labor Relations Education and Training Occupational Health and Safety	Mingtai Chemical	 Chapter 5 Friendly Workplace and Social Participation



Corporate Governance

2.1 Organizational Structure

2.2 Risk Management

2.3 Integrity Management







DMA of Integrity Management

Material topics covered

Socioeconomic Compliance

Boundary of the topic

Headquarters of Mingtai Chemical Co., Ltd.

Importance

Complying with the law is the lowest bottom line for business operations. If relevant laws and regulations are violated, the company's goodwill will be damaged, and the company may face the risk of suspension or production interruption, affecting the sustainable management of the company.

Management Policy

Each routine business will be improved and all units will self evaluate and conduct internal audits regularly through the institutionalization and standardization of document management to avoid regulatory risk of non-compliance.

Goals of Management

- It is the responsibility of the board of directors and managers of the Company to establish, implement and maintain the internal control system. The company is currently planning the establishment of such system.
- The purpose is to report on reliable, timely and transparent information and the achievement of goals of compliance with relevant laws and regulations concerning the achievements of operational performance (including effective management of the company's assets and liabilities and the security of assets) to provide reasonable assurance.
- Making timely and correctly declaration as required by statutes, and the achievement rate is 100%.

Input Resources

The Standard Operating Procedures (SOP) of the Company was established. All departments regularly update legal regulations and conducts internal audit every year for the inspection of various processes within the Company.

Management System

Mingtai Chemical has set the "Employee Code of Ethics and Work Rules" that clearly specifies the practices and preventive measures of conflicts between the interests of all employees and the interest of the Company. If the employees of the Company are engaged in unlawful behavior of theft, corruption, extortion, blackmail, embezzlement of public funds and so on, it will be handled in accordance with the law.

Management Assessment System

The Company implements management systems of ISO 9001, ISO 14001, FSSC 22000, ISO 22000 and GMP for Pharmaceutical Excipients and upholds the principles of honesty and pragmatism to implement procedures, continue improvements and comply with various government laws and regulations.



2.1 Organizational Structure

Board members all have the knowledge and experience in leading business, decision-making, operations management, and risk management, and have the responsibilities for the management and supervision of the overall operations of the Company. The organizational model of the company is a non-public offering company limited by shares. The share capital and shareholder structure are still simple, and there are no functional committees related to the aspects of economic, environmental and social topics.

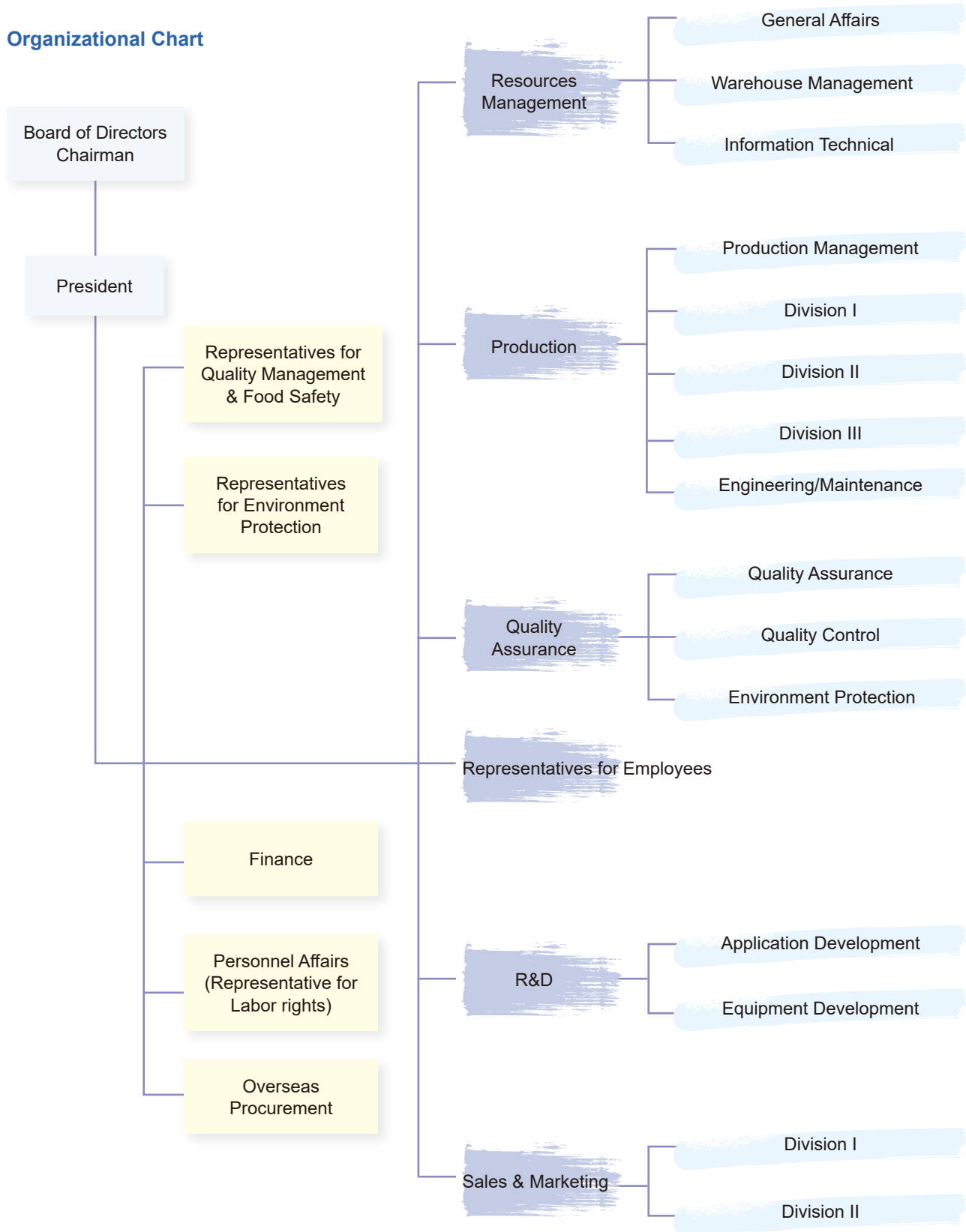
The chairman of the Company, Mr. Richer Chen, is concurrently the president of Mingtai, serving as the highest decision-maker of the Company, and determines the Company's operation policies with board members while at the same time leads the management team to implement various operational plans. The board meeting is convened every year.

