台灣聚合化學品股份有限公司
USI Corporation

2024 ESG Report

USI
2024 ESG Report

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Message from the Chairman GRI 2-23

In the face of the challenges posed by international economic and geopolitical changes, as well as intensifying climate risks, we continued to uphold the philosophy of “Creating Sustainable Value and Building a Sustainable Society Together” in 2024, with a view to strengthening corporate resilience and enhancing sustainable competitiveness through steady operations and proactive responses to external uncertainties.

Industrial Transformation

Over the past year, due to the concerted efforts of all employees of the Group, we not only achieved solid operational results, but also demonstrated concrete progress in product innovation and sustainable management. We had been actively engaged in new product development, including key forward-looking technologies such as lightweight ABS, cooled rubber and SiC semiconductor materials, and initiated innovative applications for consumer products such as CBC sterilized kettles to expand B2C market presence. USI, APC and TTC had also completed the SGS ISO 14021 Pre-consumer Recycled Material Certification. Through innovative manufacturing processes, we have classified and purified valuable process waste into high-value-added recycled products, opening up new market opportunities and achieving the dual goals of circular economy and green manufacturing.

CDP Rating and Climate Actions

With respect to ESG practices, we have continued to expand international connections and enhance internal governance. In 2024, both USI and CGPC participated in the international CDP rating and obtained grade B in carbon and water security, demonstrating the Company's information transparency and actions in the areas of climate change and water resource management. We expanded the goal of “a 27% carbon reduction by 2030 compared to 2017” from domestic production plants to all domestic and overseas companies, and achieved a 20.7% reduction in 2024, showcasing our commitment to climate actions. Our solar power grid-connected capacity has been increased to 8.6MW, with an estimated annual generation capacity of more than 10.73 million kWh. We will achieve an installation scale of 10MW and 20MW by 2025 and 2027, respectively, to steadily move towards low-carbon operations.

Employee Care and Social Inclusion

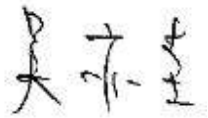
At the same time, we continue to pay attention to human rights protection and employee well-being, and strive to create a diverse and inclusive workplace environment. This year, USI, APC, TTC and CGPC were all recognized as outstanding enterprises in the “Occupational Health and Safety Indicators” of the Occupational Safety and Health Administration. Through the USI Education Foundation, we have been committed to fulfilling corporate social responsibility by way of long-term investment in education in the rural areas, caring for the indigenous people and environmental protection.

ESG Achievements in 2024

The EVA production line of Gulei Project successfully commenced trial production with material input in 2023. The Intercontinental Container Terminal (ICT) Project Phase 2 is expected to be completed and commissioned in 2025. It aims to make continuous efforts to vertically integrate upstream, midstream and downstream sectors and expand the sources of imported ethylene materials. In 2024, we developed and improved 17 products to continuously transit towards energy conservation and high-value products. In energy conservation and carbon reduction, we saved electricity by 1.88% (average electricity saving of 1.45% from 2015 to 2024) and water by 6.2%. We also obtained the verification of water recycling from the Foundation of Taiwan Industry Service that the water recycling rate for 2023 amounted to 92.2%. Starting from 2020, we have implemented the Resin Pellet Recycling Project with contractors to continue to reduce microbeads and dust from contaminating the marine environment at the source. At the invitation of a customer, we participated in the Ministry of Economic Affairs' "Supply Chain Low-carbon Transition Coaching Program" for the second year, aiming to collaborate with the customer’s supply chain to achieve the goal of reducing carbon emissions by ten thousand tons by 2025.

Looking ahead, in the face of the challenges and opportunities brought about by the transformation of semiconductor materials and B2C markets, we will continue to strengthen market awareness and production line flexibility, and join hands with partners in the industry chain to create sustainable value through innovation and foresight. We believe that with the concerted efforts of all employees, we will definitely lead the Group to stride forward in a steady manner, make solid progress towards sustainable development, and create a long-term future together.

Quintin Wu, Chairperson



About this Report

Reference Guidelines

For all stakeholders to understand our performance in relation to corporate social responsibility, we, USI Corporation (USI), have prepared this report in accordance with the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI), disclosed the contents of the related sustainable issues with respect to the Sustainability Accounting Standards-Chemicals published by the Sustainability Accounting Standards Board (SASB), and the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies". We have also referenced the United Nations Global Compact (UNGC), ISO 26000 Guidance on Social Responsibility, and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) to establish the reporting framework.

Scope and Boundaries of Report GRI 2-2, GRI 2-3

This report covers USI, including the Taipei HQ, Guishan R&D Division, Kaohsiung Plant, and USI Education Foundation. Other subsidiaries presented in the consolidated financial statements are not covered in this report. Environmental performance is based on the data of Kaohsiung Plant, while other related information is disclosed separately in the report. The reporting period is January 1, 2024 to December 31, 2024. The report presents the management and performance of USI in terms of governance, environment, and social aspects. The financial information and financial data certified by accountants in the financial statements are consistent. Some statistical data is sourced from the USI annual report, government agencies, and relevant websites. Unless otherwise specified, the currency used throughout the report is New Taiwan Dollar.

Editing Process GRI 14

1. Discussion of report contents in the kickoff meeting
2. Preparation by three working teams
3. Review by the head of the data responsible departments
4. Consolidation by team leaders/ windows
5. Discussions and reviews of team member
6. Proofreading and revision
7. Within the group data evaluation
8. External assurance
9. Approval by members of the ESG Committee
10. Approval for publication by the Board of Directors

The ESG information in the report was reviewed by the head of the data responsible departments for accuracy, and the data was further reviewed by the Group's Equipment Preventive Maintenance Environmental Risk Control Division (Environmental Protection Department). Then, this report was submitted to an external and impartial third-party organization for verification before being submitted to the ESG Committee for approval. It was finally approved by the Board of Directors prior to publication.

External Assurance GRI 2-5

This report complies with the GRI Standards:2021. It has been audited by Deloitte Taiwan, a third-party assurance provider. The review encompasses compliance with GRI guidelines for five ESG indicators, and the execution of Standard on Assurance Engagement 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China. The result of the audit has been reported, confirming the issuance of an assurance. (Please refer to Appendix 6.5 Third-party assurance report for details.)

History and Time of Publication GRI 2-3

2014 / 12

First release Corporate Sustainability Report

2015 / 06

Second release Corporate Social Responsibility Report (CSR Report)

2016 / 06

Initial third-party notarization unit verification (BSI AA1000)

2017 / 06

Limited assurance by the accounting firm (Deloitte Taiwan ISAE 3000)

2018 / 06

Limited assurance by the accounting firm (Deloitte Taiwan ISAE 3000)

2019 / 06

Limited assurance by the accounting firm (Deloitte Taiwan Standards on Assurance Engagements(TWSAE) Bulletin 1)

2020 / 06

Third-party notarization unit verification (SGS AA1000)

2021 / 06

Third-party notarization unit verification (BSI AA1000 AS v3)

2022 / 06

Third-party notarization unit verification (BSI AA1000 AS v3)

2023 / 06

Third-party notarization unit verification (AFNOR Asia AA1000 AS v3)

2024 / 08

Limited assurance by the accounting firm (Deloitte Taiwan ISAE 3000)

2024 / 08

2025 / 08

Next release version: 2026/08

Contact Information GRI 2-3

You can download report-related information from the “ESG” section of our corporate website at https://www.usife.com/ESG/zh-tw/ESG72.aspx. Should you have any comment or suggestion for our report, please feel free to contact us.

Address No. 330, Fengren Road, Renwu District, Kaohsiung City.
Contact Miss Tsao
Phone (07)735-9998 ext.:2258
Fax (07)371-8294
ESG email esg-usi@usig.com

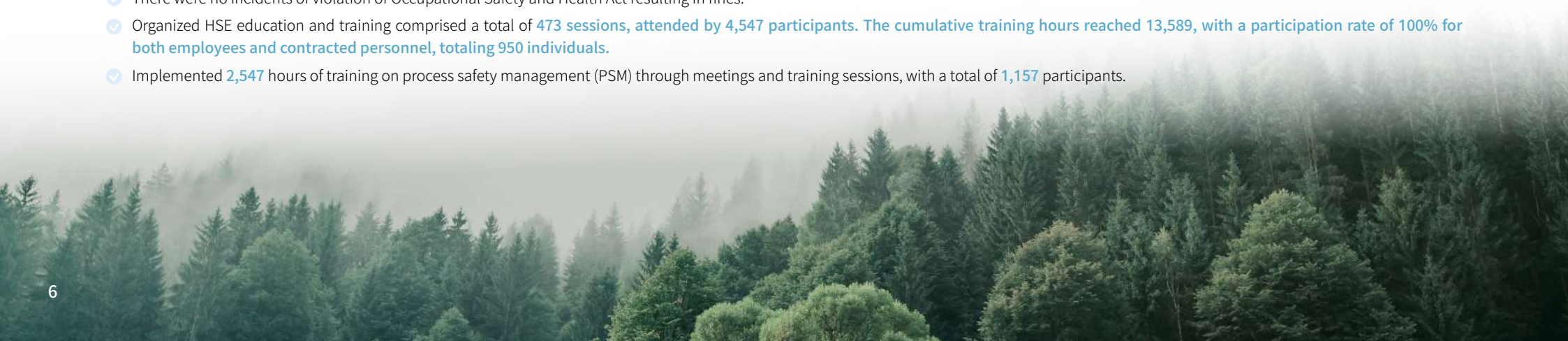
ESG Report

TCFD Report

2024 Sustainability Performance

Business Performance

- Same rating by Taiwan Ratings at twA/twA-1 with a "steady" outlook.
- USI invested NT$906 million in the new Intercontinental Container Terminal (ICT) Project Phase 2, which is expected to be completed and commissioned in the second quarter of 2025.
- 2024 employee turnover (excluding retirement) was **4.9%, significantly lower than the 17.3%** average of traditional manufacturing industries.
- The rate of full-time employees and local employment was **99.3%** and **81.35%**, respectively.
- Innovation and R&D accumulated **143** patents.
- Participated in the international CDP rating and obtained grade B in carbon and water security.
- USI signed up for the Ministry of Economic Affairs' "Gudeng Supply Chain Low-carbon Transition Coaching Program." We are collaborating with our customer Gudeng Precision Industrial Co., LTD and its supply chain to collectively strive towards the goal of reducing carbon emissions by ten thousand tons by 2025.
- With respect to renewable energy development, the accumulated on-grid capacity from solar power projects has reached **8.6 MW, generating approximately 10.73 million kWh of green power annually**.
- Adopted forestation of 5 hectares for 20 years through promotion of the Forestation Adoption Program Phase IV in collaboration with the Experimental Forest, College of Bio-Resources and Agriculture, National Taiwan University.
- The 2024 environmental expenditure was about NT$106.18 million in total.
- **Annual reduction: Electricity by 1.88% (2015-2024 average 1.45%).**
- **In 2024, the water-saving program saved a total of 61,980 metric tons, with a reduction rate of 6.20%.**
- **Obtained the verification of water recycling from the Foundation of Taiwan Industry Service in 2024 that the water recycling rate for 2023 amounted to 92.2%.**
- Continuously promoted ISO 14067:2018 for Product Carbon Footprint and ISO 46001:2019 for Water Resource Efficiency Management System.
- Recovered 12 metric tons of plastics through promotion of the plastic resin pellet leakage prevention and management program in **2024**.
- Raw material recovery rate amounted to 14.4 %, saving approximately NT$757 million.
- In 2024, the reported amount for green procurement on the Ministry of Environment's Green Lifestyle Information Platform was approximately NT$**33.82 million**.
- There were no incidents of violation of Occupational Safety and Health Act resulting in fines.
- Organized HSE education and training comprised a total of **473 sessions, attended by 4,547 participants. The cumulative training hours reached 13,589, with a participation rate of 100% for both employees and contracted personnel, totaling 950 individuals.**
- Implemented **2,547** hours of training on process safety management (PSM) through meetings and training sessions, with a total of **1,157** participants.



Certification and Awards

Awarded by the Occupational Safety and Health Administration as an outstanding enterprise in the 2024 “Corporate Sustainability Report Disclosure for Proactive Rating in Occupational Health and Safety Performance”

The Company was awarded the Certificate of International Trade Outstanding Exporter / Importer Certificate in 2023

Green Procurement Excellence Award

Responded to the 2024 Kaohsiung City Cross-department GHG Reduction Plan

CDP
DISCLOSURE INSIGHT ACTION

Received a B Management Level from CDP for both "Climate Change" and "Water Security" assessments

Awarded the Excellence Award at the“3rd Net-Zero Industry Competitiveness”

Honored with the Platinum Award in the Report Category and the Taiwan Top 100 Sustainable Model Award at the 17th TCSA awards 2024

iSports Sports Enterprise Certification from the Sports Administration

Awarded the Excellence Prize in the 2023 Air Quality Purification Zone Outstanding Adoption Units by the Ministry of Environment

Charity Events

Responded to the 2024 Taipei Tech Cup Charity Road Run

2024 USI Education Foundation Scholarship Awards Dinner

Results Presentation of USIG 2nd "Walking Activity"

Sponsorship of books and miscellaneous expenses for students in Renwu District

Completion of the Forestation Adoption Program Phase IV Donation

Caring for the Neighborhood

USIG Charity Basketball Competition

Adoption of air quality purification area

Industry-Academia Exchanges

Responded to the Neihu Science and Technology Park Thousand Blood Donation Campaign

Selected as a Happy Enterprise in 2024

Media Reports

經濟日報

New Momentum in Taiwan - USI's Investment of Over NT$3 billion in Building a R&D Center in New Taipei City

天下雜誌 CommonWealth Magazine

List of "Taiwan Top 2000" announced by CommonWealth magazine in 2024, USI ranked 81st in the manufacturing industry

Chapter 1
Sustainable Development

1.1 Sustainable Development Visions and Goals GRI 2-22

Vision of Sustainable Operations

Based on the vision to "create and cohere sustainable value for a sustainable society," we hope to constantly create and cohere sustainable value to contribute to social sustainability.

