

## Chapter 3

# Innovation and Supply Chain Service



### Material topics in this chapter

- Technology R&D
- Product Quality

### Performance Highlights

- New product development & improvement: 4
- Development of high-flow injection HDPE product-LH5590.
- Innovation and R&D accumulated 138 patents.
- Funds for R&D and innovation: NT\$160 million
- R&D staff account for 12% of all employees.
- Legal noncompliance of products: 0



## 3.1

## Technology R&amp;D

GRI 103-2、103-3

SDG 8、9、13

## Sustainability Principle: Innovative Technology

Significance and Strategy	<p><b>Significance to USI</b></p> <p>Research and development are one of USI's core strategies for sustainable development. Through continual product improvement, customer demand research, and new product development, we achieve co-prosperity for USI and the environment and make continual profit.</p>	<p><b>Strategy and Approach</b></p> <p>Expand the R&amp;D scale, blend the ESG (environmental sustainability, social participation, and corporate governance) concept to product development and improvement, reduce environmental impacts, and achieve sustainable development through fulfilling environmental and social responsibilities.</p>	<p><b>Commitment</b></p> <p>We implement the green design concept and engage in source governance to ensure the use safety, energy conservation, and eco-friendliness of products, provide quality products and services, and meet the customer requirements.</p> <p>Data scope: USI coverage 100%</p>
Achievement and Goal	<p><b>2021 Goals</b></p> <ul style="list-style-type: none"> <li>• New product development and improvement: 4 pcs/year</li> </ul>	<p><b>2021 Achievements</b></p> <ul style="list-style-type: none"> <li>• Success new product development: 4</li> <li>1. Development of high-flow injection HDPE product-LH5590</li> <li>2. Packaging ViviOn™ 8210XT</li> <li>3. Ultrahigh impact-resistant ViviOn™ 0510HT</li> <li>4. High transparency and impact-resistant ViviOn™ 0510T</li> <li>• In 2021 no legal noncompliance or fine in relation to product labeling was reported.</li> </ul>	<ul style="list-style-type: none"> <li>• The medical grade ViviOn™ CBC successfully replaced quartz and entered the market of UVC LED portable UV disinfection products. Currently, commercialized cases include the disinfection cabinet by Sandra, a Taiwanese brand, the tablet stylus by Adonit, a US brand, and the disinfection cabinet by Moshi, a US brand.</li> </ul>
Sustainable Development Milestone	<p><b>2022 Targets</b></p> <ul style="list-style-type: none"> <li>• New product development and improvement: 4 pcs/year</li> <li>• Legal noncompliance of products: 0</li> <li>• Constant development and promotion of eco-friendly products</li> </ul>	<p><b>Medium- &amp; Long-Term Goals</b></p> <ul style="list-style-type: none"> <li>• New product development and improvement: 5 pcs/year.</li> <li>• Legal noncompliance of products: 0</li> <li>• Constant development and promotion of eco-friendly products</li> </ul>	
Management	<p><b>Effectiveness Assessment</b></p> <ol style="list-style-type: none"> <li>1. Constant achievement tracing in the annual ESG report.</li> <li>2. Successfully developed technology and R&amp;D outcomes.</li> <li>3. Reporting the sales of new products at the business meeting.</li> <li>4. All USI products comply with the Restrictions on Hazardous Substances (RoHS) to reduce environmental impact.</li> </ol>	<p><b>Product &amp; Service Development Mechanisms</b></p> <ol style="list-style-type: none"> <li>1. Customers make demands from the sales/R&amp;D units by phone/email/internet; or irregular customer visits.</li> <li>2. The president holds the product improvement meeting every month to analyze the markets, environment, and users of new projects. After approval, the plant makes product improvement or new product R&amp;D and trial run.</li> <li>3. 2021 customer technical service cases: 102.</li> </ol>	<p><b>Achievements and Directions of Technology R&amp;D</b></p> <ol style="list-style-type: none"> <li>1. Advanced materials development</li> <li>2. New Product Development</li> <li>3. Developing high-value products</li> <li>4. In recent years, investments in the R&amp;D of energy-efficient products accounted for 8.16% of the consolidated revenue.</li> <li>5. Funds for R&amp;D and innovation: NT\$160 million</li> <li>6. R&amp;D staff accounted for 12% of all employees.</li> <li>7. Innovation and R&amp;D in 2021 accumulated 138 patents.</li> </ol>

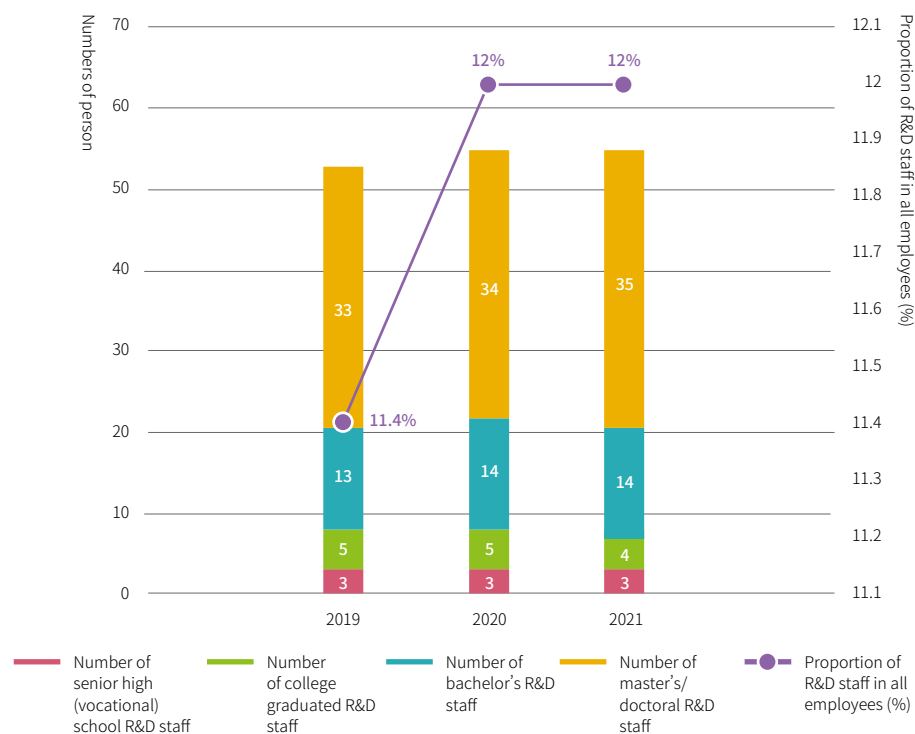
### Innovative Operations and Management

