





## Progress of implementation of material topics

Aspects	Material Topics	Level of Completion in 2020	Actual Progress in 2021
 <b>Governance</b>	Economic performance	<ol style="list-style-type: none"> <li>Earnings per share (EPS): NT\$2.25, the highest in the last 7 years.</li> <li>HDPE sales at 120,379 MT, a new high in USI history.</li> <li>The total sales volume of EVA/PE in 2020 increased by 6% from 2019 to 270,920MT.</li> </ol>	<ol style="list-style-type: none"> <li>Earnings per share (EPS): NT\$4.84, a new high in USI history.</li> <li>EVA sales: 147,000 MT, a new high in USI history.</li> <li>Annual net income at NT\$3.52 billion, also a new high in USI history.</li> <li>Development of high-liquidity injection HDPE products.</li> <li>Commercial operations of the Fujian Gulei Project in December 2021.</li> </ol>
	Legal compliance	Improvement was completed and re-verified by the competent authorities for 5 environmental protection offenses and 1 industrial safety offense.	Improvement was completed and re-verified by the competent authorities for 1 environmental protection and/or regulatory offense and 1 OH&S offense.
	Technology R&D	New product development: 5 pcs/year, achievement 125%.	New product development: 4 pcs/year, achievement 100%.
	Product quality	Targets: Customer complaints of plants I/II: <6 cases/<8 cases Controllable defect rate of plants I/II: <0.45/<0.9% Actual: 1. Confirmed customer complaints of plants I/II: 5 cases /8 cases 2. Controllable defect rate of plants I/II: < 0.09%/<0.23% * *Defect Rate was expressed in Controllable Defect Rate from 2020.	Targets: Customer complaints of plants I/II: <6 cases/<8 cases Controllable defect rate of plants I/II: <0.3/<0.8% Actual: 1. Confirmed customer complaints of plants I/II: 6 cases /3 cases 2. Controllable defect rate of plants I/II: 0.12 / 0.5%
 <b>Environmental</b>	Water resources management (new topic in 2021)	<ol style="list-style-type: none"> <li>Water conservation: 3.62%</li> <li>Reclaimed water: 7,945MT</li> </ol>	<ol style="list-style-type: none"> <li>Water conservation: 4.26%</li> <li>Reclaimed water: 10,986MT</li> <li>Coordination with the government's industry water conservation (phase I: 7% and phase II: 11%) from April-May.</li> <li>Implementation of water conservation to control consumption.</li> <li>Implementation and certification of the ISO 46001 Water Efficiency Management System.</li> </ol>
	Air pollution control	<ol style="list-style-type: none"> <li>VOCs equipment leakage: 0.057%</li> <li>The TO system was completed in 2020, commissioning started on 2020.08.21, high-intensity VOCs processing results: VOCs 4ppm, reduction rate &gt;99.9%; low-intensity VOCs processing results: VOCs 6ppm, reduction rate &gt;99.3%.</li> </ol>	<ol style="list-style-type: none"> <li>VOCs equipment component leakage: 0.038%</li> <li>Completed the equipment pipeline improvement of lines B and D to reduce the fugitive emissions of VOCs.</li> <li>Added 3 tanker unloading arms and completed the improvement of 6 catalyst mixing tanks to effectively reduce the fugitive emissions of VOCs.</li> <li>Completed the cooler renewal to prevent the organic substance leakage due to equipment corrosion.</li> </ol>
	Waste management	<ol style="list-style-type: none"> <li>Monthly industrial waste storage audit: Compliance with the regulations.</li> <li>Enhancement of the flow control of waste cleanup and disposal by performing spot checks on 4 contractors in 2020, and no nonconformity was found.</li> <li>Expansion and assessment of the waste reduction program: Treated by stirring and heating to separate VA in the wax by heating and prevent the fugitive emissions of VOCs with water sealing.</li> </ol>	<ol style="list-style-type: none"> <li>Monthly industrial waste storage audit: Compliance with the regulations.</li> <li>Enhancement of the flow control of waste cleanup and disposal by performing spot checks on 10 waste cleanup contractors and 7 waste disposal contractors in 2021, and no nonconformity was found.</li> </ol>
	Climate Change and Energy Management	<ol style="list-style-type: none"> <li>Product energy consumption reduced from 4.58 GJ/MT in 2019 to 4.28 GJ/MT in 2020.</li> <li>Implemented 6 energy improvement projects to save power consumption by 1.67%.</li> </ol>	<ol style="list-style-type: none"> <li>Product energy consumption reduced from 4.28 GJ/MT in 2020 to 4.34 GJ/MT in 2021.</li> <li>Implemented 5 energy improvement projects to reduce power consumption by 0.75%, with an annual conservation rate (2015-2021) of 1.38%.</li> </ol>