Based on the sustainable vision, we have developed three core strategies: “R&D and innovation," “steady operations", and “social inclusion", hoping to create value with stakeholders together. We extend the contents of the core strategies into seven key topics as the foundation for honest and reasonable partners to build visions.

USI’s Sustainable Principle

As a member of the USIG, USI has developed three sustainable principles: unity governance (U), sustainable development (S), and innovative technology (I) based on the group vision. We regularly review the results of analysis of material topics and the principles of corporate sustainability, formulate short-, medium-, and long-term strategies and goals based on our core values, and link them to the UN Sustainable Development Goals (SDGs) for each department to establish own management by objectives (MBOs) and then for the HR system to set key performance indicators (KPIs) of employees for the reference of performance evaluation, promotion, and salary increases.

United Nations Sustainable Development Goals (SDGs)

Enterprise sustainable development begins with the core value. To pursue sustainable development, we identify the relevance to SDGs in three phases and set related goals in the business plan to combine with SDGs:

1 Understanding SDGs and Discussion on Operational Development

- Conduct SDG education and training, discussing the impact on company operations
- Consider the prioritization of sustainable development goals

2 Identify impacts and opportunities

- Link sustainable development goals to key issues
- Identify key opportunities and allocate resources

3 Respond to SDG targets and actions

- Discuss the feasibility of setting targets
- Establish short, medium, and long-term plans, and discuss their integration into corporate operational plans

Based on the characteristics of the industry and the size of the Ccompany, USI has identified 12 SDGs, and has formulated various sustainability strategies accordingly for each department to establish own management by objectives (MBOs) and then for the HR system to set key performance indicators (KPIs) of employees for the reference of performance evaluation, promotion, and raises. For details of the implementation progress, please refer to 1.4 Material topics management and each section.

No.	SDGs	Goals	Corresponding Section
1		Maintain factory workplace environment safety and employee health	5.2 Occupational safety and health
2		Employee education, neighborhood school sponsorship and education foundation	5.4 Talent cultivation and development 5.5 Charity and community engagement
3		Water resource management: Water conservation programs and a decrease of 0.5% per year of unit water consumption	4.2 Water resource management
4		Continue to increase utilization of high efficiency products and invest in clean energy	4.5 Climate change and energy management
5		Continue to increase revenue, ensure equal job opportunities, harmonious labor-management relations	2.2 Economic performance 5.3 Talent attraction and retention
6		Annual R&D fund NT$100 million minimum New product development and improvement: 4 pcs/year.	3.1 Technology R&D
7		Product transportation and underground pipeline management	5.1 Transportation safety management
8		Green procurement mechanisms and supply chain management, raw material recovery rate	3.3 Supply chain management 4.6 Raw material management
9		Carbon reduction path of the Group, greenhouse gas inventory, product carbon footprint, identification of climate-related risks and opportunities	4.5 Climate change and energy management
10		Forest sustainable management: Sponsorship of 5 hectares of forestation for 20 years	5.5 Charity and social engagement
11		Legal compliance, implementation of human rights policies, prohibition of bribery and corruption	2.4 Ethical corporate management and legal compliance
12		Encourage sponsorship and participation in social welfare	5.5 Charity and social engagement

1.2 About USI

Company Profile

USI Corporation (TWSE: 1304) was established on May 26, 1965 and established Taiwan's first LDPE plant. We primarily develop, produce, and sell polyethylene (PE) resins at our complex in Renwu District, Kaohsiung City, Taiwan.

Basic Information GRI 2-1, 2-6, 2-7

Name of Company	USI Corporation
Industry	Plastics industry
Head Office	No. 330, Fengren Road, Renwu District, Kaohsiung City
Taipei HQ	12th Floor, No. 37, Jihu Road, Neihu District, Taipei City
Capital	Over NT$11.89 billion (by December 31, 2024)
Production	188,691 metric tons (2024)
Major Products	· Ethylene Vinyl Acetate Copolymer (EVA) · Low Density Polyethylene (LDPE) · High Density Polyethylene (HDPE) · Linear Low Density Polyethylene (LLDPE) PE resins become all kinds of plastic products in daily life after processing by downstream manufacturers.
Number of employees	429 persons (by December 31, 2024) Note: Employees include 426 persons on a non-fixed-term contract and 3 on a fixed-term contract

Operation Locations

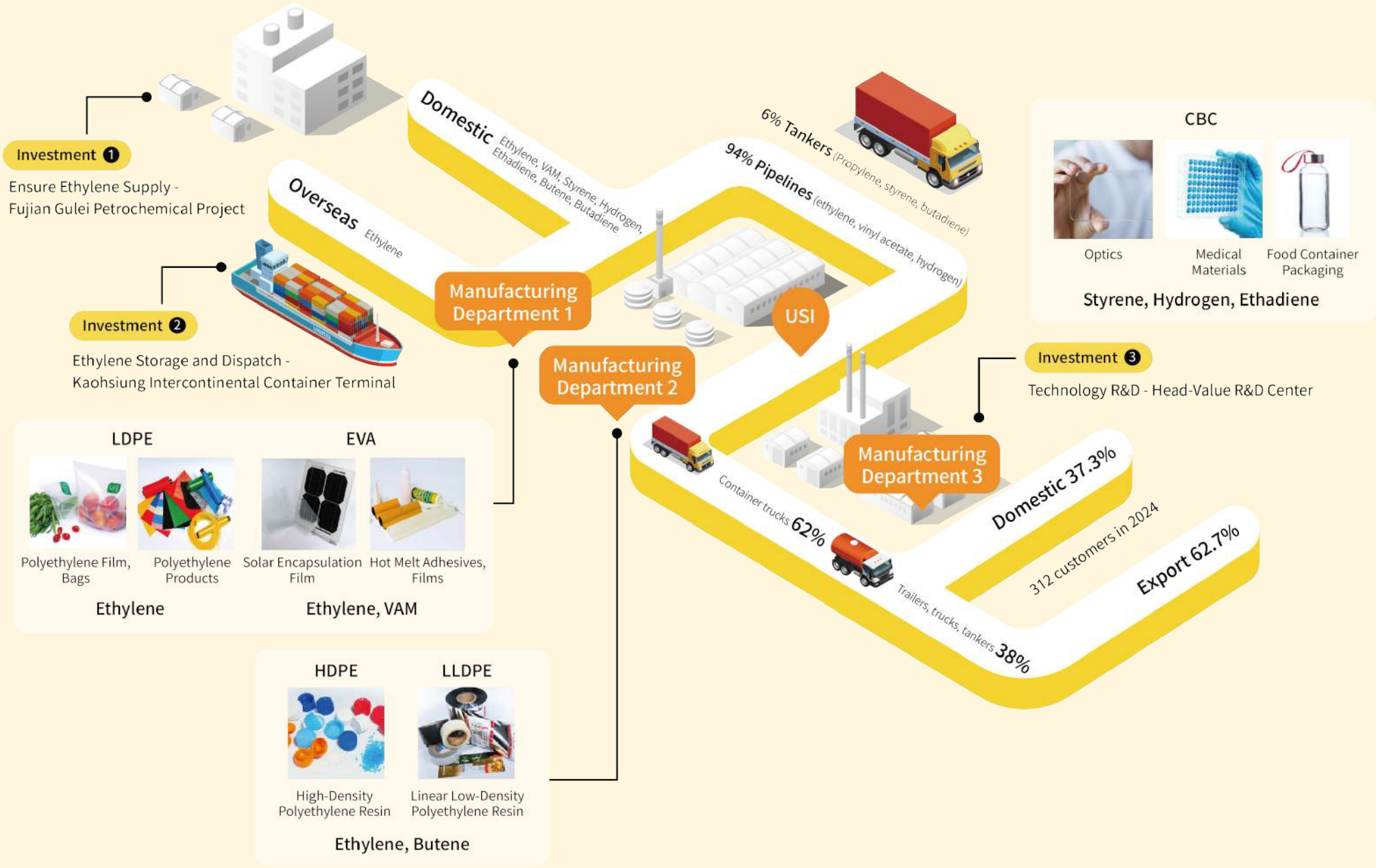
Major USI locations are located in Taiwan, including Taipei HQ, Guishan R&D Division, and Kaohsiung Plant. Taipei HQ takes charge of product sales; Guishan R&D Division engages in product R&D and technical service; and Kaohsiung Plant comprises Manufacturing Department I for producing LDPE and EVA products, Manufacturing Department II for producing HDPE and LLDPE products, and Manufacturing Department III for producing cyclic block copolymers.

Taipei HQ

Guishan R&D Division

Kaohsiung Head Office

Product Roadmap



Product Introduction GRI 2-6

Major Products

As a key PE manufacturer in Taiwan, we make continual improvement to improve product quality, increase product quantity, and supply excellent products to numerous downstream processors to raise the standard of processed products and cultivate markets with them. Our PE range covers the following four products:

List of Major USI Products and Labels

Low Density Polyethylene (LDPE)
PAXOTHENE®

High Density Polyethylene (HDPE)
UNITHENE®

Ethylene Vinyl Acetate Copolymer (EVA)
EVATHENE®

Linear Low-Density Polyethylene (LLDPE)
LINATHENE®

High-value Products

ViviOn ™ - Cyclic Block Copolymer (CBC)
https://www.usife.com.tw/zh-tw/dirProduct/frmProduct7.aspx

Functional Coatings
https://www.usife.com/zh-tw/dirProduct/frmProduct8

External initiatives and membership of associations GRI 2-28

We actively participate in technology exchange with professional groups to promote the professional growth of technologies and competencies in various fields through same-industry and cross-industry exchange and cooperation to achieve sustainable development for the industry together.

In 2024, we were a member of 15 associations and non-profit organizations, such as the Petrochemical Industry Association of Taiwan, Chinese National Association of Industry and Commerce Taiwan, Chinese National Federation of Industries, and Taiwan Chemical Industry Association. Refer to: https://www.usife.com/zh-tw/dirAbout/frmAbout9

In support of external initiatives, apart from becoming one of the 1,846 businesses worldwide supporting TCFD since November 2020, we began by joining Earth Hour in 2018 and also participated in the "Carbon Neutrality Alliance" of the Chinese National Federation of Industries in April 2022. In August 2022, we signed the Taiwan Commercial Industry Association (TCIA) Net Zero Emissions Declaration. In 2024, the Company participated in the CDP "Climate Change" and "Water Security" ratings and was awarded a B management rating.

About USIG

USIG's affiliated companies include multiple businesses in petrochemicals, electronics, warehousing, energy conservation, environmental protection, investment, trade, management consulting, and public welfare. For detailed information about the group, please refer to the USIG website.

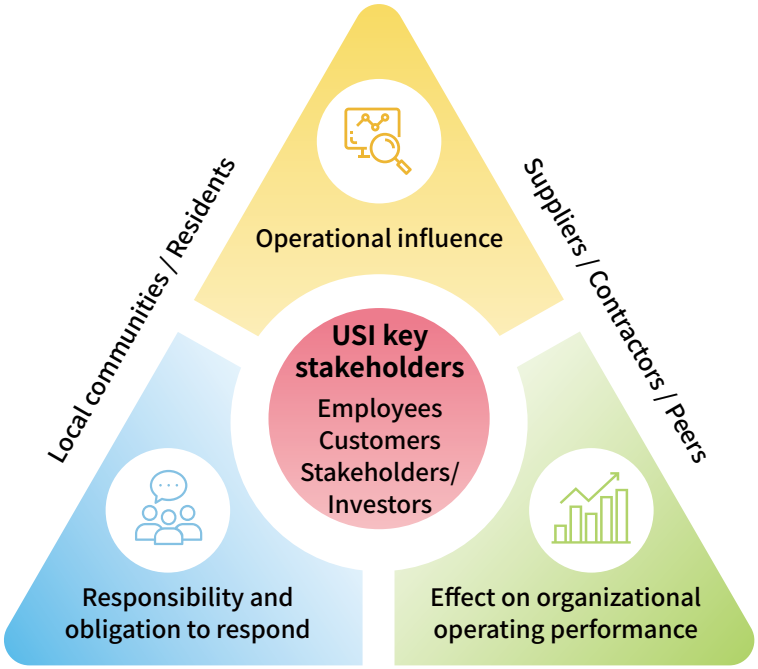
Four publicly listed USI subsidiaries, including Asia Polymer Corporation (APC), China General Plastics Corporation (CGPC), Taita Chemical Company, Limited (TTC), Acme Electronics Corporation (ACME), published their own ESG report.

Total assets	71.8 billion (2024)
Consolidated revenue	51 billion (2024)
Total number of employees	4,824 (2025/3/31)

For more details, please refer to the Introduction to the Group (Newly published at the end of May).

1.3 Stakeholder Engagement

USI believes that in-depth communication with stakeholders is the foundation for sustainable management, and well-planned and effective communication can understand the topics that concern stakeholders. Therefore, apart from constantly establishing communication channels, we focus on and address issues that concern stakeholders, discuss their influence at different types of meetings and include them in the Company's short-, medium-, and long-term strategies, such as the five-year plan and risk and opportunity management policies. We also adjust the directions of sustainable operations, and report to the board regularly. Referring to the attributes of stakeholders as specified in AA 1000 SES (2015): dependency, responsibility, influence, diverse perspectives, and tension, we identified 7 major stakeholder groups for communication in the 2024 report: employees, customers, shareholders / investors, government agencies, suppliers/contractors, peers, and local communities/residents, with peers being added as a key stakeholder compared to the previous survey. Besides gathering stakeholder opinions from various channels, we have also set up the ESG section on the corporate website to enhance communicability.