In the company organization, there are representatives for labor rights & ethics, quality assurance management & food safety, environmental management and employees. Heads and cadre members of all departments are gathered to examine and identify potential impacts in terms of the issues in corporate social responsibility to control deficiency/complaint handling process, and further to improve the management procedures. In addition, they also report to the president in management review meetings regularly to help the management master and implement CSR policies.





Organizational Chart

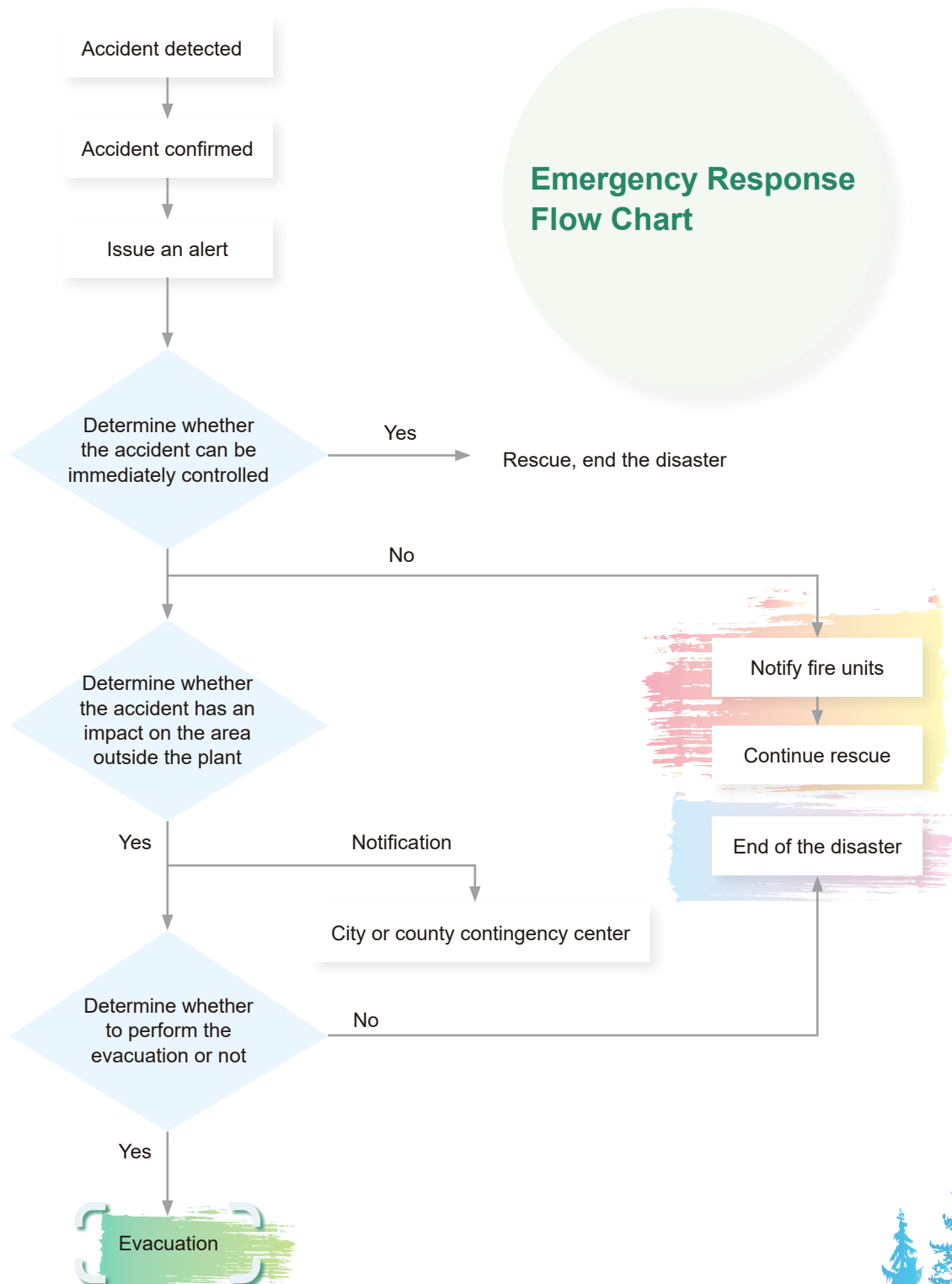




2.2 Risk Management

All responsible departments carry out daily operations in accordance with the established procedures. Incidents with low probability but high severity will be handled in accordance with the “Emergency Handling Procedures” and “Emergency Response Procedures” that specify the actions of emergency contact, handling and recovery at the time of the accident as the code of conduct for emergency response. In addition, drills are also carried out annually for fire protection and emergency handling procedures.

Product defence is based on USDA (United States Department of Agriculture)/ FSIS (Food Safety and Inspection Service) guidance and the Product defence Program was established to reduce the risk of vandalism and contamination.









Flow chart of product defence in an event of emergency incident

Work Flow	Unit in Charge	Description	Form/Report
<p>Occurrence of incident</p> <p>↓</p>	Food Safety Team	The person in charge of the Food and Safety Team serves as the convener, and the members in the team, department heads and other relevant personnel are in the Emergency Response Team.	Meeting minute (FAC025)
<p>Establish emergency response team</p> <p>↓</p>	Emergency Response Team	Establish countermeasures according to the emergency incident.	Meeting minute (FAC025)
<p>Set up emergency contingency plans</p> <p>↓</p>	Related units	Integrate relevant manpower, materials and resources to deal with the incident in accordance with the countermeasures.	Meeting minute (FAC025)
<p>Emergency response</p> <p>↓</p>	Related units	Collect and organize the handling process.	Collect and organize the report
<p>Report on the incident</p>			

Risk Items and Response Measures

In the face of the extreme climate changes and environmental changes in the world, we define various types of risks in accordance with the company’s operating guidelines, preventing potential losses within affordable scope of risks and achieving the principle of optimizing resource allocation. The countermeasures to relevant risks of the Company are as follows.