Each year we invest a huge fund in R&D and actively recruit and cultivate professional talents. The R&D investments in 2020 and 2021 were NT\$117 million and NT\$160 million respectively. In 2020, although the trial mass production of some projects started, and the relevant fees were included in the operating cost, the annual investments in product and technology R&D was still NT\$117 million. In 2021 the High-Value R&D Center in Kaohsiung started operations to provide services including process and product optimization, material quality and property improvement, added value and production

efficiency enhancement, and energy consumption reduction. The R&D investment was thus increased to NT\$160 million, NT\$43.87 million more than that of 2020.

The number of R&D staff increased from 54 in 2019 to 56 in 2020 and 2021, accounting for 12% of all employees. In terms of education distributions in 2021, 62.5% of R&D staff hold a master's or doctoral degree, and the number of R&D staff is maintained at the specific level.

R&D personnel distribution



Investments in Innovation and R&D

unit: NTD

Item	2019	2020	2021
Operating revenues	10,966,471,000	10,172,220,000	16,034,251,000
R&D Funds	177,916,049	116,819,025	160,687,540
Number of employees	474	468	465
Number of R&D staff	54	56	56
Proportion of R&D staff in all employees.	11.4	12.0%	12.0%

## Innovation Value and Culture

We mainly produce ethylene, the raw material for making plastics widely used in the daily life. To balance the ecosystem, we have implemented the green design concept in new product R&D. In recent years, we have developed a range of green products, such as the raw materials for the PV module packaging, eco-friendly sunshield coating, halogen-free fire-retardant materials, and so on to reduce energy consumption and hazardous substance emissions to lower the environmental impact.

Besides participating in the Process Scale-Up Project to Shorten Gaps in the Supply Chain for Key Chemicals of the Industrial Development Bureau, Ministry of Economic Affairs, we were also awarded the 17th National Innovation Award with the Cyclic Block Copolymer (CBC).



### Accumulated 138 patents at home and abroad in 2021 ▶

By teaming up with top experts through industry-academia-government collaboration, the R&D Division gathers R&D capacity and acquires patents for global patent deployment. In 2021, we were awarded 9 Taiwan patent and 129 overseas patents.

## Industry-Academia Demonstration and Exchange

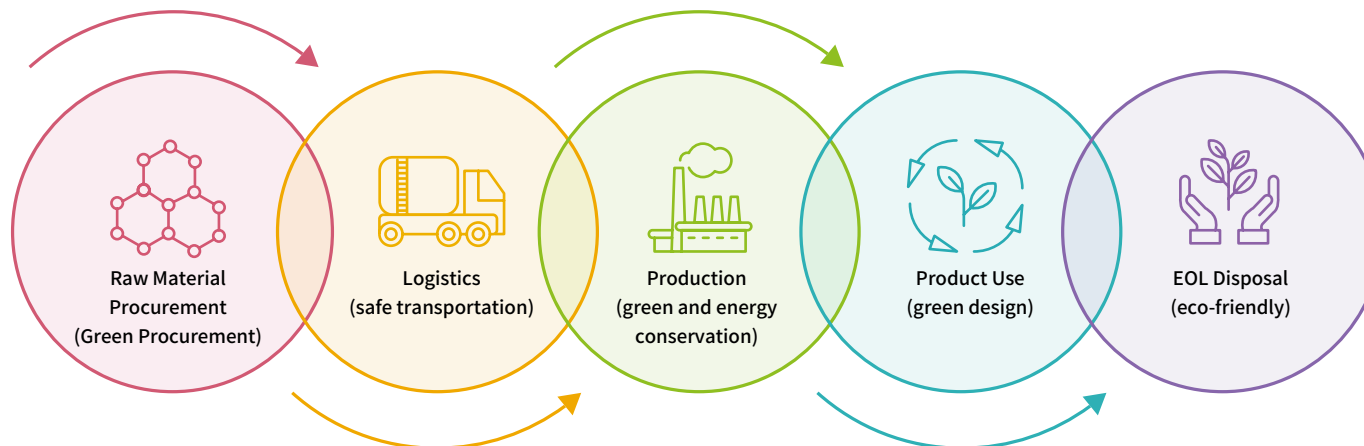
Besides actively engaging in new product R&D, we never forget to encourage students to experience the actual field operations.

In recent years, we have been organizing teaching demonstration with Tatung University, National Taiwan University of Science and Technology, “Kaohsiung Ren Da Petrochemical Talent Stream” Cooperation Program. In the process, besides introducing USI’s scope of services to teachers and students on their visits, we also arrange R&D instructors to operate and demonstrate extrusion, pelletizing, foaming, injection, and film-blowing machinery for students associate theories learned from school to practice. Besides vitalizing teaching, strengthening school competitiveness, and cultivating base-level talents for the future with corporate resources, teaching demonstration can attract outstanding students to enhance local employment rate, hoping to create a win-win situation for enterprises, schools, and local communities through such an industry-academia collaboration model. The fruit was eventually borne in 2018 and 2020 when outstanding students from these schools joined USI’s big family. Besides cultivating locally, we have achieved the vision of sustainable development toward social co-prosperity.



### Sustainable Products

Based on the product lifecycle concept, we minimize resource and energy consumption from strict materials control at upstream to the product end-of-life (EOL) disposal at downstream through close cooperation with upstream and downstream suppliers, in order to lower the environmental and social impacts of products.