Stakeholder Communication Channels and Topics that Concern Them

The identity of stakeholders, the topics that concern them and addresses are reported to the Board every year.

Stakeholder		Concerned Topic	Communication Channel and Frequency	Engagement Results	Summary of Address in 2024
Employees	Employees are the bedrock of corporate development and the partners of sustainable development. Therefore, we recruit outstanding employees, provide a safe and healthy work environment, develop and retain talents, provide employees with continuous care, and constantly care for their needs.	· Operating performance · Employee benefits · Occupational safety and health · Labor-management relations · Recruitment and retention	· New employee interviews (with relevant officers of all levels) · Performance interviews (regularly) · Labor-management meetings (quarterly) · Union board meetings (quarterly) · Union general meetings (annually) · Employee Welfare Committee meeting (biannually) · Occupational Safety & Health Committee meeting (quarterly) · HSE/Energy Management Committee meeting (quarterly) · Labor Pension Fund Supervisory Committee meeting (biannually) · Employee satisfaction survey (irregularly) · Internal health forums (five times a year minimum) · Education/training (as planned) · On-site tour inspections (irregularly)	· Adjustment of the remuneration and reward systems. · Preferential distribution of year-end bonuses. · Enhancement of care for employee health.	· Through the annual raise and performance evaluation systems, we give employees a raise and promotion each year corresponding to their annual work performance. · The year-end bonus differentiation system was implemented to link the year-end bonus to reward and punishment. The employee year-end bonus was distributed in accordance with the Employee Performance Evaluation Regulations. · As per the nurse's plan for the plant area, all employees undergo annual health check-ups, including the completion of fatigue and stress questionnaires, along with an assessment of heart health and relevant medical history surveys. High-risk individuals are identified to establish a care list. · Contact: Mr. Chen, Personnel Section (07)735-9998 #2261
Customers	Customers are the main source of USI's income. Valuing technology innovation, we are committed to providing customers with the best service to create a win-win situation for both customers and the Company.	· Technology R&D · Customer privacy · Transportation safety management · Industrial and public safety · Customer satisfaction survey	· Customer satisfaction survey (once every half year) · Participation in trade fairs (once a year minimum) · Sales visits (once a year minimum) · "Contact us" on the corporate website (irregularly) · Contact by phone/email (irregularly)	Communication with customers through various methods and constant provision of quality products and services for customers.	· Provided 43 rounds of customer technical service · A total of 25 new product trial production cases · Resolution of all 19 customer complaints. · We conduct customer satisfaction surveys twice a year, with over 97.77% responses falling in the “satisfied” and “highly satisfied” options. · Contact: Mr. Shen, Sales & Marketing Division · (02)8751-6888 #3213

	Stakeholder	Concerned Topic	Communication Channel and Frequency	Engagement Results	Summary of Address in 2024
Government	Government policies and environmental protection laws and regulations have far-reaching influences on USI operations. Therefore, we maintain practicality and stability in professional operations.	· Market presence · Legal compliance · GHG emissions · Air pollution control · Waste management · Worker safety · Water resource management	· Participation in law and regulation outreaches or public hearings (irregularly) · Participation in forums or seminars (irregularly) · Official documents, material information (as prescribed by law) · Market Observation Post System (as prescribed by law)	· The Kaohsiung Labor Standards Inspection Office conducted 10 on-site inspections at the Kaohsiung Plant 1. Labor operating environment monitoring 2. Contractor Operations and Confined Space 3. Inspections of Hazardous Equipment 4. Routine Inspections 5. On-the-job training (Department of Labor) 6. Joint auditing of the sites of public hazardous substancesOn-site inspections by the Fire Department's Hazardous Materials Management Division II, Fourth Battalion, and Renwu Division (14 inspections)	· Labor operating environment monitoring records all comply with relevant regulations. · Contractor operations and elevated operations inspections all comply with relevant regulations. · Periodic inspections of hazardous equipment all comply with relevant regulations. · Contractor operations all comply with relevant regulations, and safety promotion has been conducted. · Organization of on-the-job training for boiler operators, and no missing data was found upon confirmation. · Examination of accident investigation documents, regular inspection records, validity period of licenses of specialists, and explosion prevention related regulations, as well as enhancement of on-site operational safety management. · No deficiencies were found in fire-related inspections, and all on-site inspection recommendations were followed. · Contact: Mr. Li, Industrial Safety Section (07)735-9998#2311 Mr. Hsieh, Environmental Protection Section (07)735-9998#2314
Stakeholders/investors	Each shareholder is an important corporate asset. We constantly pursue excellence to maximize profit for shareholders.	· Local major investments · Technology R&D · Operating performance · Customer privacy · Supplier management	· Annual general meeting of shareholders (annually) · Investment conference (at least four times a year) · Market Observation Post System (as prescribed by law) · Contact information of spokespersons (irregularly) · Annual report (annually) · Published the ESG report, TCFD report (annually) · Financial statements (quarterly) · "Investor Service" section on the corporate website (irregularly) · USIG Stock Home website on the corporate website (irregularly) · "Audit Committee Email" on the corporate website (irregularly)	· Progress of Fujian Gulei Petrochemical Project · Status of corporate operations · Financial Information	· AGM on May 31 · Investor conferences on March 21, May 28, August 28, and November 29 · Contact: VP Wu, Spokesperson (02)2627-4745 Ms. Hung/Ms. Wu, Stock Service (02)2650-3773

Stakeholder		Concerned Topic	Communication Channel and Frequency	Engagement Results	Summary of Address in 2024
Suppliers / contractors	Ethical corporate management is USI's corporate culture. We carefully select suppliers and contractors to provide customers with quality products and employees with a safe work environment.	· Operating performance · Local major investments · Market presence · Legal compliance · Procurement practices · Supply Chain Carbon Reduction	· Purchase procedures (on-demand) · Supplier questionnaire survey (annually/new supplier) · Performance review meeting (on-demand) · Face-to-face review meeting (by product type) · Purchaser visit (irregularly) · Market survey (weekly) · Contractor consultative organization meeting (irregularly)	Communication of the need to comply with labor human rights, OH&S, environmental protection, and code of ethics. Supplier evaluation results: All pass.	· To enforce USI's ethical corporate management policy and discern suppliers' needs, we communicate with and address suppliers through the following methods: 1. Supplier evaluation results, once a year 2. Implemented Supplier Code of Conduct and Quality Requirements Self Assessment Form. 3. Conducted on-site audits of suppliers in conjunction with the above self assessment form and completed audits of two suppliers this year. 4. Signed the Ministry of Economic Affairs' Supply Chain Low-carbon Transformation Coaching Program to jointly promote the goal of reducing 10,000 metric tons of carbon emissions by 2025. · Contact: Mr. Chen, Procurement I Department (02)8751-6888 #3771 Mr. Li, Procurement I Department (02) 8751-6888 #3786
Peers	Our peers are not only competitors, but also partners in promoting the sustainable development of the industry by jointly addressing industry challenges and promoting technology innovation and best practices.	· Carbon reduction innovation and technology exchanges · Transformation investment cooperation · Policy and regulation study · Energy transformation strategy	· Technical exchange meeting (irregularly) · Petrochemical Industry Association meeting (irregularly) · Policy advocacy/consultation meeting of governmental agencies (irregularly) · Green power promotion strategy discussion (irregularly)	· Designated target setting for the voluntary emission reduction program · Carbon reduction and low carbon production · Carbon fee, electricity saving, green energy · Greenhouse gas emission control action plan · Formation of joint offshore wind purchase companies	· 5 sessions of technical and carbon reduction exchange meetings. · 1 session of petrochemical industry safety communication meeting · 8 sessions of low carbon policy discussion meeting · 7 sessions of wind power purchase meeting · Contact: Mr. Chao, Technical Department (07)735-9998 #2241
Local communities / residents	Local residents are the most important partners growing with USI. Social inclusion is our core strategy.	· Air pollution control · Involvement with local communities and philanthropy · GHG emissions · Underground pipeline maintenance	· "Contact us" on the corporate website (irregularly) · Visits on local groups (three time a year minimum) · Participation in community activities (irregularly) · Interview or phone contact (irregularly)	· Provision of learning sources for local schools to develop quality talents. · Enhancement of neighborly activities. · Implementation of the underground pipeline maintenance and operation program.	· Constant adoption of the air quality purification zone of Renwu Special Education School, and participation in school activities.Sponsored community and school music and cultural performances, donated bleaching agents and other epidemic prevention supplies to the community, joining hands with neighbors to fight against the virus. · Independent scenario planning and drill for underground pipelines, and in coordination with an unannounced drill by the Economic Development Bureau. · Contact: Mr. Hsueh, General Affairs Section (07)735-9998 #2262 Mr. Chen, Personnel Section (07)735-9998 #2261

1.4 Material Topics Management

GRI 2-14, 3-1, 3-2

The Company follows the GRI Universal Standards 2021 version Major Materiality Identification Process, which involves constructing three major steps: identification, analysis, and confirmation. Major materiality analysis is conducted every two years, incorporating dual-major materiality thinking to analyze the impact of sustainability issues on "the Company's operational impact" and "the impact on economic, environmental, and human (including human rights) factors." The major materiality identification process and results are discussed by the Group's ESG experts and reported to the ESG Committee, then presented to the Board for approval, ensuring that the direction of sustainable operation and reporting content align with the concerns and expectations of internal and external stakeholders.

Analysis and Identification of Material Topics - Process for Determining Material Topics

Identification

- **Communication Target**
  - Employees, customers, shareholders / investors, government agencies, suppliers/contractors, peers, and local communities/residents. → **7 types of core Stakeholders**
  - Reference international sustainability norms and standards along with the company's operational goals and vision, USI gathering 28 positive and negative sustainability topics. → **28 sustainable topics**

Analysis

- **External Impact Assessment**
  - Received 94 valid responses: Employees (43), Customers (10), Government Agencies (7), Suppliers/Contractors (12), Shareholders or Investors (3). → 94 valid external responses
- **Internal Impact Assessment**
  - Conducted surveys with internal department heads and directors at USI, receiving 22 valid responses. → 22 valid internal responses

Confirm

- **Materiality Analysis**
  - Based on the questionnaire analysis, 18 significant ESG topics were selected and analyzed using a double materiality approach. The analysis refined these into 10 material topics. (Materiality assessment is conducted once every two years.) → 18 Significant Topics, 10 Material Topics

Note: Based on international sustainability frameworks and standards (including GRI Standards, SASB, SDGs, and TCFD), and aligned with the Company's operational goals and vision, the working team compiled 28 actual and potential sustainability issues with both positive and negative implications. Following statistical analysis of questionnaire responses, 10 material topics were selected. (Materiality assessments are conducted biennially; the previous assessment was completed in 2022.)

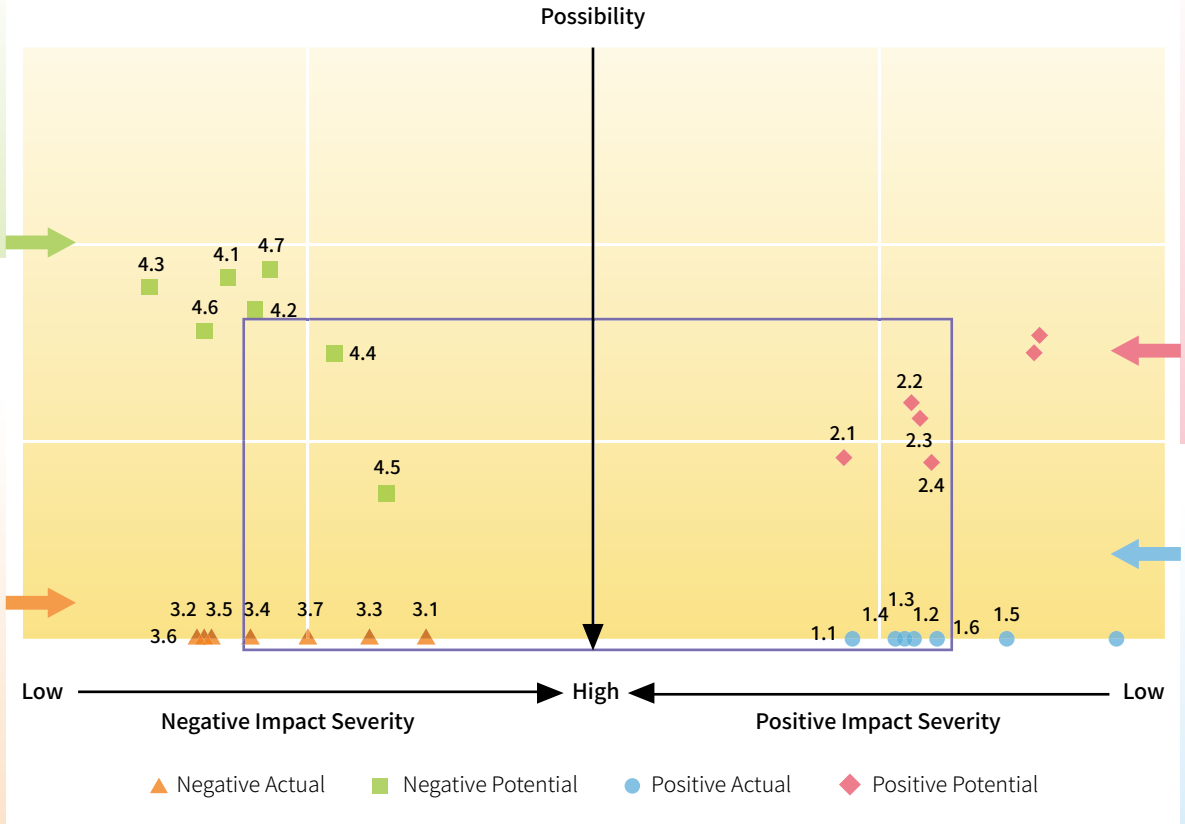
To ensure comprehensive coverage of topics, we didn't just rely on the revised GRI Universal Standards 2021, the metrics of SASB Standards-Chemicals, domestic and overseas industry sustainability trends, and the SDGs. We collected a total of 28 “stakeholder concern items” through various communication channels. A sunset diagram was plotted based on "level of impact" and "likelihood of occurrence." Significant thresholds were set (impact score above 3.6, likelihood score above 3.5) based on the opinions of the ESG working group, stakeholders, and internal and external experts, resulting in the selection of 18 ESG topics as "significant issues."