Type of Risk	Potential Risk Cost	Countermeasures
 <p>Regulatory risk</p>	The Management Regulations Governing the Reporting of Greenhouse Gas Emissions, three Acts concerning water conservation (Reclaimed Water Resources Development Act, Water Supply Act and Amendment of Water Act), disputes between the management and labor, and occupational safety accidents in the factory.	Implement regulation check in accordance with regulation collection management procedure (PEE002).
 <p>Severe weather risk</p>	The outside temperature is higher than the regulatory discharge temperature, resulting in the temperature of the wastewater in the wastewater treatment plant to rise, exceeding the discharge standards.	Add another cooling tower to connect with the original cooling tower for the enhancement of efficiency of temperature reduction.
 <p>Energy cost risk</p>	Constant rising prices of energy.	Upgrade equipment for energy conservation.
 <p>Material shortage risk</p>	Production interruption due to material supply shortage by the supplier.	Maintain more than two sources of supply.

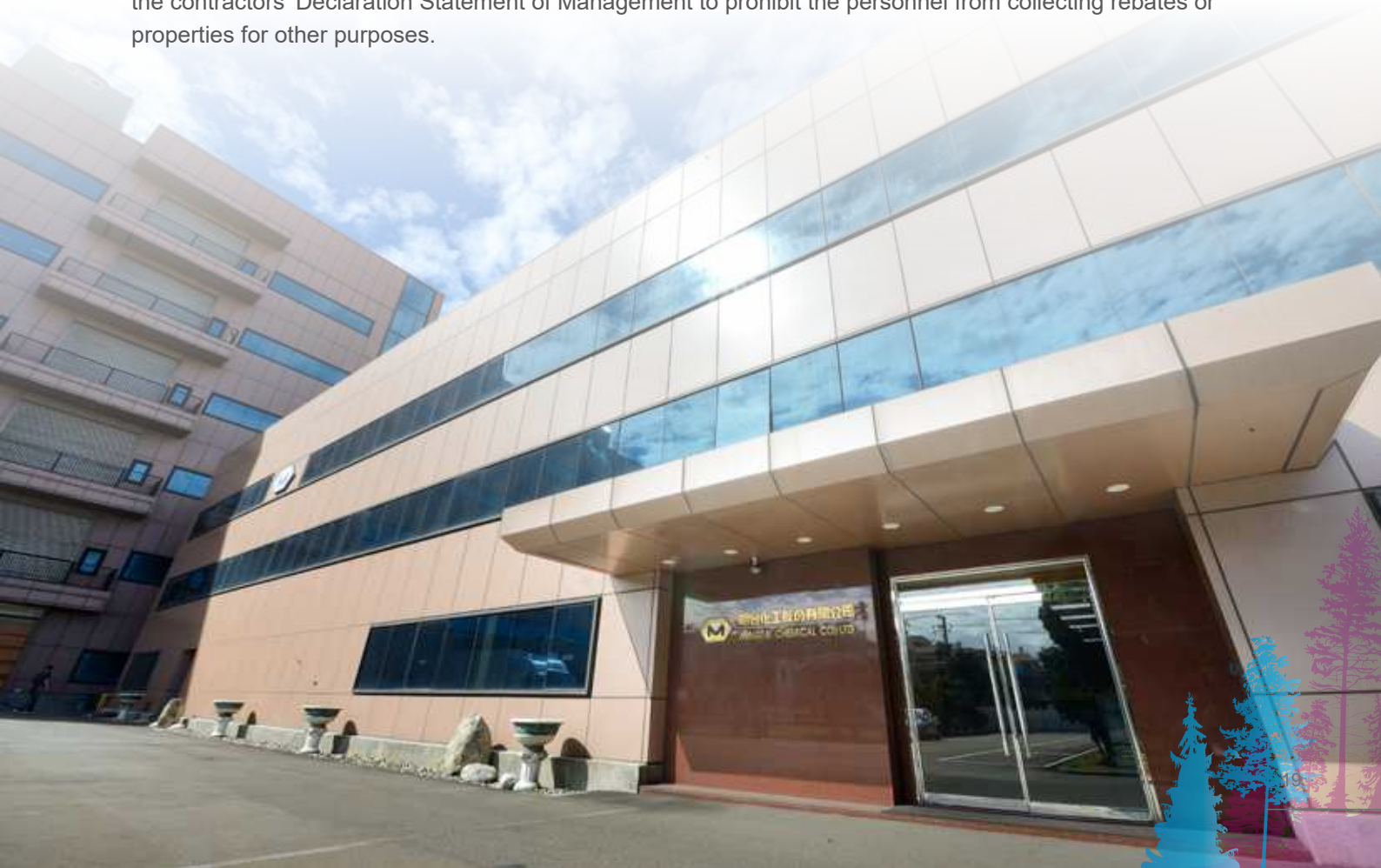
2.3 Integrity Management

Avoidance of Conflict of Interest and Code of Ethics

Mingtai Chemical abides by the government regulations, adheres to the principles of good faith, and complies with the requirements of corporate social responsibility to keep customers confidential and never discloses relevant information for direct or indirect benefits. The personnel in charge of business are also strictly forbidden to disclose confidentiality or abuse their power in their positions to collect improper rebates, commissions, gifts or entertainment from the customers, agents, suppliers or manufacturers.

The “Directors’ Interest Avoidance Clause” is set out in the Rules of Directors’ Meeting, and it is declared expressly and publicly on the agenda of board meetings every time that “those who participate in the discussion and voting of the board meetings should pay attention to the relevant provisions on the avoidance of interests”. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting for that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director’s proxy to exercise voting rights on that matter.

When an employee enters the company, the commitment to integrity is stipulated in the employment contract, and the “Employee Code of Ethics” is also in place to clearly define the practices and prevention measures for conflict of interests between the employees and the company. New employees will receive education and training of relevant regulations such as integrity management and anti-corruption on the first day of their arrival. If the employees of the company are involved in theft, corruption or other illegal activities, we will absolutely handle the cases according to law. In addition, we hold on-the-job employee education and training every year to achieve full communication with our employees. Moreover, we have signed the CSR commitments with our raw material suppliers to comply with the highest standards of integrity, and eliminate any form of bribery, corruption, extortion and illegitimate interests. “Anti-bribery clause” is also specified in the contractors’ Declaration Statement of Management to prohibit the personnel from collecting rebates or properties for other purposes.