Lifecycle	Raw Material Procurement	Logistics	Production	Product Use	EOL Disposal
Environmental and Social Impacts	We emphasize labor human rights, health and safety, environmental protection, and ethics and integrity, and actively promote the Supplier Code of Conduct.	We transport up to 96% of raw materials for production via underground pipelines to significantly reduce CO <sub>2</sub> emissions than tanker transportation. Therefore, we have established the underground pipelines operations and maintenance plan to ensure public safety for citizens.	We promote energy conservation, water conservation, waste reduction, and workplace environment improvement to achieve the five zero's goal: "zero pollution, zero emissions, zero accidents, zero occupational hazards, and zero failures".	We lower environmental impact right from product design and develop a range of green, energy-efficient products (e.g. PV module packaging, eco-friendly sunshield coating, and green fire-retardant materials.)	Through the third-party verification of RoHS conformity, we ensure products are free of hazardous heavy metals to prevent residual hazardous substances from entering the food chain through soil and thereby reduce environmental impact.
References	3.3 Sustainable SCM	5.1 Transportation Safety Management	Chapter 4 Environmental Sustainability and Climate Change	3.1 Technology R&D	3.2 Product quality



## Benefits of Product Innovation

R&D is one of our core strategies for sustainable development. Each year we invest over NT\$100 million in R&D and actively recruit outstanding talents from home and abroad to the R&D team in order to optimize processes and maintain sustainable product development. Additionally, we have also implemented the "green design" concept to constantly innovate and optimize products and make upstream and downstream deployment to create sustainable value for enterprises in collaboration with suppliers.

### In 2021, we developed the industry-leading high-flow injection HDPE product-LH5590 for energy conservation

Following the introduction of two high-flow injection HDPE products in 2019: LH5544 (MI: 44g/10min) and LH5564 (MI: 64g/10min), in 2021, we successfully developed the high-flow injection HDPE product LH5590 (MI: 90g/10min) ahead of the industry. It is the HDPE product with the highest melt index (MI) in the market so far. Its high flow property can significantly shorten the processing time, increase productivity, reduce process energy consumption, and thereby lower environmental impact and reduce production costs for customers. We realize sustainable operations and share win-win with customers. Alongside other properties including good processability, stiffness, and so on, the LH5590 is very suitable for thin wall injection molding, powder coating, and masterbatch.

### Three new ViviOn™ CBC products for 2021: 8210XT, 0510HT, and 0510T plastic-reduced products

#### ● Packaging ViviOn™ 8210XT

The ViviOn™ 8210XT has passed the materials safety certification of many countries. Due to its high PE/PP compatibility, the ViviOn™ 8210XT can be directly mixed with dry PE/PP pellets to enhance the stiffness and rigidity of packaging films to favor lightweight and thin films for plastic reduction. As it is lightweight, it reduces fuel consumption in transportation to bring positive effect to the environment. Additionally, the ViviOn™ 8210XT can reduce film tearing strength for linear easy tear to facilitate consumer use. Developed market applications include: easy tear film, heat shrinkable film, medical device package, food package.

➤ Please visit ViviOn™ - Cyclic Block Copolymers (CBC)



#### ● Ultrahigh impact-resistant ViviOn™ 0510HT

In 2021 we developed the ultrahigh impact-resistant ViviOn™ 0510HT, with 2-3 times higher impact resistance than the CBC floatable glasses introduced in 2019 to significantly reduce the risks brought by glasses damage caused by impacts during exercise. Additionally, the ViviOn™ 0510HT has ultralow density floating property that consumers can feel very light when wearing. It is suitable for making any sports goods and outdoor leisure products, particularly for those related to water games because it will not sink in water to prevent loss in order to reduce marine waste, prevent human economic activities from deteriorating marine ecology, and contribute ourselves to environmental protection.



#### ● High transparency and impact-resistant ViviOn™ 0510T

The ViviOn™ 0510T makes a big step forward in impact-resistant performance while maintaining high transparency at the same time to provide customers with more choices in materials.

### Successful replacement of quartz and entry into the market of UVC LED portable UV disinfection products by ViviOn™ CBC

The medical grade ViviOn™ CBC is characterized by its high UVC penetrability, anti-ageing against UVC performance, and lightweight portability to allow easy disinfection in the daily life. It has successfully replaced quartz and entered the market of UVC LED portable UV disinfection products. Currently, commercialized cases include the disinfection cabinet by Sandra, a Taiwanese brand, the tablet stylus by Adonit, a US brand, and the disinfection cabinet by Moshi, a US brand.



### Promotion of all-purpose eco-friendly water-based sunshield coatings

On July 30, 2021 TSMC Charity Foundation held the “Charitable Green Energy Model Activation--Solar Panels and Sunshield Coating Completion Ceremony” together with USI and National Cheng Kung University. Besides further promoting green energy, this model also helps cut electricity bills for vulnerable groups and reduce the operational pressure for power plants.

Through the arrangement of TSMC Charity Foundation, USI Chairman Quintin Wu provided USI’s all-purpose eco-friendly water-based sunshield coatings for this charitable collaboration project. With total solar reflectance (TSR) up to 90% and low urban heat island effect, these coatings can effectively reduce indoor temperature, aircon use, energy consumption, and carbon footprint.

Please visit <https://www.usife.com/ESG/zh-tw/ESGNewsDetails.aspx?Passcode=2021081804> for related news reports.



### TV promotion of USI sunshield coatings

A special report on USI sunshield coatings on September 18, 2021, Channel 37 of Azio TV.

Please visit <https://www.youtube.com/watch?v=IDCAs-WFoyQ> for details.



### Participation in Internationally Indicative Shows and Exhibitions

When COVID-19 swept across the globe in 2021, we strictly followed the epidemic controls and showcased the applications of ViviOn™ CBC in medical devices, biomedical tests, and UVC disinfection at the CHINAPLAS, a leading international exposition for plastic and rubber industries, and the China Association of Clinical Laboratory Practice Expo (CACLP).