Possibility of Negative Potential Impact

4.4 Regulatory Restrictions on Industry Development-factory closure
4.5 Carbon Tax Implementation-increased production costs

Negative Actual Impact

3.1 Economic Downturn – Excess Supply
3.2 Extreme Weather – Typhoons Causing Equipment Damage and Property Loss
3.3 Rising Energy Costs-Electricity Rate Increase
3.4 Water Usage Fees – Increased Production Costs
3.5 Failure to Implement Air Pollution Control
3.6 Improper Waste Management Practices
3.7 Failure to Implement Process Safety Management



Possibility of Positive Potential Impact

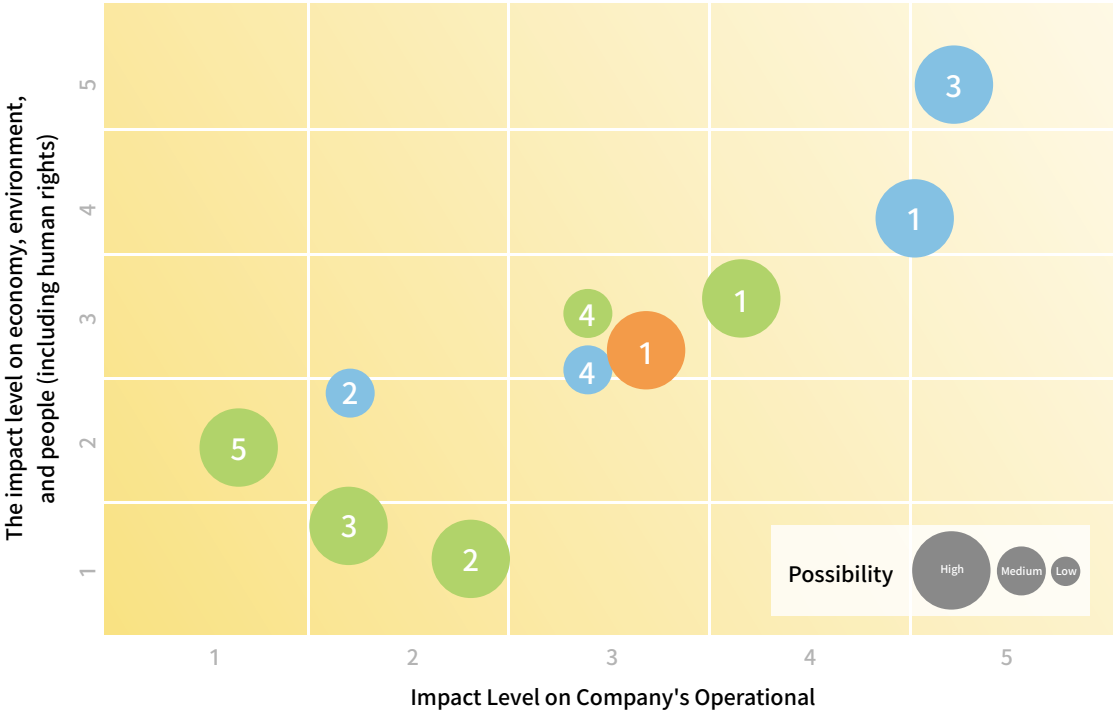
2.1 Successful Development of Sustainable Materials – Revenue Expansion
2.2 Proactive Sourcing of Alternative Raw Materials
2.3 Adoption of Advanced AI Technologies – Improved Operational Efficiency
2.4 Investment in Renewable Energy Achievement of Green Energy Targets

Possibility of Positive Potential Impact

1.1 New Product Development and Diversification
1.2 Implementation of Automated Processes and Systems
1.3 Success Supply Chain Management—Quality Improvement
1.4 Investment in Renewable Energy-Comply with Regulatory Requirements
1.6 Build A Friendly Workplace Environment-Reduce Turnover Rate

Material Topics Selection

The 18 significant topics were categorized into environmental, social, and governance aspects. They were analyzed using a double materiality approach, considering "impact on business operations" and "impact on the economy, environment, and people The impact level on economy, environment, and people (including human rights)." This analysis distilled them into 10 material topics which were then presented to the ESG Committee for approval and reported to the Board.



E Environmental

1. Climate change and energy management
2. Water Resource Management
3. Air Pollution Control
4. Raw material management
5. Waste Management

S Social

1. Occupational Health and Safety

G Governance

1. Technology R&D
2. Supply chain management
3. Economic Performance
4. Smart management

Changes in Material Topics GRI 2-6

Compared to the previous assessment in 2022, the changes in material topics are tabulated below. The responsible units proposed implementation plans and short-, medium-, and long-term targets for each material topic and reviewed their effectiveness periodically. The value chain concept has been included in the topic boundaries to expand the scope of consideration of the impacts of each material topic.

Status	Material Topics	Description
Added	∗ Raw material management	NA
Continuous tracking	∗ Talent attraction and retention ∗ Product quality	Continuous tracking of progress will be made although they were not selected as material topics.

Description of Impacts of Material Topics and Management Approaches

GRI 2-6 Activities, value chain and other business relationships, GRI 2-25 Processes to remediate negative impacts, GRI 3-2 List of material topics, GRI 3-3 Management of material topics

	Material topics	Ranking of materiality	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topics	Scope of Value Chain Impact				Corresponding Section
						Supply Chain	USI's Operations	Product	Social	
Environmental	Climate change and energy management	Material	**Significance:** Enhancing climate change responsiveness, reducing GHG emissions, developing related energy conservation and emissions reduction measures, lowering operating cost, raising process efficiency, and enhancing competitiveness. **Countermeasures:** Establish the energy management system, lower unit product energy consumption, reduce GHG emissions, sponsor new afforestation, and develop green power.	**Positive impact:** Short-term actual impact: 1. Invest in green power with profit gained from EVA solar energy products. 2. Short-term potential impact: Develop AI systems to lower energy consumption. **Negative impact:** Short- and medium-term actual impact: 1. Increased electricity prices by 7% in 2025, which will result in an increase of more than NT$53 million in costs. 2. Disrupted production by power curtailment. 3. Collection of carbon fees in 2026. Based on USI's estimated carbon emissions of 136,700 tons for 2024, assuming a carbon fee of NT$300 per tonne, the cost would amount to approximately NT$33.52 million.	GRI 201-2: Financial implications and other risks and opportunities due to climate change GRI 302: Energy 2016 RT-CH-110a.1, RT-CH-110a.2 Greenhouse gases RT-CH-130a.1 Energy management SDG 7 Affordable and clean energy SDG 13 Climate action	○	●	●	○	4.5 Climate change and energy management
	Water resource management	Material	**Significance:** In response to global climate change, valuable water resources are reclaimed for reuse through water conservation and emission reduction measures. **Countermeasures:** 1. Reduce pollution and emission through process and source improvement and then end-of-the-pipe treatment to promote water resource recycling and reuse. 2. Constantly invest in discharge reduction management, implement water conservation, and water resource reclamation management. 3. Implement the water efficiency management system and flood prevention measures.	**Positive impact:** Short-term actual impact: Enhance water recycling efficiency and reduce production costs. **Negative impact:** Short-, medium- and long-term actual impact 1. Water shortages, production disruption due to torrential rain. 2. Increased water consumption fee by approximately NT$540,000 from November 2023 to April 2024 in case of water shortage.	GRI 303: Water and effluents 2018 RT-CH-140a.1, RT-CH-140a.2, RT-CH-140a.3 Water management SDG 6 Clean water and sanitation	○	●	●	●	4.2 Water resource management
	Air pollution control	Material	**Significance:** Continuous environment improvement to achieve "zero pollution and zero emission." **Countermeasures:** 1. Reduce pollution and emission through process source improvement in support of end-of-the-pipe treatment. 2. Constant investment in environmental pollution control (prevention) management. 3. Compliance with the Gaoping total volume control 4. Sponsor air quality purification areas and 5 hectares of new forestation each year starting in 2018.	**Negative impact:** Air pollution	GRI 305: Emissions 2016 RT-CH-120a.1 Air quality SDG 11 Sustainable cities and communities	○	●		●	4.3 Air pollution control

● Direct Impact ○ Indirect Impact

	Material topics	Ranking of materiality	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topics	Scope of Value Chain Impact				Corresponding Section
						Supply Chain	USI's Operations	Product	Social	
Environmental	Raw material management	Material	**Significance:** Maintain a stable supply of raw materials, improve the efficiency of raw material recycling, and actively seek for alternatives to fossil raw materials. **Countermeasures:** Actively manage the scheduling and inventory levels of raw materials and apply for ISO 14021 to promote the recycling of production waste into plastic raw materials.	**Positive actual impact:** Reduced consumption of non-renewable raw materials and introduction of recycled products.	GRI 301: Materials 2016	●	●	●	○	4.6 Raw material management
Environmental	Waste management	Material	**Significance:** Continuous environment improvement to achieve "zero pollution and zero emission." **Countermeasures:** 1. Strengthen the waste management system and auditing of recycling manufacturers. 2. R&D of waste reduction.	**Positive actual impact:** Resource recycling and waste reduction. **Negative potential impact:** Impact of improper waste treatment on the environment.	GRI 306: Wastewater and waste 2016 RT-CH-150a.1 Hazardous waste management SDG 11 Sustainable cities and communities SDG 12 Responsible consumption and production	○	●	○	●	4.4 Waste management
Social	Occupational safety and health	Material	**Significance:** 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. **Countermeasures:** 1. Enhance personnel training and occupational safety awareness. 2. Strengthen work environment safety management.	**Positive actual impact:** Build a friendly workplace to lower the turnover rate and reduce occupational accidents. **Negative actual impact:** Industrial safety accidents	GRI 403: Occupational safety and health 2018 RT-CH-540a.1, RT-CH-540a.2 Process safety and emergency response SDG 3 Good health and well-being SDG 8 Decent work and economic growth	○	●	○	○	5.2 Occupational safety and health
Social	Talent attraction and retention	Continuous management	**Significance:** Talents are the Company's irreplaceable core asset, and maintaining steady and continuous workforce growth is the cornerstone of sustainable operations. **Countermeasures:** 1. Establish a fair, open, transparent and efficient recruitment system. 2. Build comprehensive and unfettered publicity and communication channels. 3. Provide a safe and healthy workplace environment. 4. Build a total career development platform for employees.	**Positive impact:** Recruitment of outstanding talent. **Negative actual impact:** Difficulty in talent recruitment.	GRI 405: Diversity and equal opportunity 2016 SDG 4 Quality education SDG 5 Gender equality SDG 8 Decent work and economic growth		●	○	○	5.3 Talent attraction and retention

●● Direct Impact ○○ Indirect Impact

	Material topics	Ranking of materiality	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topics	Scope of Value Chain Impact				Corresponding Section
						Supply Chain	USI's Operations	Product	Social	
Governance	Technology R&D	Material	**Significance:** 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. **Countermeasures:** Expand R&D scale to include ESG in new product development and improvement, reduce environmental impacts, and achieve sustainable development through fulfilling environmental and social responsibilities.	**Positive actual impact:** Continuous development of new products to increase revenue. **Negative potential impact:** Technology innovation fails to meet the customer needs.	RT-CH-410a.1 Product design for use-phase efficiency SDG 8 Decent work and economic growth SDG 9 Industry, innovation and infrastructure SDG 13 Climate action		●	●	●	3.1 Technology R&D
	Supply chain management	Material	**Significance:** Pursue sustainable development with supply chain partners. **Countermeasures:** Establish the mechanism for sup ply chain sustainability risk assessment and prevention to develop a supply sustainability management culture.	**Positive actual impact:** Enhance supply chain management and improve raw materials quality. **Negative potential impact:** Supply delays caused by international situations, pandemic and weather.	GRI 2-6 Activities, value chain and other business relationships GRI 308: Supplier environ-mental assessment 2016 GRI 414: Supplier social assessment 2016 SDG17 Partnerships for the goals	●	●	●	○	3.3 Supply chain management
	Economic performance	Material	**Significance:** Sustainable business operations, legal compliance, pursuit of profit, maintenance of stakeholder rights and interests, and development of high value-added products. **Countermeasures:** Vertical integration to reduce feedstock and production costs, increase product added value, strengthen the development of high-value and environmentally friendly products, and industry transformation.	**Positive actual impact:** Developing ESG to enhance investor willingness and facilitate industry transformation. **Negative impact:** Plastic reduction policies causing customer shift, regulatory restrictions on industry development.	GRI 201: Economic performance 2016 SDG 8 Decent work and economic growth	○	●	●	○	2.2 Economic performance
	Smart management	Material	**Significance:** Through smart management, we have sped up analysis, optimized decision-making, enhanced industrial safety protection, and improved operational performance towards smart petrochemical industry. **Countermeasures:** Integrate platform resources to break through data silo, and enhance safety, quality, and efficiency with smart technology.	**Positive actual impact:** Develop AI systems for use in production and industrial safety management, and enhance efficiency with automated processes. **Negative impact:** Workforce simplification affects the right to work.	SDG 9 Industry, innovation and infrastructure	○	●	●	○	2.5 Smart management
	Product quality	Continuous management	**Significance:** Product quality is the foundation of corporate sustainable development. Total participation in quality is the key to success of USI's quality culture development. **Countermeasures:** Enhance process improvement, increase inspection frequencies, and increase customer communication frequencies.	**Positive actual impact:** Raise yield rate and develop high-value products. **Negative actual impact:** Quality not meeting customer requirements.	SDG 12 Responsible consumption and production	●	●	●	○	3.2 Product quality