Employee Code of Ethics

1

All employees must disclose details and obtain approval records from the president before engaging in any business, investment or related activities that may constitute a conflict of interest between the individual and the company.

.....

2

All employees shall avoid circumstances where a conflict of interest may occur, and shall not conduct the followings.

2.1 Steal the company's property and information or make use of the opportunities for the company's business interests learned by his/her position for personal gain.

2.2 Obtain personal gain through the use of company property, information or by virtue of position.

.....

3

Any possible conduct to transfer company resources or benefits to oneself or relatives or friends is prohibited.

.....

4

All employees are prohibited to provide or expose confidential information to the outside world without authorization. It is strictly forbidden to make use of company or employee related information to obtain personal benefits or to benefit or harm others.

.....

5

All employees are prohibited from engaging in the aforementioned activities through agents, partners or other representatives to circumvent company regulations.

.....

6

All personnel involved in the review, rating or selection of suppliers shall avoid any situations that may be considered to affect fair decisions.

.....

7

If the company's services, equipment, facilities, items or other resources have to be used for reasons other than company business, prior authorization have to be obtained. All employees should ensure that the company's assets are used effectively. The company's tangible or intangible assets may only be used by authorized employees or their designated persons within the scope of legal business of the company.

.....

8

Declaration of a conflict of interest: All employees will avoid any situations being considered a conflict of interest. If such situation happens, the "Conflict of Interest Report Registration Form" shall be completed and the management department should report to the president on a regular basis.

.....



Reporting Mechanism

The company has set the “Reporting and Handling Measures” and there is the hotline for ethics reporting (Tel: 03-368-2295, ext. 224), and an employee mailbox that is set up in the staff restaurant. In addition, anyone can report any illegal, fraudulence, bribery or any act of violation of integrity and ethics through eyeofmingtai@mingtai.com. The reported case is investigated and reported by the Personnel affairs. If the person being reported is an appointed manager or higher-level member of the Company, the Personnel affairs will transfer the case to the president or chairman to decide the investigation unit. After investigation, if the reported case is true, when the violator is an employee, the person will be punished according to the Work Rules of the Company, and the whistle-blower or the investigator involved in the case will be protected to avoid unfair retaliation or treatment.

Legal Compliance

All departments regularly conduct regulation check for the company’s regulatory risk control based on the internal “Regulation Collection Management Procedure”. The overview of Mingtai’s implementation of its corporate social responsibility is detailed below.

No occurrence of corruption	✓	No incident involving violation of aboriginal rights or other discrimination	✓
No occurrence of anti-competitive behavior, anti-trust and monopoly behavior	✓	No violation of health and safety regulations and voluntary regulations concerning products and services	✓
No incident of serious leakage	✓	No violation of regulations related to product information of services	✓
No violation of environmental protection related regulations	✓	No incident involving non-compliance with marketing communications	✓
No use of child labor or labors under 18 years of age	✓	No occurrence of infringement of customer privacy or loss of customer data	✓
No political donation	✓	No violation of freedom of association	✓



3

Product Liability

3.1 Safe Products

3.2 Customer Service and Development

3.3 Supplier Management







DMA of Trustworthy Products

Material topics covered

Economic Performance
Supplier Environmental Assessment
Supplier Social Assessment
Customer Health and Safety
Customer Satisfaction

Boundary of the topic

Headquarters of
Mingtai Chemical
Co., Ltd.
Suppliers

Importance

The main products of the Company are used as excipients, raw materials of food, and food additives, and the application of excipients is particularly wide because of its edibility, making the safety of the product itself particularly important. We continue to improve the quality and diversified application of our products for the steady growth of sales and for the customers to eat at ease.

Supplier management is an indispensable part for product safety and for the goal of sustainable management of an enterprise. To prevent any possible environmental and social impacts caused during the operation process, Mingtai not only sets high self-requirements but also extends them to the supplier chain for quality requirements to implement the management of social responsibility.

Management Policy

- To provide quality first, safe and healthy products.
- Different specifications to meet different applications of our customers.
- To strengthen sales channels to provide prompt services to customers.

Goals of Management

Short-term goal

- Looking into the next 5 years, the CAGR of the entire pharmaceutical market is estimated to grow by more than 5%, and Mingtai will still be committed to the improvement of quality and development of the diversified application of our products.

Medium-term goal

- We will strengthen our cooperation with international pharmaceutical companies and enhance our marketing channels to provide high-quality innovative products and fast delivery with low energy consumption to customers.

Long-term goal

- We are devoted to the development of diversified functions of excipient or products and the closer integration of the global sales network. At the same time, we will implant the social responsibility concept into our cooperative partners' and regional agents' marketing philosophy.
- The customer satisfaction survey showed more than 95% of satisfaction.



Management System

- We have introduced and passed Quality Management System of ISO 9001, Food Safety Management Systems of FSSC 22000 and ISO 22000, Certification of Sanitation and Safety Management System for food business from Taiwan Food and Drug Administration of Ministry of Health and Welfare and certification of GMP for Pharmaceutical Excipients.
- Make assessments of the annual plan setting and achievement rate every six months and analyze the growth and development situation as well as propose relevant strategies for the problems we faced.
- Conduct relevant evaluation of relevant items in accordance with the "Supplier Corporate Social Responsibility Checklist", including regular CSR questionnaire survey to check the compliance status. Mingtai's CSR policy commitment letter is signed upon regular on-site quality audit to show the suppliers' recognition of Mingtai's corporate social responsibility policy and their implementation of relevant measures of not using conflict minerals and the EU REACH registration of chemicals.
- The Company regularly evaluates the raw material quality and regularly plans on-site audits based on the determination of risk level (high/medium/low) in accordance of the established risk assessment form, and questionnaire audit is also conducted to make up the time gap.
- The Company has set up the Quality Assurance Division and Quality Control Division under the Department of Quality Assurance. In addition to the inspection of every batch of raw materials and finished products by the Quality Control Division, the Quality Assurance Division conducts the maintenance and protection of the product quality system. Every year, the testing of relevant products is outsourced, and the Food Safety Team is established to ensure product safety from raw materials to shipment.