# 3.2

## Product quality

GRI 103-2、103-3

SDG 8

### Sustainability Principle: Innovative Technology

Significance and Strategy	<p><b>Significance to USI</b></p> <p>Product quality is the foundation of corporate sustainable development. Total participation in quality is the key to success of USI's quality culture development.</p>	<p><b>Strategy and Approach</b></p> <p>Constantly enhance product yield rate and improve service quality.</p>	<p><b>Commitment</b></p> <p>Continual equipment improvement, quick capture of product quality, and reduction of customer complains Data scope: USI coverage 100%</p>
Achievement and Goal	<p><b>2021 Goals</b></p> <ol style="list-style-type: none"> <li>Confirmed customer complaints: Plant I &lt;6 and Plant II &lt;8.</li> <li>Controllable defect rate of plants I/II: &lt;0.3/&lt;0.8%</li> </ol>	<p><b>2021 Projects</b></p> <ol style="list-style-type: none"> <li>Plant II New Catalyst System Construction and Commissioning</li> <li>Plant II Filter Automatic Replacement System Construction</li> </ol>	<p><b>2021 Achievements</b></p> <ol style="list-style-type: none"> <li>Confirmed customer complaints of plants I/II: 6 cases /3 cases</li> <li>Controllable defect rate of plants I/II: &lt;0.12/&lt;0.5%</li> </ol>
Sustainable Development Milestone	<p><b>2022 Targets</b></p> <ol style="list-style-type: none"> <li>Confirmed customer complaints: Plant I &lt;6 and Plant II &lt;8.</li> <li>Controllable defect rate of plants I/II: &lt;0.3/&lt;0.7%</li> </ol>	<p><b>3-Year Goals</b></p> <ol style="list-style-type: none"> <li>Increase the proportion of new catalyst products at Plant II, promote products to customers, and enhance customer satisfaction.</li> <li>Resolve the automation bottleneck of compounding equipment.</li> </ol>	<p><b>5-Year Goals</b></p> <ol style="list-style-type: none"> <li>Development and mass production of HV products.</li> <li>Reduction of annual customer complaints.</li> <li>Reduction of controllable defect rate.</li> </ol>
Management	<p><b>Effectiveness Assessment</b></p> <ol style="list-style-type: none"> <li>Target trace at the monthly quality improvement meeting.</li> <li>Review of customer complaints and quality issues at the biannual management review meeting.</li> <li>New product sales condition.</li> </ol>	<p><b>Grievance Mechanism</b></p> <p>Customers send requests/response by telephone/mail/internet</p>	

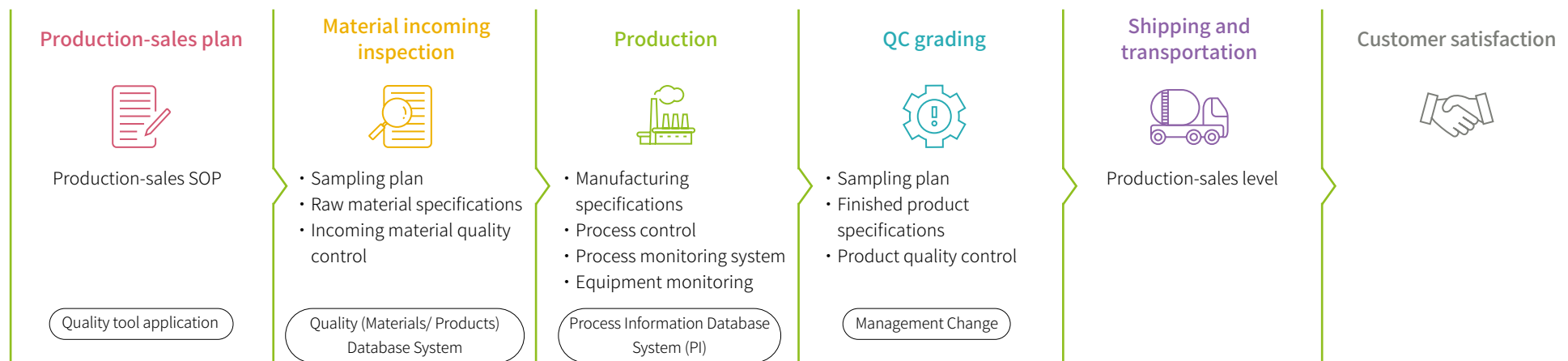


## Product Quality System

Product quality is the foundation for USI’s sustainable development. To provide customers with products and services of excellent quality, USI has established the ISO 9001 QMS. Apart from building stringent management systems in the “production-distribution plan”, “materials incoming inspection”, “production/manufacture”, and “inspection/ judgement”, we establish the quality database system and process data database PI system with the information technology. In addition to providing

information of real-time monitoring and process parameters to ensure the final quality of products, these systems help produce statistics, analyze, and trace product quality, process parameters, and materials quality.

In addition, the computer change management system ensures stringent evaluation and management of process changes to ensure risk-less changes to stabilize process and product quality.