● Direct Impact ○ Indirect Impact

Indicators and Progress of Material Topics

Aspects	Material Topics	Sustainability Principle	Items of Indicators	Implementation Progress in 2024	Short-term Goals -2025	Medium-term Goals -2027	Long-term Goals -2030	Remarks on Definitions
Environmental	Climate change and energy management	Sustainable development	GHG emissions (Scopes 1+2)	A decrease of 20.3% compared to the base year	A decrease of 15.5% compared to the base year	A decrease of 21.5% compared to the base year	-27% compared to the base year	
	Water resource management	Sustainable development	Unit water consumption	3.48	4	3.9	3.8	
			Water recovery rate (R2)	92.20%	90%	90%	93%	Plant-wide water recovery rate (excluding the amount of recycling in cooling water towers), commonly known as R2 water recovery rate.
	Air pollution control	Sustainable development	Air pollutant emissions per unit of product	-29.6% compared to the base year	-10% compared to the base year	-15% compared to the base year	-20% compared to the base year	1. Calculated as volatile organic compounds (VOC) emissions. 2. Base year 2017 (same as base year for GHG reductions), with unit emission of 0.3846 kg/ metric tons.
	Waste management	Sustainable development	Proper waste treatment rate	100%	100%	100%	100%	Obtain a certificate of proper waste treatment for waste treatment.
	Raw material management	Sustainable development	Materials recycling rate	14.40%	14.50%	14.60%	14.70%	
Social	Occupational safety and health	Sustainable development	Disabling injury frequency rate (F.R.) Disabling injury severity rate (S.R.)	0,0	0,0	0,0	0,0	
	Talent attraction and retention	Unity governance	Total employee turnover	4.90%	5%	5%	5%	
Governance	Economic performance	Unity governance	Earnings per share (EPS) after tax	-2	1. The after-tax loss decreased by 1% compared with the previous year 2. Return on equity (ROE) increased 1% compared with the previous year. 3. The annual total production rate is greater than 95%.		1. Earnings per share (EPS) after tax turns positive 2. Return on equity (ROE) increased 1% compared with the previous year. 3. The annual total production rate is greater than 95%.	
			Return on equity (ROE)	-9.75%				
			Total annual sales volume	203,916 tons				
	Technology R&D	Innovative technology	Number of new product development and improvement	17	4	5	5	
	Supply chain management	Sustainable development	Achievement rate of existing suppliers' signing of the Supplier ESG Commitment	100%	100%	100%	100%	Proportion of supplier signatures with more than one (inclusive) transaction in a year.
			Local procurement rate	Ethylene 80%; VAM 76%	Both above 60%			
	Smart management	Innovative technology	Number of AI projects	2	2	2	2	
	Product quality	Innovative technology	Number of customer complaints	Number of established customer complaints of 5/14/0 for Department I/II/III.	Number of established customer complaints of no more than 5/4/3 per year for Department I/II/III.			Report on results and adjustment targets annually at management review meetings.
			Product defect rate	Product defect rate of 2.6/4.3%/3.26% for Department I/II/III.	Product defect rate of less than 1.8/5/8% for Department I/II/III.			

Chapter 2
Corporate Governance and Operational Performance

Performance Highlights

- USI invested NT$906 million in the new Intercontinental Container Terminal (ICT) Project Phase 2, which is expected to be completed and commissioned in the second quarter of 2025.
- Same rating by Taiwan Ratings at twA/twA-1 with a "steady" outlook.

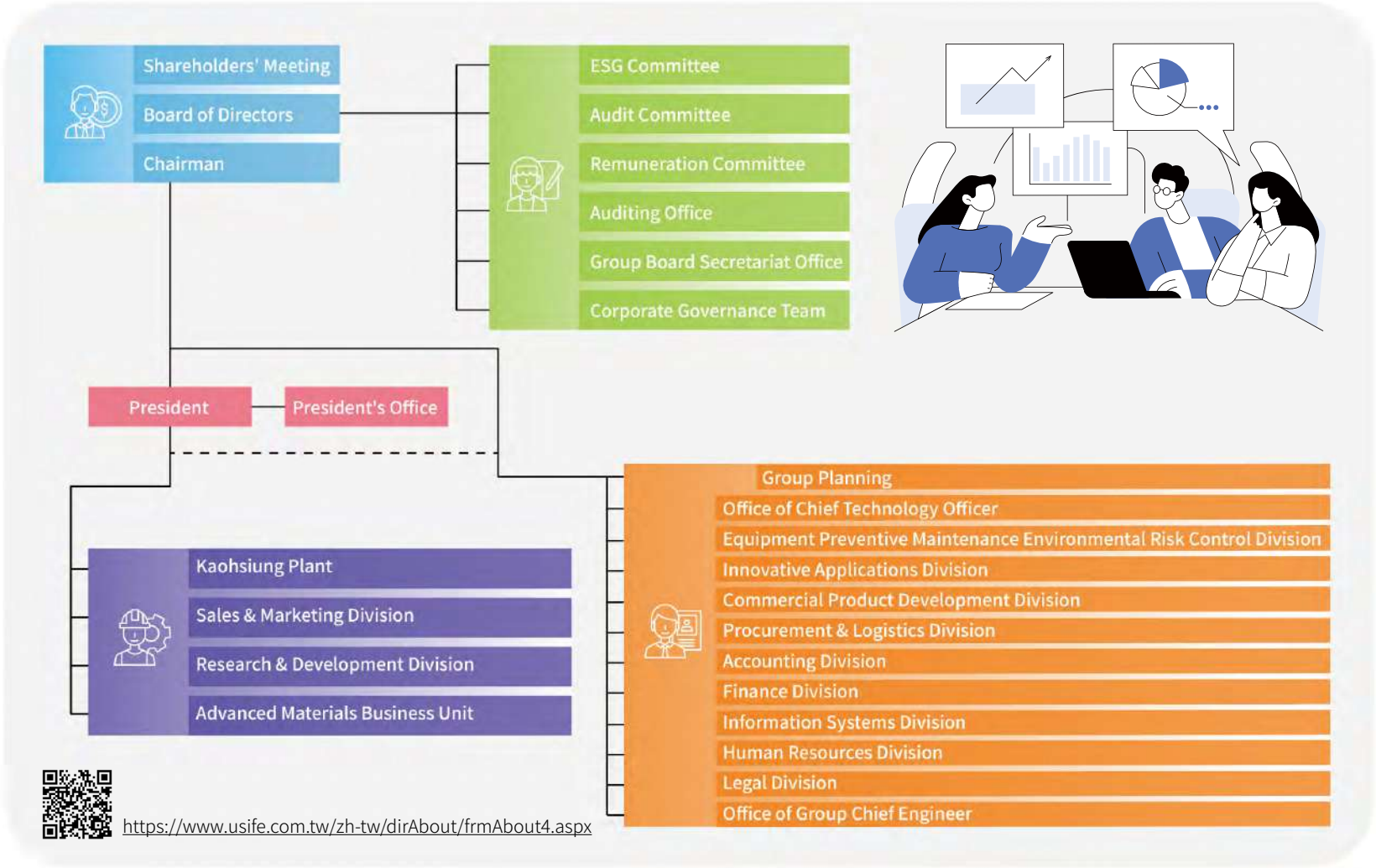
Material topics in this chapter

Economic performance

2.1 Corporate Governance

USI Management Organization Framework

GRI 2-9, 2-11, 2-12, 2-19, 2-23, 2-24



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Board of Directors

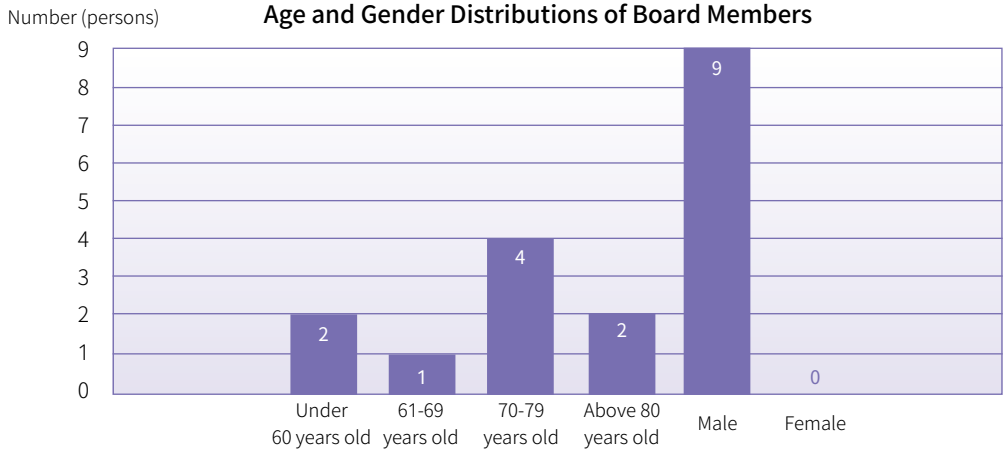
Selection and operation of the Board GRI 2-9, 2-10, 2-12

We adopt the candidate nomination system for the directorial (including independent directors) election. The Board along with shareholders holding over one percent of the total issued shares may propose the candidates to add to the List of Candidates for Directors and Independent Directors. After candidate qualification by the Board, the proposal is presented at the meetings of shareholders for shareholders to vote on from the List of Candidates for Directors and Independent Directors. The current Board of Directors was elected in 2023 and is composed of nine directors with rich experience in their respective professional fields. Among them, four positions are assigned to independent directors, who make up 44% of the Board. The term of each director is three years, and each director is entitled to a second term. (Measures Governing Election of Directors)

Composition of the Board of Directors:

Term of Office	May 31, 2023 to May 30, 2026
Member	Directors: Quintin Wu (chairman), Jing-Sho Yu, Zhe-I Gao, Pei-Ji Wu (President), Hong-Ting Wu Independent Director: Sean Chen, Woody Duh, Yancy Hai, and Sun-Te Chen
Gender of members	All male

Age and Gender Distributions of Board Members



The Company convened a total of 4 Board of Directors meetings in 2024, with an attendance rate of 100% (including independent directors) in person (100% including proxy attendance). The Board of Directors, led by the Chairman, operates in detail as described in USI's 2024 Annual Report: Part III, Corporate Governance Report_ Corporate Governance Operations.

Board proposal submission process flow:

Business responsible units

Submitting proposals

Functional Committees

Convening meetings within the scope of relevant authorities, conducting agenda reports, discussions, resolutions, and preparing meeting minutes reflecting the outcomes of the resolutions.

Board submission

Conducting agenda reports, discussions, resolutions, and preparing meeting minutes reflecting the outcomes of the resolutions.

For important resolutions of the Board of Directors for the year 2024 on GRI 2-16, please refer to the USI Annual Report for 2024: Chartpter 3, Corporate Governance Report_Corporate Governance Operations_Information on Board Operation and Resolutions of the Board of Directors available on the Company's official website.

Additionally, the Company has established the "Group Board Secretariat Office" as the operational unit for the Board of Directors, responsible for planning and handling board affairs to enhance the efficiency of board meetings and assist in the implementation of resolutions.

Performance of the board member diversity policy GRI 2-10

I. Board member diversity policy and its implementation

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- **Ability to make operational judgments**
- **Ability to perform accounting and financial analysis**
- **Ability to conduct management administration**
- **Ability to conduct crisis management**
- **Industry background knowledge**
- **An international market perspective**
- **Ability to lead**
- **Ability to make policy decisions**

In addition to the above eight professional abilities required for carrying out their duties, and in response to the increasing global concerns about issues relating to corporate governance and environmental protection, three directors are also“legal”and“environmental” specialists; The current members all possess the necessary knowledge, skills, and qualities required for their roles, with expertise in accounting and finance, international markets, law, and environmental protection.

Please refer to page 41 of the Annual Report for details of the implementation of the diversity policy. The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 44%.

II. Targets for management of board diversity

The goal of board member diversity is to propose the addition of a female director in order to achieve gender diversity objectives. In addition, in response to the increasing global focus on corporate sustainability, the Company intends to increase the number of directors with expertise in related fields to enhance the sustainable competitiveness of the Company and improve the function of the Board of Directors.

(Board member diversity policy implementation status: Refer to page 44 of USI's 2024 Annual Report and the Company's official website).

Avoidance of Conflicts of Interest of Directors GRI 2-11, 2-15

The Board of Directors has established comprehensive regulations for avoiding conflicts of interest, adopted measures of avoidance in procedures, and recorded the process in the minutes of meetings, as described below:

1. System regulations: The Company has established the Rules of Procedure for Board of Directors' Meetings, Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct, which clearly stipulate the avoidance measures that should be taken by the directors in the event of conflicts of interest.