Management Assessment System

- To carry out relevant surveys in accordance with the ISO system, and at the same time set the annual targets.
- The management of the performance targets of the units every year.
- To conduct regular assessment of the supplier's social responsibility based on the "Supplier Management Operating Procedure". The level of risk is determined according to the results of the questionnaire evaluation. If it is determined to be medium/high level of risk, the supplier is required to propose improvement measures, and the tracking of effectiveness will be conducted.
- In accordance with the internal management review procedures of ISO 9001, FSSC 22000, ISO 22000 and GMP, the evaluation of effectiveness of PDCA (Plan-Do-Check-Action) is conducted every year.



3.1 Safe Products

The Company mainly produces excipients, including Comprecel[®], Disolcel[®], and Neocel[®]. All of the products are made from natural materials and are mainly used in pharmaceutical, nutraceutical/supplement, food, cosmetics, and other industries as additives as enhanced compression, anti-caking agent, fillers, disintegrating agents, calorie-free filling agents and so on.



Comprecel[®] (Microcrystalline Cellulose)

There are mainly ten types of Microcrystalline Cellulose, including M101, M102, M103, M105, M112, M113, M200, M212, M301, and M302. The majority are used in the pharmaceutical industry and are most commonly used as binders, fillers, and disintegrating excipients. They are widely used in tablets, capsules and powders. They are applied in pharmaceutical, nutraceutical / supplements and, foods industries.



Disolcel[®] (Croscarmellose Sodium)

There are two main types, Standard and GF. The product is a super disintegrating agent applied in pharmaceutical and nutraceutical / supplements products. It has good disintegration effect with the dosage of 0.5-3%.



Neocel[®] (Microcrystalline Cellulose and Carboxymethylcellulose Sodium)

There are mainly six types, including Neo-C11, Neo-C81, Neo-C61, Neo-C91, Neo-C20, and Neo-C08. Neocel is used in foods such as milk beverages, ice cream, and salad dressing, and pharma such as nasal sprays, syrups and liquid antacid to enhance suspension and emulsion stability.

The release criteria of the Company's products are based on the USP/NF (The United States Pharmacopeia and The National Formulary), Ph. Eur. (European Pharmacopoeia) and other major international pharmacopoeia. According to the long-term research on the impact of Microcrystalline Cellulose, Croscarmellose Sodium and Microcrystalline Cellulose and Carboxymethylcellulose Sodium on a variety of animals and humans conducted by JECFA (The Joint FAO/WHO Expert Committee on Food Additives), the experiment results were determined to be ADI not specified (Acceptable daily intake not specified). This shows that they are not harmful to health when consumed under normal conditions.

Note: JECFA (Joint FAO/WHO Expert Committee on Food Additives) is an international scientific expert committee administered jointly by the Food and Agriculture Organization of the United Nations (FAO) and WHO. It has been meeting since 1956, to evaluate the safety of food additives, contaminants, naturally occurring toxicants and residues of veterinary drugs in food.



Mingtai Chemical has always inspected the quality with the highest standards and the quality has met the production regulations in all regions in the world. Our products have been registered with FDA's DMF in the United States and the CEP in Europe, and have obtained Kosher and Halal certification, providing customers with safe and trustworthy products. Currently, our products have passed certification of FSSC 22000, ISO 22000 and GMP for Pharmaceutical Excipients.



ISO 9001
Quality Management System
(verified by DNV)



ISO 14001
Environmental Management System
(verified by DNV)



ISO 22000
Food Safety Management System
(verified by SGS)



FSSC 22000
Food Safety Management System
(verified by SGS)



Sanitation and Safety Management System for food business
(passed the certification of Taiwan Food and Drug Administration of Ministry of Health and Welfare)



NSF/IPEC/ANSI 363-2014: GMP for Pharmaceutical Excipients
(passed NSF Health Sciences certification, LLC)





3.2 Customer Service and Development

Mingtai is the world's leading manufacturer of excipients, food ingredients and food additives, and 96% of our products are exported to global users, and most of which are well-known multinational pharmaceutical companies. Mingtai Chemical has deep rooted in international market since early days and has good reputation at user end. The global food safety and drug safety awareness has risen in recent years, and the pursuit of higher quality has always been the aim of the Company. It is imperative that we implement the mission to achieve product safety and trustworthy quality.

In terms of customer service, we have built a global marketing network with more than 70 distribution partners to gather experience and knowledge of local distributors to enhance the application of the products and the manufacturing technology of the Company so as to provide the best service to our customers. For operation bases, our strongest customers are based all over the world, and we have established a good relationship with downstream customers to maintain long-term supply services. Our product, Comprecel[®], is ranked among the top three in global supply, and the sales trend of our products shows steady growth.

Mingtai has been taking legal compliance as the highest principle of corporate governance for a long time. To meet the market demands, we constantly upgrade equipment, optimize process, adjust strategies properly for the R&D, improve our series products and strive to develop products that meet customers' application. We work for the goal to meet customers' needs and provide customers advice and consulting services of the formula and diverse applications, aiming at becoming the top professional manufacturer of excipients in the world in the future. The markets Mingtai serve cover the five continents, with a total of 70 countries.

The services in the markets mentioned above include professional and fast services from the agents' geographical advantages and direct service to end customers who are mainly pharmaceutical, health food and food factories.



Customer Satisfaction

To maintain good communication with customers and grasp information of customers' demands and enhance the Company's image, customer satisfaction and perception of service quality and after sales service, the Company not only conducts an annual survey of customer satisfaction but also communicates with customers every quarter. In addition, all items reflected in the survey will be added into the investigation report while immediate improvement actions are proposed.

There are three areas of the customer satisfaction survey, including the overall quality, service satisfaction, and communication. We have set a goal of every area to reach at least 95% customer satisfaction.