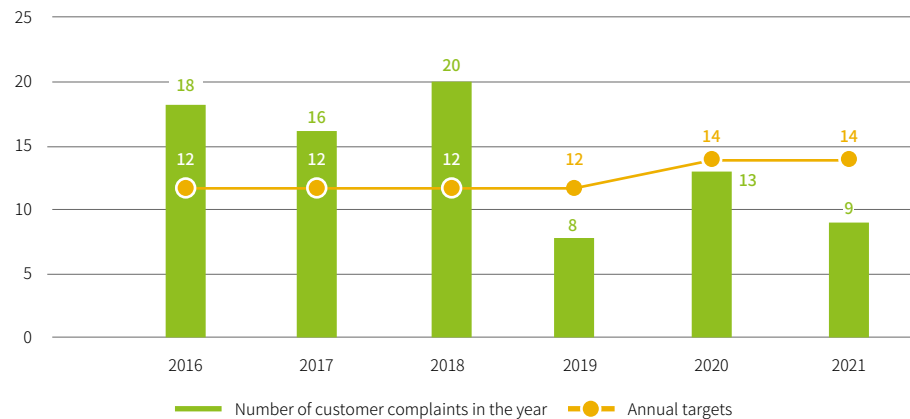
### Major Quality Improvement Projects

2021	2022 Items	Contents and Schedules for 2022
Plant II New Catalyst System	Increase the proportion of new catalyst products at Plant II and promote products to customers.	<ul style="list-style-type: none"> <li>Inorganic residue reduction, high quality, customer promotion, customer satisfaction enhancement</li> <li>Projected completion in December 2022</li> </ul>
Plant II Filter Automatic Replacement System	Plant I M/P renewal	<ul style="list-style-type: none"> <li>Equipment reliability and quality stability enhancement</li> <li>Projected completion in September 2023</li> </ul>
New product trial run on compounding equipment	Resolve the automation bottleneck of compounding equipment.	<ul style="list-style-type: none"> <li>Enhance production efficiency</li> <li>Projected completion in December 2022</li> </ul>
Plant II Storage Tank Blending Improvement	Plant I Catalyst Pump Renewal	<ul style="list-style-type: none"> <li>Equipment reliability and quality stability enhancement</li> <li>Projected completion in March 2024</li> </ul>
New Cake Removal Equipment	Continuation of cake removal equipment construction, with projected completion in April 2023.	<ul style="list-style-type: none"> <li>Enhance production stability/prevent emergency stop</li> <li>Projected completion in April 2023</li> </ul>

To ensure ongoing “employee quality improvement”, “technology advancement”, and “TQM approach optimization”, we encourage employees of all levels to engage in and propose improvement. We also organize group-wide improvement case presentations to encourage employees to embark on self-growth and plants to learn from one another. In 2021, a total of five important quality-related improvement projects were implemented.

Quality improvement is a persistent process. With continual enhancement of product yield rate and continual reduction of customer complaints as the long-term goals, we have achieved the yield rate goal in recent years. For self-optimization, we raise the yield rate target every year. Through long-term improvement, customer complaints have also reduced continuously.

Confirmed customer complaints: count/year



Note: We began to separate the customer complaint targets for plants I and II in 2020, 6 and 8 respectively.

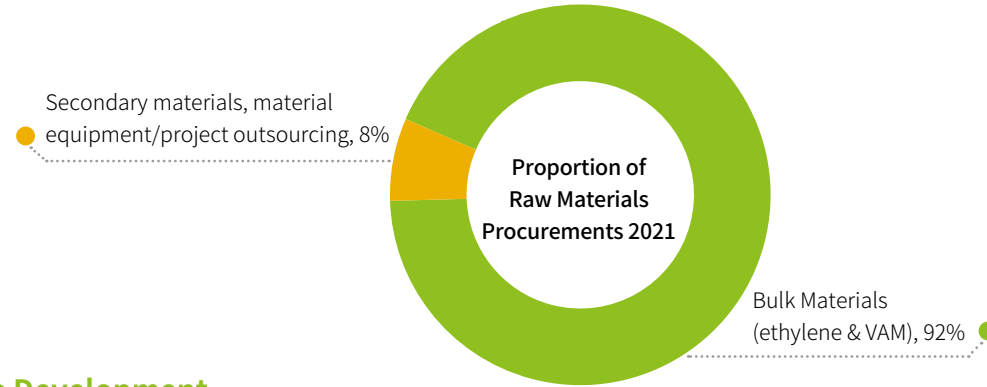


# 3.3

## Sustainable SCM

GRI 102-9

With the rise in the awareness of the issues related to sustainable development and supply chain risk management, besides proactively performing social responsibilities and contributing to society, we have gradually realized the need to understand the supplier’s ESG impacts on USI’s in order to implement supplier management.



### Sustainable Development



#### Supply Chain Sustainable Development Policy ▶

- Optimize partnership and share sustainable business opportunities
- Enhance workplace safety and enforce environmental protection
- Take social responsibility and enhance competitiveness

#### Supplier Sustainable Development Strategy and Goals

As an indicative enterprise in Taiwan, and it is our responsibility to call on suppliers to jointly undertake corporate social responsibility. Therefore, we have established the Supplier ESG Commitment to request suppliers to make commitment for compliance with human rights, industrial safety, health, environmental protection, and conflict minerals. The performance of future planning are as follows:

#### Short-Term Goals (1 year)

We already revised the SOPs in 2021 to include the “Supplier ESG Commitment” as a supplier selection criterion.

#### Medium-Term Goals (3 years)

- All suppliers signed the "Supplier ESG Commitment".
- On-site supplier audits.
- Include social and environmental assessment in the supplier evaluation.
- Guidance of improvements for suppliers fails the social and environmental assessment.

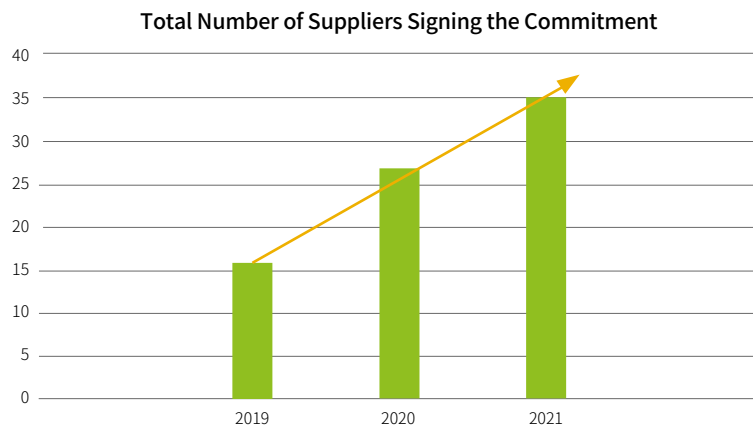
#### Long-Term Goals (5 years)

- All suppliers comply with USI's social and environmental assessment criteria.

### Promotion of “Supplier’s Code of Conduct” (Supplier ESG Commitment)

In 2020, we added the Supplier ESG Commitment as an incentive. From 2022, the Supplier ESG Commitment is a prerequisite for priority assessment of all new suppliers.