2. Meeting procedures: The Board of Directors strictly enforces the avoidance procedures when discussing motions in which a director has an interest. The chairman of the meeting will remind the relevant director to leave the meeting, and designate another director to act as the chairman when the chairman has a conflict of interest.

3. Information disclosure: The secretary of the Board of Directors will record in detail the circumstances of the director's avoidance at each meeting and include the relevant information in the meeting minutes.

4. Annual Report: In 2024, the Company completed the procedure of Board of Directors' conflict of interest avoidance in accordance with the law. Please refer to the Company's Annual Report - Operations of the Board of Directors for the relevant details. For details on responses to conflicts of interest between Board members and stakeholders, please refer to the Annual Report, sections "Information on Board Members," "Top Ten Shareholders by Shareholding Percentage," and "Related Party Transactions" in the Financial Report.

5. Continuous improvement: The Company will continue to review and improve the conflict of interest avoidance mechanism to ensure the transparency and fairness of corporate governance.

Performance Evaluation Execution of the Board of Directors and Functional Committees GRI 2-18

Set assessment methods and approaches for the performance of the Board, execute regular self-assessment of the performance of the Board as a whole, individual directors, and Functional Committees every year. The Board Secretary Office is responsible for conducting these assessments through self-evaluation, using the assessment results as a reference for the Company's review and improvement.

The overall internal performance assessment results for the Board, individual directors, and Functional Committees in 2024 are as follows:

Overall board performance

Aspect of Assessment	Score
Degree of participation in the Company's operations	4.75
Improvement in the quality of decision-making of the Board of Directors	5
Composition and structure of the Board of Directors	5
Election and continuing education of the Directors	4.60
Internal control	5
The evaluation result of the Board of Directors shows that the average scores of the five major dimensions are all above 4.6 points, an embodiment of a good evaluation result.	

Individual board members

Aspect of Assessment	Score
Understanding of the Company's goals and tasks	4.85
Understanding of the Director's responsibilities	4.89
Degree of participation in the Company's operations	4.81
Management and communication of the internal relations	4.72
Expertise and continuing education of the Directors	4.81
Internal control	4.81
The Director's self-evaluation result shows that the average score of the six aspects is above 4.7, which is a good evaluation result	

Audit Committee

Aspect of Assessment	Score
Degree of participation in the Company's operations	4.94
Understanding of the Audit Committee's roles and responsibilities	5
Improvement in the Audit Committee's decision-making quality	5
Composition of the Audit Committee and selection of committee members	5
Internal control	5
The evaluation result of the Audit Committee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of a good evaluation result.	

Remuneration Committee

Aspect of Assessment	Score
Degree of participation in the Company's operations	4.88
Understanding of the Remuneration Committee's roles and responsibilities	4.95
Improvement in the Remuneration Committee's decision-making quality	5
Composition and member selection of the Remuneration Committee	5
The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is above 4.8, which is a good evaluation result.	

ESG Committee

Aspect of Assessment	Score
Degree of participation in the Company's operations	4.85
Awareness of the responsibilities of the ESG Committee	4.80
Improvement in the ESG Committee's decision-making quality	4.80
Composition of the ESG Committee and selection of committee members	4.80
The Committee's self-evaluation result shows that the average score of the five aspects is above 4.8, which is a good evaluation result.	

Note1: Scores are assessed on a scale of 0 to 5, with 5 being the highest score. The assessment period is from January 1, 2024, to December 31, 2024.
Note2: The overall performance evaluation results of the board of directors, individual board members, and functional committees are to be reported at the first quarter board meeting of 2025.

Recommendation and implementation:

In response to the global emphasis on environmental (E), social (S), and governance (G) issues, the Company follows the "Sustainability Development Action Plan for TWSE/TPEx Listed Companies (2023)" issued by the Financial Supervisory Commission to progressively disclose greenhouse gas inventory and assurance information, and to build internal GHG inventory capabilities. The Company has specifically promoted various measures and the Directors have provided valuable suggestions in this regard.

In addition to continuously enhancing corporate governance effectiveness, the Company is prudently planning and implementing measures to achieve carbon reduction targets and develop green power strategies. The use of AI technologies improves management efficiency, helping reduce corporate risks and issues, aiming to meet international standards and realize long-term corporate sustainability goals.

Enhancing the Execution Status of Directors' Professional Competencies GRI 2-17

To improve the professional competence of directors (including independent directors), we provided information of related further education courses for directors and assisted them in continuing education. We arranged a total of six hours of internal continuing education courses, including the 3-hour "Digital Transformation Creating a New AI Future – Generative AI Application Case Sharing" course given by Kai-Lung Hua, Chief Technology Officer of Microsoft Taiwan, on July 11, 2024, and the 3-hour "Carbon Trading Mechanisms and Carbon Management Applications" course given by Dr. Che-Liang Liu from the Chung-Hua Institution for Economic Research on October 16, 2024. In 2024, we arranged 71 hours of external continuing education courses for all directors. All directors met the required training hours as specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". Please refer to p.28 of the USI Annual Report 2024 for the details of the courses and learning hours.

3-hour "Digital Transformation Creating a New AI Future – Generative AI Application Case Sharing" course given by Kai-Lung Hua, Chief Technology Officer of Microsoft Taiwan, on July 11, 2024.

3-hour "Carbon Trading Mechanisms and Carbon Management Applications" course given by Dr. Che-Liang Liu from the Chung-Hua Institution for Economic Research on October 16, 2024.

Corporate Governance Officer

In order to safeguard the interests of the shareholders and strengthen the functions of the Board of Directors, the Company has appointed Erik, Chen, Head of Legal Division, as the Corporate Governance Officer, the top-level manager in charge of corporate governance, as approved by the Board of Directors on May 13, 2019. Erik Chen has more than 20 years of experience as a practicing lawyer and over 10 years of experience as a legal director of listed companies. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, assisting Directors in legal compliance, reporting to the Board on the nomination of independent directors, checking the result of whether the qualifications comply with the relevant laws and regulations at the time of appointment and during the term of office, handling the related matters of Director change and so on. Erik Chen, Corporate Governance Officer, accepted 23 hours of further study in 2024.

For detailed business execution priorities and professional development in 2024, please refer to the Company's official website Corporate Governance.

Functional Committees

Under the Board, we have established three functional committees: Audit Committee, Remuneration Committee, and ESG Committee to establish and review policies that relate to the responsibility and authority of each committee in an effort to strengthen corporate governance.

Title	Name	Audit Committee	Remuneration Committee	ESG Committee
Chairman	Quintin Wu	—	—	Committee Member
Director and General Manager	Pei-Ji Wu	—	—	Deputy Committee Chief
Independent Director	Sean Chen	Convener	Committee Member	—
Independent Director	Woody Duh	Committee Member	Committee Member	Committee Chief
Independent Director	Yancy Hai	Committee Member	Convener	Committee Member
Independent Director	Sun-Te Chen	Committee Member	Committee Member	Committee Member

Audit Committee

1 The current term is from May 31, 2023 to May 30, 2026, with 4 members appointed, all of whom are composed of the Company's independent directors.

2 The Audit Committee holds at least one committee meeting each quarter and extraordinary meeting as necessary. Four committee meetings were held in 2024, and the personal attendance rate of members was 100%.

Title	Name	Actual attendance rate (%)	Remarks
Independent Director (Convener)	Sean Chen	100%	Re-election
Independent Director	Woody Duh	100%	Re-election
Independent Director	Yancy Hai	100%	Re-election
Independent Director	Sun-Te Chen	100%	Newly appointed director

Note: The actual attendance rate (%) is calculated based on the number of board meetings during their tenure and their actual attendance.

Remuneration Committee GRI 2-19, 2-20, 2-21

1 The current term is from June 6, 2023 to May 30, 2026, with a total of 4 members appointed, all of whom are composed of independent directors.

2 The Remuneration Committee holds at least two committee meetings each year. Three committee meetings were held in 2024, and the personal attendance rate of members was 92%. Please visit the company's official website, refer to the annual report, or visit the Market Observation Post System (MOPS) for the details regarding the operation of this committee.

3 Apart from periodically reviewing the (1) salary and remuneration policy, system, standard, and structure and (2) performance evaluation of directors and managerial officers, the Remuneration Committee also determines and assesses the salary and remuneration of directors and managers with reference to the median earnings in the industry; the duration of engagement, duty, and target accomplishment of each role; the salary and remuneration for the same role; achievement of the Company's short- and long-term sales targets; and the Company's financial condition; and submit the results to the Board for approval. GRI 2-20

Salary and remuneration: The remuneration for directors covers remuneration, director profit sharing, and income for professional practice; and the compensation for managerial officers includes the monthly salary, fixed-amount bonuses, year-end bonus, employee profit sharing, annual special bonus, pension contribution and benefit payments by law. The profit sharing for directors and employees are subject to Article 34 of the articles of incorporation. GRI 2-19

The total compensation ratio and ratio of the percentage change in total compensation in 2024 were 12.21: 1 and 136.53% respectively. GRI 2-21

Performance evaluation:

(1) The aspects of performance evaluation for the Directors cover alignment of the goals and missions of the Company, awareness of the duties, participation in the operation of the Company, management of internal relationship and communication, professionalism and continuing education, and internal control. There are separate performance evaluations for the ESG Committee.

(2) Performance evaluation of senior managers covers multiple dimensions, including financial (operating revenue, operating profit, and pre-tax net income), customer (customer satisfaction, service quality, development of key markets, etc.), product (brand management, quality innovation, etc.), talent (talent development, potential enhancement, etc.), safety (zero pollution, zero emissions, zero occupational injuries, zero incidents, zero failures), and projects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions, etc.)

(3) The sustainability-linked indicators for the President should be set at a weighting of at least 20%, including at least 5% for climate-related items, and the sustainability-linked indicators for the remaining senior managers should be set at a weighting of no less than 5%.

Subject	Performance indicators	Implementation method (weighting)
President	Financial performance (50%)	-
	Markets and customers (20%)	-
	Sustainability performance (30%)	Talent cultivation program (10%) Cross-company product integration (10%) Energy saving and carbon reduction achievement (5%) Occupational safety and health (5%)
Senior Managers	Sustainability performance (15%)	Talent cultivation program (5%) Cross-company product integration (10%)

Note 1: Total compensation ratio: The ratio of the total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).

Note 2: Ratio of the percentage change in total compensation: The ratio of the percentage change in the total compensation for the organization's highest-paid individual to the median percentage increase in the total compensation for all employees (excluding the highest-paid individual).

ESG Committee GRI 2-10, 2-14

1. The Committee consists of the Chairman, the General Manager, and at least two Independent Directors as approved by the Board of Directors. An Independent Director serves as the chief commissioner and the General Manager serves as the deputy chief commissioner.
2. The term of office of the 5 members of the current term commenced on June 6, 2023 and will end on May 30, 2026.
3. Duties of the committee include:
   - Agree on sustainable development policies.
   - Agree on sustainable development strategic plan, annual plan and project plan.
   - Supervise the implementation of sustainable development strategy planning, annual plan and project plan, and evaluate the implementation.
   - Review the Sustainability Report.
   - Annual report to the Board of Directors on the annual results of sustainable development.
   - Other matters directed by the Board resolution to be handled by the Committee.
4. The committee shall convene at least twice a year. Two committee meetings were held in 2024, and the personal attendance rate of members was 100%. Please visit Corporate Governance the ESG website for committee meeting records over the years.
5. The three working groups of the Committee include corporate governance, environmental protection, and social relations as shown below:

ESG Committee

Committee Chief
Woody Duh Independent Director

Deputy Committee Chief
Pei-Chi Wu President

Other committee members:
Chairman Quintin Wu,
Independent Director Yancy Hai,
Independent Director Sun-Te Chen

Project Secretary

Corporate Governance Team

The company engages in discussions with stakeholders such as investors, customers, suppliers, and government agencies to address issues related to achieving sustainable operations. Through these discussions, the company aims to maintain trust relationships with relevant stakeholders.

Coordinating Unit: Kaohsiung Plant
Collaborating Units: Sales & Marketing Division, R&D Division, Legal Division, Audit Division, Finance Division, Accounting Division, Planning Department, Materials Department, Information Technology Department, Group Secretary Office of BOD

Environmental Protection Team

Integrate internal measures and planning schemes for environmental protection, energy conservation, carbon reduction, and occupational health and safety. Track and review the implementation results, discuss issues that must be considered in environmental protection, and strive to meet the expectations of stakeholders.

Energy and Environmental Protection Unit: Kaohsiung Plant Occupational Health and Environmental Protection Office.
Collaborating Units: Kaohsiung Plant Technical Department, Manufacturing Department I, Manufacturing Department II, and Manufacturing Department III.

Social Relations Team

The company engages in discussions on topics related to employee care, community outreach, and social participation with stakeholders such as employees, community residents, and non-profit organizations. Through these discussions, the company aims to contribute to creating a fair, just, safe, and harmonious society.