Participation in Convention on Pharmaceutical Ingredients (CPhI)



3.3 Supplier Management

As a global enterprise, Mingtai evaluates four aspects in business sustainability, which are environmental protection, labor & human rights, business ethics, and sustainable procurement. At the same time, we also make active management of suppliers so that they all comply with environmental protection, labor & human rights/health/safety related regulations. We hope that our suppliers can make commitments with Mingtai to work together for the goal to fulfill our corporate social responsibility.



Supply Chain and Material Use

The purchase items of the Company are divided into four categories, namely materials, equipment, service and engineering, of which (raw) materials account for the largest part. The main raw material for the production of Comprecel® (Microcrystalline Cellulose) is a forest product—wood pulp. All wood pulp suppliers we work with are FSC or PEFC certified companies who we have long-term cooperation.

Wood pulp

Manufactured into Comprecel®
(Microcrystalline Cellulose)Made into tablets /capsules
by pharmaceutical companies

Supplier Management and Evaluation

Mingtai Chemical has set a "Procurement procedures" and "Suppliers Management Operating Procedures" for the management of our suppliers. When selecting new suppliers, they are required to complete the "Supplier Social Responsibility Questionnaire". We introduced the signing of "Supplier CSR commitment" in 2019 and expect our suppliers to recognize and assist in the implementation of basic requirements and continuous improvement in labor conditions, health and safety, business ethics, and environmental protection. We implement and deepen the binding capacity through regular and occasional on-site auditing. In the future, meeting the requirements of corporate social responsibility will also be included in the criteria in the selection of new suppliers.

Under the principle of long-term benign interactive supply with our partners, we have required our suppliers to sign "Non-use conflict mineral commitment", "Supplier CSR commitment", "CSR Policy", and "REACH Supplier Information" and receive regular assessment. After the risk assessment, those suppliers assessed to be "medium level of risk" have to propose countermeasures regarding the deficiencies and the improvement results will also be tracked. As for those who are assessed to be "high level of risk" have to propose countermeasures, and Mingtai will confirm the improvement results based on the schedule set by the suppliers' audit plan to make on-site confirmation of the results. If the suppliers have significant impact on social responsibility, the Company will terminate the transaction with them if necessary.





4

Green Environment

4.1 Environmental Policy

4.2 Energy Resources Management

4.3 Prevention of Pollution







DMA of Green Production

Material topics covered	<ul style="list-style-type: none"> Energy Water Chimney Emissions (Management of air pollutant emission) Effluents and Waste Environmental Compliance
--------------------------------	--

Boundary of the topic	Headquarters of Mingtai Chemical Co., Ltd.
------------------------------	--

Importance

The stakeholders' level of concern and the analysis of level of impact show that the environment related topics are relatively important to the Company. Responsible environmental management can reduce the cost of risk of the Company and also contribute to eco-friendliness and sustainable development.

Management Policy

- Mingtai's environmental policy is "Legal compliance, full participation, cherish resources, pollution prevention and continuous improvement".
- We conduct process design and management from the source for energy conservation and carbon reduction to improve energy efficiency and water resources, continue the improvement and maintenance of the effective operation of the management system, and reduce the possible impacts of the lack of electricity or water shortage caused by climate change.

Goals of Management

- Energy conservation.
- Replace old equipment with new one.

Management System

- ISO 14001 Environmental Management System

Management Assessment System

- Energy usage is recorded every month. A review of energy usage will be conducted for improvement annually.
- The Company evaluates the effectiveness of PDCA in terms of environmental management annually in accordance with the internal management review procedures of ISO 14001.

4.1 Environmental Policy

To fulfill our social responsibility and to contribute to the earth, Mingtai has introduced ISO 14001 Environmental Management System and conducted identification of environmental protection regulations every year based on the internal management review procedure of ISO 14001. After the amendment or new establishment of environmental regulations, information from all fields is collected immediately. After sorting and analysis, relevant provisions and regulations are included in the discussion of the EHS Committee, and the results will be included in the annual management review meeting to report to the management.

Mingtai's operating bases (Shin Hsing Rd. in Bah-Der Dist.) are not located in the adjacent area of ecological environmental protection zone, neither are they in areas with high biodiversity value, nor near the protected zone defined by IUCN (International Union for Conservation of Nature and Natural Resources), so there are no situations of endangered, critically endangered, or threatened species as mentioned above. The Company's plant and the surrounding areas was not designated as protected or rehabilitated habitats, so no external experts were entrusted to confirm the results of the restoration measures.

To maintain the growth environment for creatures and protect the natural ecology around the plant, the Company has taken environmental protection related measures for a long time, such as the treatment of wastewater and waste, prevention of air and noise pollution and so on, and all of them comply with requirements of the government environmental regulations. Wastewater in the plant area is treated in the wastewater treatment plant to make sure it meets effluent standards before being discharged. We also continue to maintain the greening and beautification of the plant area and the surrounding environment. The landscape turf is maintained with the lawn mower, and the herbicide is not used to reduce the impact on the biological species in the surrounding area of the Company to indirectly implement ecological conservation work.



4.2 Energy Resources Management

The energy mainly used in the Company includes electricity and liquefied natural gas (LNG). We are devoted to continuous promotion of energy conservation and carbon reduction actions. By passing the ISO 14001 Environmental Management System verification and with the ISO-related management guidelines and establishment of methods, we have improved the efficiency of energy use to the best state and continuously had close cooperation with the strategies and goals for organizational operations, supplemented by the PDCA mechanism. Meanwhile, by reducing the energy costs, the GHG emissions can be reduced, and the goals of sustainable management and environmental friendliness can further be achieved.

Energy Conservation Measures

To reduce energy consumption and reduce environmental burden, the Company actively evaluates the feasibility of energy conservation measures and further implements and plans these measures.

Greenhouse Gas Management

Climate change is the biggest challenge we are commonly facing in the world. It will not only have impacts on humans and nature, but also lead to many changes in the way resources are used and produced and even in other economic activities. Although the Company has not introduced GHG inventory yet, it spares no effort in the implementation of environmental protection. Therefore, Mingtai conducts autonomous calculation of GHG emissions.