By 2021, a total of 35 suppliers sent back the commitment. We already progressively requested suppliers to sign and abide by the commitment and revised the internal SOPs to add the commitment as one of the criteria for new supplier evaluation. Currently, new suppliers of major production materials are requested to sign the commitment. In the future, we will perform irregular onsite audits on the compliance with the commitment.



### SCM mechanism

With quality, ability, and environmental policy as conditions, we perform corporate social responsibility in collaboration with outperforming suppliers on a long-term basis. We also communicate with contractors and transporters our environmental policy, comply with the EU’s RoHS directive, enhance environmental education and training, and care about the safety of contractors working in our plants in order to ensure the safety of all operations, protect the life, safety, and health of personnel, and optimize risk management.

<https://www.usife.com/ESG/en-us/ESG52.aspx>

### Management of raw materials suppliers

At USI, supplier evaluation is implemented centrally by the procurement department. Only suppliers passing the evaluation are included in the Quality Supplier List. The evaluation mechanism is as above:

#### Results of raw material supplier evaluation in 2019-2021

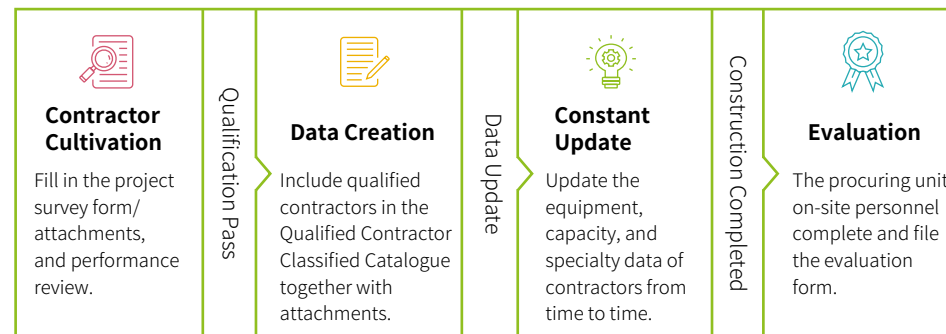
Year	2019	2020	2021
<b>Suppliers Evaluated</b>	72	76	51
<b>Pass Rate</b>	100%	100%	100%

We have 51 qualified materials suppliers. In 2021, all 51 suppliers were evaluated. Besides a 100% evaluation, all suppliers passed the evaluation, with a 100% pass rate.

### Management of construction contractors

We outsource construction contracts mainly to local contractors, and on-site personnel of the plant supervise and manage them during the construction period. In addition to construction projects, we care about HSE, occupational safety, human rights and labor practices.

#### Establishment of a qualified contractor selection process:



**Contractor qualification items:**

Capital	Total Amount of Two Major Projects in the Last 2 Years	Cumulative Amount of Projects each over NT\$200K in the Last Year	Factory Scale	Amount of Equipment Investments	Numbers of employees
10%	20%	10%	20%	20%	20%

Project construction evaluation: During project construction, we will evaluate a contractor according to the following ESG standards:

Construction quality	Safety and health measures	Coordination performance	Site manager	Environment maintenance	Construction progress
40% (G)	20% (S)	10% (G)	10% (S)	10% (E)	10% (G)

Note 1: The pass mark is 50 points. We will stop enquiries from contractors with a score of 30-49 points for one or two years and disqualify contractors with a score below 30 points.

Note 2: (E), (S), (G) represent respectively environmental, social, and governance aspects.

**Results of construction contractor evaluation in 2019-2021**

Year	2019	2020	2021
<b>Suppliers Evaluated</b>	111	124	0
<b>Pass Rate</b>	100%	100%	0%

The Kaohsiung Plant transfers project outsourcing to the Group's Procurement Department II. From 2021, only two projects were outsourced by the department, and no construction evaluation was implemented.

**Supply Chain Risk Management**

<http://www.usife.com/ESG/en-us/ESG51.aspx>



The procurement amount of plasticizing materials (ethylene and VAM) is the highest every year. The 2021 procurement of such materials accounted for 92% of the total. Currently, ethylene and VAM are the major raw materials of USI products. In consideration of the risk of supply shortages, we have adopted the following solutions:

Type	Potential Risk	Strategy	Practice
Materials Risk	Supply interruption	Source dispersion	Cultivate new sources across the world.
		Supply contract	Sign long-term supply contracts with important suppliers.
		Strategic procurement	Analyze market movements regularly and adjust the optimum procurement strategy.

To secure the sustainable supply of material sources and stimulate market circulation, we actively cultivate new material sources and increase bulk material suppliers to 16 companies, including 5 domestic suppliers and 11 foreign suppliers.

**Sources of major materials in 2021**

Locations/Materials	Ethylene	VAM
Taiwan	73%	83%
Foreign	27%	17%
Source	13 domestic and overseas suppliers in total.	3 domestic and overseas suppliers in total.

Note: The percentage in the table represents the proportion of purchasing amounts of bulk materials.

## Green Procurement

<http://www.usife.com/ESG/en-us/ESG54.aspx>

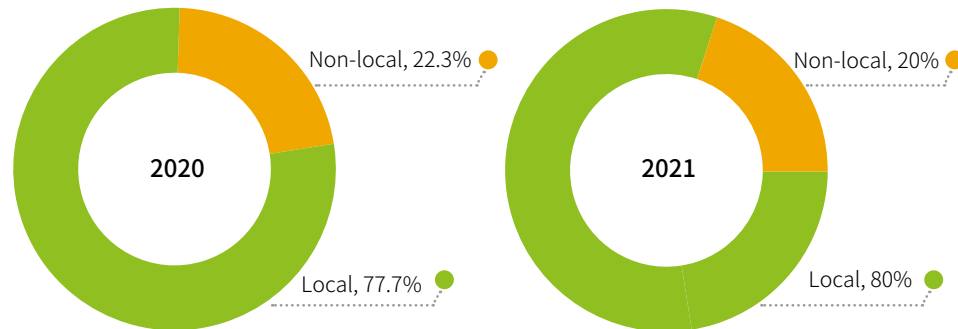


### Support for procurement from local suppliers

Taiwan is our operational and production base. When the procurement conditions are similar, we prioritize procurement from local suppliers in order to achieve the following goals:

- ✓ Establish long-term, sustainable cooperation
- ✓ Promote local economic development
- ✓ Increase job opportunities
- ✓ Reduce transportation processes

In 2021, we increased the local procurement of secondary materials by about 2.3% over 2020.