Coordinating Unit: Kaohsiung Plant Human Resources Department
Collaborating Units: Taipei - USI Education Foundation, Kaohsiung Plant - Office of General Affairs

ESG Committee Annual Tasks and Next-Year Annual Plan of the Working Groups:

Key Achievements in Sustainable Development Execution in 2024 Presented to the Board of Directors

1. Constantly implement the USI 5-Year Operational Plan.
2. Award:
   (1) In 2024, TCSA awarded the "Taiwan Top 100 Sustainable Exemplary Enterprise Award" and the "Taiwan Corporate Sustainability Report Platinum Award."
   (2) Recognized by the Environmental Protection Bureau, Kaohsiung City Government as “Excellent Unit of Net-Zero Green Life”.
   (3) Awarded by the Occupational Safety and Health Administration as an outstanding enterprise in the 2024 “Corporate Sustainability Report Disclosure for Proactive Rating in Occupational Health and Safety Performance”.
   (4) Awarded the Certificate of International Trade Outstanding Exporter/ Importer Certificate in 2023.
   (5) Awarded the Excellence Award at the “3rd Net-Zero Industry Competitiveness”.
   (6) Awarded the Excellence Prize in the 2023 Air Quality Purification Zone Outstanding Adoption Units by the Ministry of Environment.
   (7) Top 6%~ 20% of listed companies in the 10th Corporate Governance Evaluation.
3. Published the Chinese version of the 2023 Sustainability Report in August.
4. Published the 2023 TCFD Report in August.
5. Published the English version of the 2023 Sustainability Report in September.
6. Charity Events:
   (1) Donation for the fourth phase of the afforestation adoption project.
   (2) Responded to the 2024 Kaohsiung City Cross-department GHG Reduction Plan.
   (3) Cared for the community, and donated bleach to Donut Kindergarten to prevent enterovirus.
   (4) Donated sodium hypochlorite (bleach) to the areas affected by Typhoon Gaemi in Renwu for disinfection to prevent the breeding of mosquitoes and the spread of dengue fever.
   (5) Sponsorship of books and miscellaneous expenses for students in Renwu District.
   (6) Adopted the air quality purification base of Kaohsiung Municipal Renwu Special Education School for the seventh year.
   (7) Responded to the 10th and 11th Neihu Science and Technology Park Thousand Blood Donation Campaigns.
   (8) Responded to the 2024 Taipei Tech Cup Charity Road Run.

2025 Work Plan

1. Constantly implement the USI 5-Year Operational Plan.
2. In response to "Gudeng Supply Chain Low-carbon Transition Coaching Program", we are collaborating with our customer and its supply chain to collectively strive towards the goal of reducing carbon emissions by ten thousand tons by 2025.
3. Continuously participate in sustainability-related ratings.
4. Participate in social welfare activities.
5. Published the Chinese version of the 2024 Sustainability Report in August.
6. Published the 2024 TCFD Report in August.
7. Published the English version of the 2024 Sustainability Report in September.
8. Donation for the fifth phase of the afforestation adoption project (last phase).
9. Implemented the Group's operations related to the introduction of the IFRS Sustainability Disclosure Standards.
10. Promoted internal control of sustainability information.
11. ISO 14067 carbon footprint verification and ISO 14021 recycled content verification.

The Board's supervision of sustainability performance-related actions: Please refer to pages 6 to 9 of the USI Annual Report for the 2024.

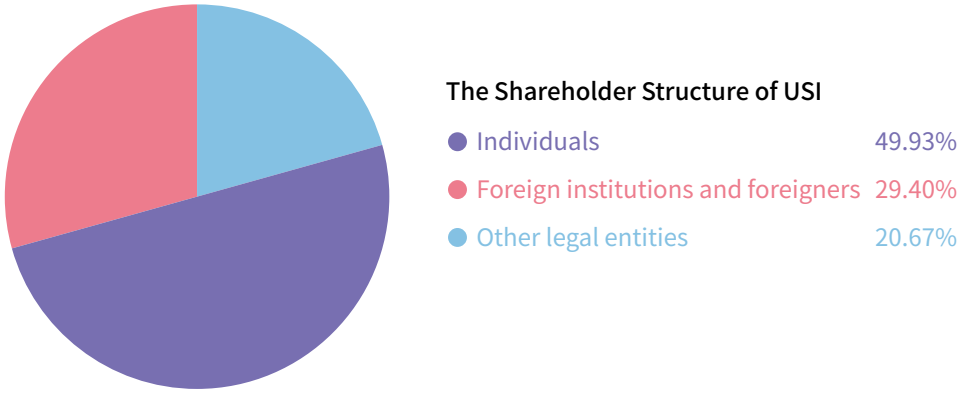
Maintenance and shareholder rights and interests and information transparency

Until March 31, 2025, the date for suspension of share transfer for 2025 shareholders meeting, the shareholder structure of USI is primarily composed of individual and other legal entities. For shareholders with ownership stakes of 5% or more, or those among the top ten shareholders in terms of ownership percentage, please refer to USI website. We are committed to providing shareholders with transparent and timely corporate information. Apart from providing information to shareholders through four investor conferences, the AGM, MOPS, Investor Relations section of the corporate website, annual report, and ESG report, we constantly collected opinions from shareholders and sent them to the management team for the reference in decision-making in 2024.

Every year, we hold investor conferences and the AGM regularly to state the Company's financial performance and business status. In addition, we post information regarding our business performance, financial information, and material information on TWSE's MOPS. We have also set up the "Investors" section on our Chinese and English websites to disclose information relating to the Company's governance, business announcements, financial statements, investor conferences, and latest news. We value the rights and interests of foreign investors and the trend of enterprise internationalization. Therefore, since 2018, we began to enhance information disclosures in English in the annual report and on the MOPS and corporate website. Through various methods, we actively develop unfettered channels for two-way communication with shareholders to maintain their rights and interests.

As of the book closure date on March 31, 2025, the data is as follows:

The shareholder structure of USI	Government agencies	Financial institution	Other legal entities	Individuals	Foreign institutions and foreigners
Shareholding ratio (%)	0	0.00	20.67	49.93	29.40



Risk Management Organization Framework

For effective risk management, the Board, Audit Committee, President's Office, Audit Office, all risk management units, and all subsidiaries participate in and operate the risk management mechanism. For detailed organizational structure, please refer to the ESG website Risk Management for details.

For the policy, process, and performance of risk management, please refer to 2.3 Risk Management for details.

2.2 Economic Performance GRI 2-25, 3-3, SDGs 8

Impact Topics

Overcapacity, plastic reduction policies restrict industry development

2024 Achievements

1. Invested approximately NT$224 million in equipment improvement.
2. Sales volume of high VA EVA products (used in ink, high-end shoe foam and wire and cable) increased significantly by 197% compared to that in 2023.
3. B2C market development.

2025 Goals

1. Completed one set of compounding production line.
2. Complete the Kaohsiung Intercontinental Container Terminal (ICT) Project Phase 2.
3. Planned investment of approximately NT$184 million in equipment improvement.

Medium- & Long-Term Goals

1. Complete a total of two sets of processing lines by 2026.
2. Green energy, environmental protection, and B2C product development for industry transformation.
3. Continue to promote the circular economy.

USI recorded a basic loss per share of NT$2 for the fiscal year 2024. Operating Performance for the Year: Amid escalating global geopolitical tensions—particularly in the Middle East and the ongoing Russia-Ukraine war—coupled with OPEC+ production cuts, crude oil prices trended upward in the first half of 2024. This, in turn, drove up naphtha prices and increased ethylene procurement costs. On the supply and demand front, ongoing U.S.-China trade tensions and the slowdown in Mainland China's economic growth have hindered the post-pandemic recovery of domestic demand for petrochemical products, resulting in limited market demand growth. On the supply side, however, large-scale capacity expansion in Mainland China's petrochemical industry has significantly outpaced demand growth. This has led to severe oversupply in many plastic and chemical products, triggering intense price competition and further depressing overall market conditions across Asia. In the EVA market, prices rebounded in Q1 2024 but began declining again from Q2 due to the launch of new production capacity in Mainland China and slower-than-expected growth in photovoltaic demand. By the end of Q4, with a recovery in photovoltaic demand, prices stabilized and rebounded slightly. In response to the substantial increase in EVA capacity in Mainland China, the Company intensified efforts to develop markets outside Mainland China and actively pursued high-value and differentiated products, significantly reducing reliance on the Chinese market. Nevertheless, the Company was still affected by weak overall EVA market conditions and scheduled maintenance shutdowns and equipment replacement in Q3. Total EVA sales for the year were 115,000 tons, with both volume and price declining by approximately 20% compared to the previous year. In the PE segment, sales remained relatively stable. Total HD/LLD sales were 83,000 tons. There was a price increase by 5% in response to the cost of ethylene, and sales volume decreased slightly by 2% compared to last year. The annual production volume of EVA/PE reached 189,000 tons, a decrease of 13% compared to the previous year. Guided by the core philosophy of "Creating Sustainable Value and Building a Sustainable Society Together", the Company actively advances ESG strategies to address environmental and social challenges. We have established a 2050 carbon neutrality goal and are promoting energy transition initiatives, including in-house solar power generation and green electricity procurement. As of the end of 2024, the cumulative grid-connected capacity of the invested solar energy field has reached 8.6 MW, which will generate about 10.73 million KWH of green electricity every year, and contribute about 5,300 tons of carbon dioxide equivalent. With respect to R&D, we continue to develop high VA EVA products for applications in ink, high-end foamed shoe materials, and wire & cable. Our specialty-grade EVA has achieved a significant breakthrough in the wire and cable market. In addition, R&D efforts remain focused on optimizing the production process for optical-grade cyclic block copolymers and developing new grades, targeting high-heat-resistant applications in electronics, AR/VR lenses, and premium transparent tubing. In terms of CBC business promotion, major customers of new energy power applications and optical lenses have completed preliminary tests. Our food packaging film applications have gained a firm presence and continue to expand into the European and American markets. Semiconductor carriers have been certified by customers and delivered in a steady manner. Due to the excellent performance of CBC material in deep UV sterilization application, we have successfully engaged the first-tier brand car manufacturers and medical applications in China. At the same time, we are actively cooperating with internationally renowned brand manufacturers to develop products such as sterilizing water pitchers. In general, the Company incurred a loss during the year due to the decrease in the selling price and volume of EVA products and the increase in the cost of ethylene, which compromised the profit margin.

USI Financial Performance 2022-2024 GRI 201-1

(Unit: NT$ thousands)

Item	Basic Element	2022		2023		2024	
Direct economic value	Revenue (Note 1)		15,632,151		11,449,372		8,821,441
Distributed economic value	Operating cost (Note 2)		12,163,445		10,420,578		9,552,945
	Employee wages and benefits(Note 3)		753,360		627,636		546,451
	Payment to investors (Note 4)	The 2022 cash dividend of NT$0.7 per share, to be distributed in 2023.	832,134	The 2023 cash dividend of NT$0.35 per share, distributed in 2024.	416,067	The 2024 cash dividend of NT$0.2 per share , to be distributed in 2025.	237,753
		Interest expense	73,666	Interest expense	58,644	Interest expense	52,477
	Payment to the government expense (Note 5)		739,262		777,756		223,116
	Investments in community (Note 6)		5,000		5,000		3,000
Residual economic value (Note 7)			1,555,097		(207,006)		(2,147,470)

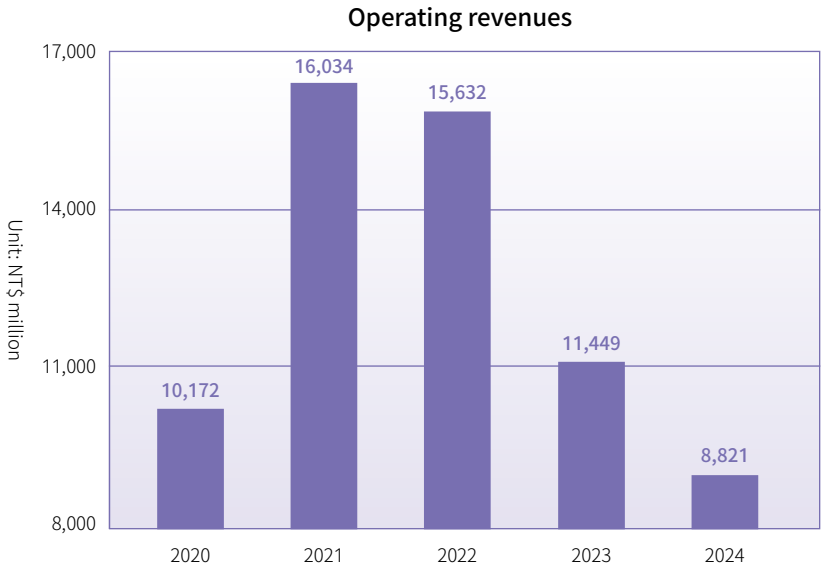
Note 1: Operating income refers to sales revenue
Note 2: Operating costs refer to cost of goods sold + operating expenses.
Note 3: Employee salaries and benefits are already included in the above operating costs.
Note 4: Interest expenses are already included in the above operating costs.
Note 5: Government payments refer to corporate income tax expenses.
Note 6: Community investment includes contributions to local communities and donations to the USI Education Foundation, already included in the above operating costs.
Note 7: Retained economic value refers to net profit after tax.