Water Resources Management

The water resources used in the Company is mainly tap water from Shimen Reservoir. With the concept of environmental protection and to avoid waste of water, Mingtai has slogans and continuous promotion of water conservation for employees. Besides non-recyclable water, the rest is used in watering facilities for gardening and secondary water use to reduce water costs and avoid waste of resources.





4.3 Prevention of Pollution

Prevention of Air Pollution

The Company complies with the ISO 14001 Environmental Management System to implement the operational regulations for the prevention of air pollution and the units in charge perform maintenance in accordance with the characteristics of equipment. When anomalies occur in the control or emissions, emergency response will be performed, followed by immediate investigation of the cause and improvement actions to reduce the pollution load generated from production activities.

Prevention of Water Pollution

The Company properly plans wastewater treatment facilities in accordance with the classification of process emissions, and dedicated departments and personnel are set in place for regular education and training as well as effective management of the quality of effluents. Wastewater in the plant area is treated in the water treatment plant and discharged after meeting the effluent standards.

In terms of water quality monitoring, we entrust Environmental Protection Administration recognized testing organizations to conduct corresponding tests (including the COD, BOD and SS of the wastewater quality) to ensure that the discharged water meets the effluent standards to avoid the impacts on the environmental ecology.

Material Reuse and Prevention of Waste

About 96% of the Company's business come from exports, in other words, our end customers are all over the world, making it unsuitable for the recycling of packaging materials. In addition, the energy and costs consumed in the recycling process is not cost-effective. In response to the recycling of resources, including packaging materials, we select recyclable raw materials such as pallets and packaging tape that can be recycled or reused by our customers. With the rising awareness of cherishing resources and reduction of waste, we believe our customers will recycle the resources and avoid environmental impacts.

The waste generated in Mingtai is not harmful business waste but general business waste, and it is mostly disposed of by incineration, physical processing or landfill. The waste in the plant is collected, sorted, stored and cleaned in accordance with the Methods and Facilities Standards for Storage, Clearance and Disposal of Industrial Waste. All waste is disposed by legal clearing and handling companies based on the provisions of the Waste Disposal Act and related subordinate rules .





5

Friendly Workplace and Social Participation

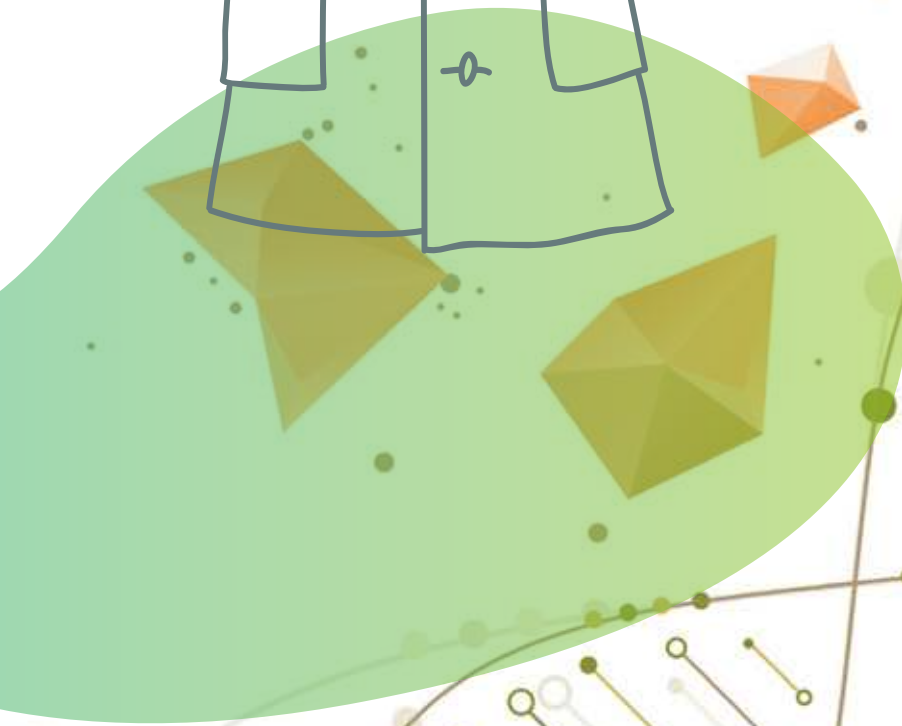
5.1 Profile of Employees

5.2 Employee Compensation and Benefits

5.3 Education and Training and Maintenance of Human Rights

5.4 Occupational Safety and Health

5.5 Community Interaction





DMA of Workplace Well-being

Material topics covered

Employment and Labor Relations
Training and Education
Occupational Health and Safety

Boundary of the topic

Headquarters of
Mingtai Chemical
Co., Ltd.

Importance

Employees are the most crucial assets of the Company, and they are also important partners for the sustainable development of an enterprise. We strive for a balanced manpower structure, hire people based on their talents and work on retaining excellent talents to maintain our competitiveness in the market.

Management Policy

- Provide a competitive salary and benefit system to attract talents to join us and actively promote relevant systems and work rules.
- Regularly hold labor conferences and communicate with employees to avoid labor disputes.
- The Safety and Health Policy is “Compliance with government regulations, good internal and external communication, prevention of pollution, promotion of circular economy, implementation of risk management, prevention of abnormal accidents, commitments to continuous improvement, ensuring sustainable management, implementation of health management and fulfillment of social responsibility”.

Goals of Management

- To improve employee compensations and benefits to promote labor-management harmony and create a win-win situation.
- To improve the quality and competency of employees through education and training and strengthen the overall R&D, production, quality and management capabilities to maintain sustainable management of the enterprise.
- To prevent occupational disasters and accidents, ensure the safety and health of all employees and make sure that all plants and tests are under safe operation to reach the goal of zero major occupational disaster.



Management System

- Annual education and training plans.
- Establishment of the Occupational Safety and Health Committee and investment in regular outsourced inspections of machinery, establishment of warning signs, dispatch of personnel for safety and health related training, regular monitoring of operation environment and replacement of old personal protective equipment.

Management Assessment System

- The effectiveness assessment of PDCA is conducted annually for employment and labor relations, education and training plans, and occupational safety and health plans.
- Establishment of Handling Measures for Complaints and Report. When the employees of the Company are not treated in a reasonable or humane manner at work. There are complaint channels in place and those who file complaints do not have to worry about retaliation.