### Energy-efficient and eco-friendly equipment

In addition to continuously promoting environmental protection and energy conservation policies, we have been encouraging all units to use energy-efficient and eco-friendly materials in recent years. These materials include energy-efficient devices (e.g., inverters, high-performance IE3 motors, anti-explosion LED lighting fixtures, aircon chillers, UPS) and ecolabel products (e.g., energy-efficient and eco-friendly IT equipment).

### Amount of procurement of energy-efficient products in 2021

(expressed in NTD)

Equipment purpose	Total amount
Inverter drive	26,500
IE3 high-performance motor	1,814,975
Energy-efficient and eco-friendly IT equipment	690,400
Anti-explosion LED lighting fixtures	1,465,000
Aircon chiller	350,000
UPS	34,000
<b>Grand Total</b>	<b>4,380,875</b>



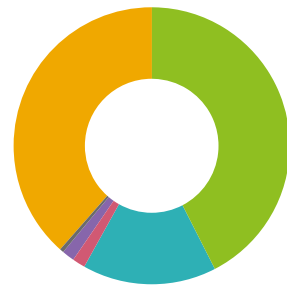
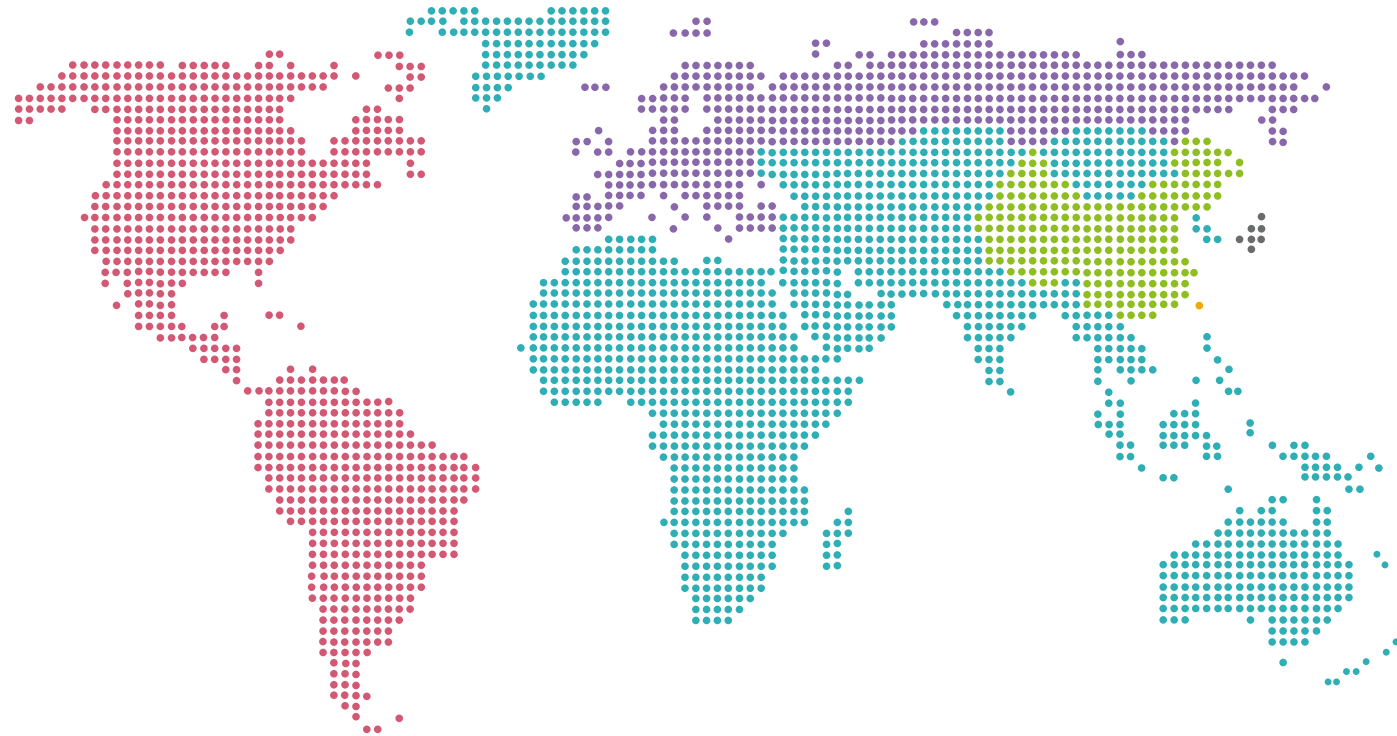


# 3.4

## Sales and customer services

GRI 102-2、102-6






USI products are distributed mainly to a total of 325 customers in Europe and Asia. Products exported by ranking are EVA, HDPE, LDPE, and LLDPE. The chart below shows the sales distributions and market distributions of USI products in 2021. All were calculated by sales volume.