Aspects	Material Topics	Level of Completion in 2020	Actual Progress in 2021
 <b>Social</b>	OH&S	Incident Rate=1.28 ① Checked pipeline corrosion at 57 spots. ② Replaced 3 corroded derime pipelines. ③ Checked leakage on and locked four coolers and scheduled maintenance and repair. ④ Located reactor steam leakage points and scheduled maintenance and repair in 2021. ⑤ Purchased and connected spare thermoplastic pump (M/P) and scheduled installation and testing in 2021. ⑥ Completed the specifications for and purchased the tanker unloading jib and scheduled delivery and installation in 2021. ⑦ Completed the installation, testing, personnel education/training, and permit acquisition for the TO. ⑧ Removed the rust and replaced the anti-corrosion coating of the corroded pipelines in the Teal Pump area. ⑨ Completed rust removal, welding, screw replacement, and painting of the cooling tower. ⑩ Fortified and renewed the drain grates in the unloading area of the 1,3-butadiene feedstock tankers. ⑪ Completed inspection/monitoring personnel training, and the tour inspection, visual inspection, and thickness test of underground pipelines. ⑫ Verified and repaired the underground pipelines between the CPC Linyuan Petrochemical Complex and the USI Kaohsiung Plant through excavation. ⑬ Improved the management of change process, updated the SOP (OP-KHT-810-01), and implemented the new-version database.	Incident Rate =0 ① Completed the 6-month inspection of 37 coolers, replaced 1 corroded and leaked pipeline section, and two other sections will be replaced during the downtime in 2022. ② Purchased new reactors to prevent leakage due to sleeve breakage during startup and shutdown. Delivery will be made at the end of 2022. ③ Completed the pipeline tie-in and C-line pipeline vibration correction project. Tests will be performed in 2022. ④ Completed the installation and the education and training for on-site workers for the mobile tanker unloading arms to enhance convenience and safety of tanker materials unloading. ⑤ Constructed the new swivel unloading arm systems for ethylene, VA, butene, and propylene to improve the safety of materials unloading. ⑥ Completed the spot check of 140 steam injection points to prevent hazards from pipeline corrosion hazards. ⑦ Replaced the D-1 train cooler, and the coolers of EF-line and B-line will be replaced during downtime in 2022. ⑧ Renewed the pipelines of the recycle train cooler in January 2022. ⑨ Renewed the M/P outlet pipelines of D-line in January 2022. ⑩ Added the explosionproof and soundproof glass to the processing shop. New explosionproof and soundproof glass will be added to the compressor area in 2022. ⑪ Improved the corrosion of the condensate underground pipelines of the processing shop. ⑫ Completed visual inspection and thickness check of the overground pipeline sections. ⑬ Completed 12 hours of on-site IPQC education and training. ⑭ Completed the daily walk-through inspection and recordation and the bimonthly self-imposed walk-through inspection and audit. ⑮ Completed the water pumping works at the pressure relief valve area of the liquid breaker.
		① Frequency-Severity Indicator (FSI) =1.27. (1) Workers ran the operation according to the work instruction WI-KHB-713-77 for (2) rust removal, welding, screw replacement, and painting. ② Monitoring indicator excess=0. Completed workplace environment monitoring in H1 and H2, and no nonconformity was found.	① Frequency-Severity Indicator (FSI)=0. Rust removal, supplementary welding, screw replacement, and paint maintenance of equipment and pipelines. ② Monitoring indicator excess=0. Completed on-site monitoring on 2nd organic solvents, specific chemical substances, noise, and CO <sub>2</sub> . The effectiveness of new QC fume hoods was also inspected. No nonconformity is found.
	Shutdowns caused by key equipment=2. The engineering department completed 3,406 equipment maintenance missions; completed the medium-high voltage distributor replacement of the K-20 electrical room.	Downtime caused by key equipment=1, machinery maintenance by the engineering department = 5,048 units.	
	Talent attraction and retention (new topic in 2021)	① Turnover (excluding retirement) of all employees: 4.3%. ② Continuous employment of persons with disabilities. ③ Provision of well-designed group insurance plans and contribution of pension by law to protect the later life of employees. ④ Employee engagement survey and idea feedback, and improvement. ⑤ Annual employee health checkup. ⑥ Completion of labor-management meetings.	① Turnover (excluding retirement) of all employees: 3.4%. ② Employment of full-quota (4) of persons with disabilities by law. ③ Provision of well-designed group insurance plans and contribution of pension by law to protect the later life of employees. ④ Annual employee health checkup. ⑤ Completion of labor-management meetings.