5.1 Profile of Employees

Employees are the most crucial assets of the Company, and they are also important partners for the sustainable development of an enterprise. Mingtai abides by relevant government regulations and implements its corporate social responsibility. The hire of employees is totally based on professional competence and experience, providing equal job opportunities to the applicants regardless of race, skin color, age, gender, sexual orientation, ethnicity, disability, pregnancy, beliefs, political affiliation, association membership or marital status. All employees are full-time staff, so there are no dispatched, outsourced, contracts, part-time or temporary employees. In addition, there are no employment of child labor under the age of 15. The hire of aboriginal people and people with disabilities has reached quota-employment over the past three years.



5.2 Employee Compensation and Benefits

Employee Compensation

Employees' earnings include: salaries, bonuses and compensations. The principle of the Company's compensation review is that the basic compensation shall never be lower than the basic level prescribed in the government regulations, and we also refer to the job position, education, background, professional skills, job tenure, and the average level of earnings in the same trade. When the Company hires employees, discrimination against any job applicant or employee in terms of compensation or bonuses on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, disability, horoscope, blood type or past membership in any labor union shall be prohibited.

The compensation given or adjusted to employees is based on the employee's performance (contribution), capabilities (professionalism), attitude (responsibility) and the value of work itself (level of difficulty of the work, scope, responsibility, efforts made for the work) and qualifications. Mingtai would give bonuses to thank employee's efforts on the growth of the Company according to their performances.





Employee trips



One-day trip



Employee health check



Stair climbing competition



Year-end party



Employee Benefits

Employees are the most crucial assets of the Company and are also important partners for the sustainable development of an enterprise. To promote the well-being of the employees and to enhance their cohesion of the Company, we provide various benefits as follows.

Pension Systems

To stabilize the employees' life after retirement, employees do not have to pay for the amount of monthly appropriation that will be contributed to the employees' pension fund accounts.

Parental Leave Without Pay

According to the law of government, female employees are entitled to pregnancy checkup and maternity leave during pregnancy and childbirth while male employees are entitled to paternity leave when their spouses give birth to children. The application of employees meeting the criteria for parental leave without pay will be handled in accordance with the "Implementation Measures for Parental Leave without Pay", and would not be any different due to gender or job positions. All genders are allowed to apply for Parental Leave.



5.3 Education and Training and Maintenance of Human Rights

Mingtai believes that talents can increase competitiveness, therefore the Company lays emphasis on employees' development and training. There is no discrimination due to their nationality, ethnic group, origin of status, social status, sexual orientation, physical disability, political affiliation, skin color, pregnancy, blood type, horoscope, family responsibility, beliefs, union membership, marital status, age, gender or experience. In addition, we established the "Mingtai's Measures for Sexual Harassment Prevention" and the "Appeal Review Committee" to protect the employees' interests and rights. The Company respects all the employees' rights and freedom of association and collective bargaining. Additionally, Labor-management meetings are regularly held to listen to the employees' opinions, and an Employee Welfare Committee was established.

Training Planning

Education & training is one of the key projects of Human Resources Management. Every year, the annual education and training plans are made in accordance with organization structure development, operational objectives, the required skills and requirements for the job position, and suggestions of the employees. Corporate social responsibility related courses are also arranged and implemented every year, such as courses of labor rights policy, labor code of conduct, GMP, ISO 9001 quality management system, ISO 14001 environmental management system, FSSC 22000 food safety management system, HACCP, and critical control points. In addition, the training of professional skills and management ability is arranged to increase professional knowledge and competitiveness.

Performance Assessments

The Company regularly carries out the appraisal of our employees' performance, and the opportunities for the mutual communication between the supervisors and subordinates are ensured to enhance the mutual understanding and recognition. The employees would have an opportunity to self-reflect and review their job responsibilities, capabilities and performance status for growth. In addition, the Company can also understand the ability, responsibility and performance of the employees during a certain period of time as a reference for the employees' salaries, bonuses, promotion, job changes, education and training to create a fair and reasonable working environment, improving employees' work performance.



Photos of on-job training

Education and Training of Human Rights

The Company is devoted to the promotion of corporate social responsibility, including training of human rights, labor, safety, ethics, environmental protection, quality and others. We conducted training, education and promotion of labor & human rights, Code of Conduct and the prevention and control of sexual harassment. We also make use of the intranet for the employees to consult CSR related information, which is also included as the required orientation education for new recruits so that they can have the awareness of social responsibility.

The self-employed security personnel who manages the access of the Company has completely followed the training plan of our full-time employees and received education and training on labor & human rights and ethical code of conduct.

5.4 Occupational Safety and Health

The chairman of the Company chairs the Occupational Safety and Health Committee, and the members are composed of the department heads within the business and the personnel related to occupational safety and health. There are 21 committee members in total. Labor representatives are elected by the employees and account for 1/3 of the committee members.

Employee Health Care

We attach great importance to the physical and mental health of our employees. According to "Regulations of Labor Health Protection", every new employee has to complete general and special health checks before reporting to the Company. Health checks and special health checks are arranged annually for all employees.



5.5 Community Interaction

To give back to the society, Mingtai Chemical participates in various public welfare activities and community feedback, and is devoted to encouraging all employees to participate in social welfare. Details are given in the following. To maintain clean plant areas and community environment and to also be a good neighbor, Mingtai has assisted the community to prune trees, weed and clear the gutters in the hope of contributing to the society through various social participations.

1997~now

Sponsorship of annual sports day

Continue to donate to the annual sports day of SiaoLi Elementary School.

2006~now

Public service advertisement on Da Ai Channel

Continue to donate to the public service advertisement on Da Ai Channel.

2012~now

Sponsorship of Yungshin Cup Volleyball Championships

Continue to donate to Yungshin Cup Volleyball Championships.



Assisting the community to prune trees, weed and clear the gutters



1142, Shin Hsing Rd., Bah-Der Dist., Taoyuan City, 33452 Taiwan

Tel: +886-3-368-2295 Fax: +886-3-368-1438

E-mail: sales@mingtai.com