### 2021 Sales Distribution

- Domestic 38.5%
- Export 61.5%
- Taiwan 38.5%
- China and Hong Kong 42.5%
- Other countries 15.6% (Vietnam, Malaysia, Thailand, Indonesia, Bangladesh, Pakistan, and India)
- Americas 1.9% (Paraguay, Mexico, the USA, Brazil, Peru, and Chile)
- Europe 1.4% (Turkey, Russia, Ukraine, Poland, Germany, Belarus, Spain, Belgium, the UK, France)
- Japan 0.1%

## Sales Services

 <p><b>Technical Support</b></p>	<ul style="list-style-type: none"> <li>Establishing the “Customer After Sales Technical Service Policy”</li> <li>In the “Product” section of our corporate website, we provide complete information regarding the specifications, properties, functions, application manual, and safety data sheet (SDS) of our current and new products</li> <li>Setting up an enquiry hotline</li> <li>In 2021 no legal noncompliance or fine in relation to product labeling was reported. <b>GRI 419-1</b></li> <li>Providing customers with a small quantity of samples for test runs and continuous technical support</li> </ul>	
 <p><b>Product Responsibility</b></p>	<ul style="list-style-type: none"> <li>All USI products comply with the Restrictions on Hazardous Substances (RoHS)</li> <li>Provision of quality inspection reports as requested by customers</li> </ul>	
 <p><b>Customer privacy</b></p>	<ul style="list-style-type: none"> <li>To ensure the utilization of customer’s data is secured and appropriate, the Group Information Systems Division has established a series of regulations regarding information security management, including the General Provisions of the Information Security Management Policy, System Development and Maintenance Management Regulations, Directions for Going Live Management of Application Systems and Programs, and Directions of Database Management to protect and control all types of privacy information in terms of information security management. In addition, by enhance the firewall management, authority control, to segment the test and production environments, and de-identification of data for containing personal information to prevent the risk of data leakage. In 2021 no damage or leakage of customer privacy was reported.</li> </ul>	
 <p><b>Customer Complaints</b></p>	<ul style="list-style-type: none"> <li>Establishing the “Customer Complaint Handling Procedure” to process all customer complaints about products.</li> <li>Customer complaints processing procedures</li> </ul> <div style="display: flex; justify-content: space-around; align-items: flex-start; text-align: center;"> <div style="width: 15%;"> <p><b>1</b> Receipt of customer complaints</p> <p>Referring complaints to the sales unit</p> </div> <div style="width: 15%;"> <p><b>2</b> Acceptance of customer complaints by the sales unit</p> <p>Filling in the “Customer Complaint Notice”</p> </div> <div style="width: 15%;"> <p><b>3</b> Causes investigation of customer complaints</p> <p>by implementation unit. Recommendation of solutions</p> </div> <div style="width: 15%;"> <p><b>4</b> Reply Customers</p> <p>Filling in the customer complaint closure report</p> </div> <div style="width: 15%;"> <p><b>5</b> Effectiveness Confirmation</p> <p>Proposing corrective and preventive actions Confirmation and follow-up of effectiveness.</p> </div> <div style="width: 15%;"> <p><b>6</b> Closure</p> <p>Completing the customer complaint closure report</p> </div> </div> <ul style="list-style-type: none"> <li>We have adopted the following procedures to ensure that all customer complaints are addressed and resolved: computer processing and recording of customer complaints processing; discussion of each complaint at the monthly meeting; effective implementation of quality improvement activities; dedicated personnel for cause analysis, follow-up of corrective and preventive actions, and tracing the effectiveness of corrective and preventive actions.</li> </ul>	

## Customer Satisfaction

<p><b>Survey Frequency</b></p>	<p>A customer satisfaction survey is conducted semi-annually.</p>																																																
<p><b>Sampling Method</b></p>	<p>Fifty, including 30 domestic buyers and 20 overseas buyers, from the top one hundred buyers by purchasing quantity are surveyed during the H1 and H2 of each year.</p>																																																
<p><b>Contents and Results</b></p>	<p>In 2021, all aspects were above the “satisfied” level, and up to 98.9% of investigation feedback for investigations in the year was either “highly satisfied” or “satisfied”, achieving the 2021 target ( ≥ 94%). The charts below show the survey results in “comparison with other suppliers” and “comparison with the previous year performance” in the past three years.</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="409 643 1093 1362"> <p><b>Comparison with other suppliers</b></p> <table border="1"> <caption>Comparison with other suppliers (2019-2021)</caption> <thead> <tr> <th>Category</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Overall impression</td> <td>4.4</td> <td>4.4</td> <td>4.6</td> </tr> <tr> <td>Export transportation</td> <td>4.2</td> <td>4.5</td> <td>4.6</td> </tr> <tr> <td>Domestic sales transportation</td> <td>4.2</td> <td>4.5</td> <td>4.6</td> </tr> <tr> <td>Service quality</td> <td>4.7</td> <td>4.7</td> <td>4.7</td> </tr> <tr> <td>Product quality</td> <td>4.7</td> <td>4.7</td> <td>4.7</td> </tr> </tbody> </table> </div> <div data-bbox="1137 643 2067 1362"> <p><b>Comparison with last year performance</b></p> <table border="1"> <caption>Comparison with last year performance (2019-2021)</caption> <thead> <tr> <th>Category</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Overall impression</td> <td>4.4</td> <td>4.4</td> <td>4.6</td> </tr> <tr> <td>Export transportation</td> <td>4.2</td> <td>4.4</td> <td>4.6</td> </tr> <tr> <td>Domestic sales transportation</td> <td>4.2</td> <td>4.4</td> <td>4.6</td> </tr> <tr> <td>Service quality</td> <td>4.6</td> <td>4.6</td> <td>4.6</td> </tr> <tr> <td>Product quality</td> <td>4.6</td> <td>4.6</td> <td>4.6</td> </tr> </tbody> </table> </div> </div> <p>Note: “5” for highly satisfied; “4” for satisfied; “3” for fair; “2” for unsatisfied; and “1” for highly unsatisfied.</p>	Category	2019	2020	2021	Overall impression	4.4	4.4	4.6	Export transportation	4.2	4.5	4.6	Domestic sales transportation	4.2	4.5	4.6	Service quality	4.7	4.7	4.7	Product quality	4.7	4.7	4.7	Category	2019	2020	2021	Overall impression	4.4	4.4	4.6	Export transportation	4.2	4.4	4.6	Domestic sales transportation	4.2	4.4	4.6	Service quality	4.6	4.6	4.6	Product quality	4.6	4.6	4.6
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