Material topics and value chain GRI 102-46、103-1

● Direct impact ○ Indirect impact

Aspects	Material Topics	Rationale	GRI Standards Topic	Value Chain				SDGs	Response
				SCM	Operational	Product	Social		
 <b>Governance</b>	Economic performance	Sustainable business operations, legal compliance, pursuit of profit, maintenance of stakeholder rights and interests, and development of high value-added products.	GRI 201:2016 Economic Performance	○	●	●		2.2 Economic Performance*	
	Legal compliance	Legal compliance is USI's belief in sustainable development and its foundation of corporate governance.	GRI 307:2016 Environmental Compliance GRI 419:2016 Socioeconomic Compliance	●	●	●	●	2.4 Ethical Corporate Management and Legal Compliance*	
	Technology R&D	The R&D Division located in the USI R&D Center proactively recruits and cultivates professional talents to engage in R&D and innovation and provides quality products and services to meet customer demands.	N.A.		●	●	●	2.5 Intelligent Management 3.1 Technology R&D*	
	Product quality	Product quality is the foundation of enterprise sustainable development. Total participation in quality is the key to success of USI's quality culture development.	N.A.	●	●	●		3.2 Product Quality*	
 <b>Environmental</b>	Water resources management	In response to global climate change, valuable water resources are reclaimed for reuse through water conservation and emission reduction measures.	GRI 303:2018 Water and Effluents	○	●	●	●	4.2 Water Resources Management*	
	Air pollution control	Continual improvement of environmental protection for "zero pollution and zero emission."	GRI 305:2016: Emissions	○	●		●	4.3 Air Pollution Control*	
	Waste management	Waste recycling through reclamation, reuse, and proper processing. Continual improvement of environmental protection for "zero pollution and zero emission."	GRI 306: 2020 Waste	○	●	○	●	4.4 Waste Management*	
	Climate change and energy management	Develop related energy conservation and carbon reduction measures. Enhance climate adaptability. Reduce GHG emissions. Reduce operating costs. Enhance process efficiency. Raise corporate competitiveness.	GRI 302:2016 Energy GRI 305:2016: Emissions	○	●	●	○	4.5 Climate Change and Energy Management*	
 <b>Social</b>	OH&S	Take care of employee health. Prevent industrial accidents. Enhance employee OH&S protection. Develop the emergency response capacity and self-imposed safety management of employees.	GRI 403:2018 Occupational Health and Safety	○	●	○	○	5.2 Occupational Health and Safety*	
	Talent attraction and retention	While talents are the Company's irreplaceable core asset, and maintaining steady and continuous workforce growth is the cornerstone of sustainable operations, we encourage employees to keep making self-improvement through well-planned training courses, welfare system, and salary in order to achieve the personal career development of employees and thereby enhance overall corporate performance.	GRI 401:2016 Employment GRI 404:2016 Training and Education		●	○	○	5.3 Talent Attraction and Retention*	