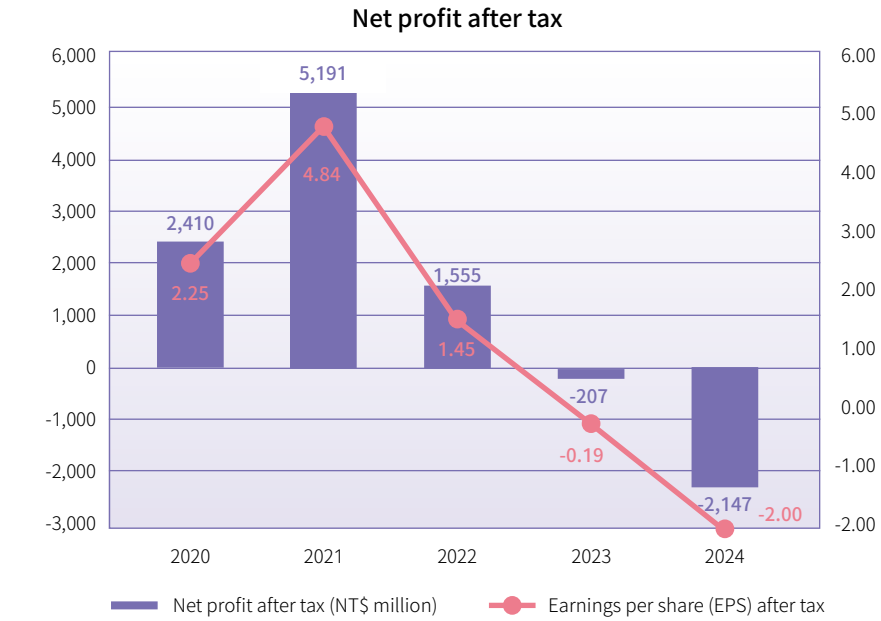
Profit Distribution

In 2024, the revenue was NT$8.8 billion, income tax was NT$220 million, accounting for 2.53% of the individual revenue and cash dividend was NT$0.2 per share. This profit distribution proposal was approved by the AGM on May 29, 2025.

Dividend distribution over the years
www.usife.com.tw/zh-tw/dirInvestor/frmInvestor4.aspx

Financial statements over the years
www.usife.com.tw/zh-tw/dirInvestor/frmInvestor2.aspx





Innovative Operations and Management

USI invests a large amount of funds in research and development every year, actively recruiting and nurturing professional talents. The R&D expenses for the fiscal years 2023 and 2024 were NT$140 million and NT$130 million, respectively.

Major Investments

Local Major Investments

HV Processing Line at the Kaohsiung Plant

USI plans to invest approximately NT$300 million initially to build two sets of large and small compounding processing lines at the Renwu Plant to gradually increase the proportion of HV production, with the two sets of equipment expected to be completed by the end of 2025 and the end of 2026, respectively.

Depending on the market development, we will build additional compounding facilities to achieve a monthly production capacity of 2,000 tons in the future. HV products can be promoted to medical materials, footwear materials, and wire and cable materials, etc. Based on the current market, it is estimated incur a profit of approximately NT$1 billion per year.

Ethylene Storage Tank Project of Kaohsiung Intercontinental Container Terminal

To increase the import sources of ethylene raw materials to secure sufficient supply, enhance future competitiveness, and ensure sustainable development, we built a new plant for the CGTD at the Petrochemical Oil Product Center in Kaohsiung Intercontinental Container S14 Terminal phase II with a total investment of NT$5.221 billion. The project period is 2017 - 2025. Intercontinental Container Terminal (ICT) Project Phase II commenced construction on July 31, 2019. USI invested NT$906 million in participating in the construction of 80,000 M^3 ethylene tanks and associated systems. It is expected to be completed and commissioned in the second quarter of 2025.


Recent Photo of the Intercontinental Container Terminal Project

Investment in Equipment Improvement of the Kaohsiung Plant

USI continues to carry out various production process, environmental protection, and occupational safety equipment improvement projects. In 2023, approximately NT$252 million was invested, and in 2024, approximately NT$224 million was invested.

The total estimated investment amount for 2025 is NT$184 million. To constantly engage in various energy conservation, carbon reduction, and new product development projects to improve product quality and increase custom products.

Investment of NT$660 million
2023-2025

Energy and Water Conservation
- Improvement of steam condensate water recovery
- Improvement of wastewater treatment facilities

Enhanced Efficiency and Quality
- New catalytic systems
- Automatic filter replacement systems
- Foreign matter screening machines
- Pipeline renewal/replacement

Pollution Prevention and Control
- Improvement of Thermal Oxidizers/Regenerative Thermal Oxidizers (TO/RTO)
- Update of environmental/process monitoring systems
- Update of compressor cylinders
- Replacement of control valves

Enhanced Efficiency and Reliability
- Update of extra-high voltage cables
- Maintenance/update of motors
- Update of low, medium, and high-voltage distribution panels
- Maintenance/update of synchronous motor coils

Electricity Saving
- Update of variable frequency motors/high-efficiency motors
- Update of refrigeration units/chillers
- Update of nitrogen compressors
- Process operation adjustments

Major Overseas Investments

Gulei Project

Investment Objective

Many changes have emerged in the global petrochemical industry. They included the rise of the petrochemical industry in emerging regions and shale oil mining in North America, which have brought not only huge impacts to the energy structure and petrochemical material supply but also significant changes to development of the petrochemical industry across the Taiwan Strait.

To get prepared for future trends and challenges, petrochemical companies of Taiwan and China co-established the Gulei Integrated Refinery Project to achieve the vertical integration of the mid- and down-stream products.

Investment Item

The project engages in the production and sales of petrochemical products including ethylene, propylene and butadiene, EVA, ethylene oxide (EO), and ethylene glycol (EG).

Investment Amount and Efficiency

- After the approval of the relevant competent authorities, re-investment in the Gulei Port Economic Development Zone Project in Zhangzhou, Fujian Province, mainland China, was made through a third region with a maximum amount of NT$8 billion.
- In the future, the project will stabilize upstream material supplies, vertically integrate steam cracking, petrochemical intermediate materials, and plastic products, reduce transportation costs, and enhance competitive niche to facilitate deployment in the Greater China market and sales competition in the international market.

Investment Milestones

2016 Nov	2018 Aug	2019 May	2019 Jun	2020 Sep	2021 Mar	2021 Aug	2021 Dec	2022 Oct	2023 May
Established Fujian Gulei Petrochemical Co., Ltd.	Official approval was granted to the Gulei Refining & Chemical Plant Project.	Approval of the land for project planning by the Gulei Committee.	Project construction started.	Intermediate delivery of the PP processing units.	PP commissioning succeeded.	Smooth commissioning of steam crackers, SM, EO/EG.	Fujian Gulei Petrochemical Co., Ltd. started commercial operations.	Mid-term delivery of EVA facility (Note).	Gulei Integrated Refinery Project was completed and fully operational.

Note: Intermediate delivery refers to the delivery of a construction project in the middle of the construction period. It suggests that the contractor has completed the construction of all processing routes, including running the pressure and utilities test, while the remaining projects will not affect the trial run.

View of the West Side of Gulei Petrochemical

Night View of Ethylene Cracking Plant

2.3 Risk Management GRI 2-13

Based on ethical corporate management, we actively promote and implement the risk management mechanism to ensure steady operations and sustainable development and lower potential operational risk. In 2020, the Board approved the establishment of the "risk management policy and procedures", which includes the risk management organization, risk management process, and risk management categories and mechanisms. Accordingly, the President's Office will supervise the operation and performance of each risk management unit and periodically assess risk every year.

Scope of Risk Management

After integrating the major risk sources of business operations and considering the feasibility of operation, we establish the risk categories and periodically identify the likelihood of occurrence of risks and the significance of their impacts, and each risk management unit annually adjusts the controls with respect to the changes in the internal (external) operational environment.

Risk Management Matrix

Impact Severity: High	Likelihood: Low	Likelihood: Medium	Likelihood: High
	Financial Risk Occupational Safety Risk	Strategic and Operational Risk	Raw Material Price and Supply Chain Risk
	Information Security Risk Legal Risk Human Resources Risk Research and Development Risk Disaster and Accident Risk	Environmental and Energy Resource Risk Climate Change Risk	
Impact Severity: Low	Technological Risk Other Risks (Environmental Incidents) Other Risks (Transport Safety - Underground Pipelines)	Other Risks (COVID-19)	

Please refer to the Risk Management in the ESG section on the USI website for details.

Please refer to 4.5 Climate Change and Energy Management for the financial impacts of climate-related opportunities and risks.

Cybersecurity management

I. Strategy and framework of cybersecurity risk management

1 Framework of cybersecurity risk management:

(1) Organization of information security governance:

The Information Security Management Review Meeting is held regularly every year. Adjudication of 6 major input items of asset security management system (handling status of previous management review proposals, changes of internal and external issues related to information security management system, feedback of information security performance, feedback from interested parties, results of risk assessment and status of risk treatment plan, and opportunities for continuous improvement) and agreement on 2 major output items of asset security management system (decisions related to opportunities for continuous improvement Policy, any need for changes to the information security management system) to achieve the objectives of the information security management system.

(2) Framework of the information security organization:

We established the "Information Security Implementation Team" in accordance with the regulations defined in the "Information Security Implementation Organization Regulations" in the Company's internal standard operating procedures to supervise the implementation status of information security management of the Group and clarify the roles and duties of various organizations. The meeting is held once a year. If there is a major information security incident, it can be held immediately. The director of Information Technology Division serves as the convener of the team and is responsible for the convening of the team's meetings and the resolution and arbitration of its opinions; the heads of department under the Information Technology Division are team members. In the event of a major information security incident, the head of the information office will notify the general manager or the head of the relevant department.

Please visit Risk Management / Information Security Risk for details.

(3) Establishment of CISO and the responsible information security unit:

In 2022, we established the CISO and responsible unit, supervisors, and staff for information security in accordance with the addition of Article 9-1 to the Regulations Governing Establishment of Internal Control Systems by Public Companies promulgated by the Financial Supervisory Commission.

2 Information security policy

(1) ISO 27001 Info Security System:

We established the ISO/IEC 27001:2013 information security management system (ISMS) in 2014 and hired BSI Taiwan, an external third-party certification body, to review and audit the system. So far, the system has passed the certification by BSI Taiwan for 10 consecutive years.

(2) NISTCSF Info Security Management Framework:

Included in the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(3) By integrating ISO 27001 ISMS and NIST CSF, we enhance risk control, improve information security resilience, and equip the Company with the capabilities to tolerate, stop, and quickly recover from information security incidents to maintain business continuity of the supply chain.

3 Please visit Risk Management / Information Security Risk for the details of the management programs and cybersecurity risks.

4 Resources for cybersecurity management

(1) Dedicated staff: A dedicated corporate organization, "Information Security Network Section", has been set up with a dedicated information security director and information security staff to be responsible for the Company's information security planning, technology introduction, and related auditing matters in order to maintain and continuously strengthen information security.

(2) Certification: Passed ISO 27001 information security certification for 10 consecutive years with no major deficiencies in related information security audits.

(3) Customer Satisfaction: No major information security incidents and no complaints about loss of customer data.

(4) Education and Training: All information personnel have completed two sessions of annual information security education and training programs. All Group employees conducted two social engineering phishing exercises, with a total of 4,356 participants.

(5) Investment expenditure: A total of about NT$11,342 thousand.

(6) Information Security Notices: 8 notices were issued.

Audit Operations and Reporting Channels GRI 2-25, 2-26

Audit Operations

An independent audit unit is established under the Board to help management inspect and review the internal control system, measure the effectiveness and efficiency of operations, and establish and implement the annual audit plan based on the identified risks. The chief auditor holds the certified internal auditor (CIA) certificate and practices based on objectivity and integrity. The chief auditor attends the Audit Committee and the Board meetings as a guest, reports material findings in the audit, and follows up the subsequent improvement. The internal audit is the unit specializing in accepting reports on illegal acts or unethical or dishonest behavior from the Audit Committee email or hotline.

In 2024, the internal audit unit implemented audits according to the annual audit program and completed 55 audit reports and 13 follow-up reports. All recommended improvements had been completed.

In accordance with Jin-Guan-Zheng-Shen-Zhi Order No. 1130381962 dated April 22, 2024 issued by the FSC, the Company revised the internal control system for sustainability information management upon approval by the Audit Committee and the Board of Directors on November 7, 2024. The Company will make adjustments in accordance with relevant laws and regulations or practices in a timely manner.

Whistleblower Report Channels GRI 2-25, 2-26

On August 10, 2017 the Board and the Audit Committee passed the proposal to establish the"Regulations for Handling Reports of Illegal and Unethical or Dishonest Behaviors"specifying the reporting and processing procedures and related protection mechanisms. Grievance channels include personal reports, telephone reports, and correspondence reports. The Regulations also specify the responsible units.

1. **Personal report:** Face-to-face explanation.
2. **Whistleblowing Hotline:** 02-26503783.
3. **Written report:** Audit Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City.

Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.

No report was received so far.

2.4 Ethical Corporate Management and Legal Compliance GRI 2-16, 2-17, 2-27, SDGs 16

Ethical Corporate Management

To optimize ethical corporate management, we have established the Codes of Ethical Conduct for Directors and Managerial Officers, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct; planned integrity-based policies; and built a sound mechanism for governance and risk control. Please visit Corporate Governance on company's official website for more about our anti-corruption policies, Codes of Ethical Conduct for Directors and Officers, and Ethical Corporate Management Best Practice Principles.

In addition to the Company's work rules and the Group's regulations, we have also included sexual harassment prevention, no discrimination, no harassment, work hours management, protection for humane treatment, health and safety workplace environment, and the integrity and probity policy in the orientation training for new employees. Additionally, we also request new employees to sign the commitment to comply with the relevant regulations.

Legal Compliance SDGs 16

Significance

Ethical corporate management and legal compliance are USI's belief in sustainable development

Sustainability Goal

No legal and/or regulatory noncompliance.

2024 Achievements

1. No violation or fine relating to product labeling was reported
2. No violation of economic laws and regulations.
3. Offense of environmental regulations and/or regulations: 4 offenses, with a total fine of NT$412,000.
4. There were no incidents of violation of Occupational Safety and Health Act resulting in fines.

Management Approach Description

In addition to practicing ethical USI management, we emphasize legal compliance in all areas. Therefore, units within the organization keep track of the trends of statutory and regulatory changes to ensure our compliance with up-to-date legal requirements and to make early planning for their impacts. Please refer to the ESG website for details: Ethical corporate management and legal compliance

Management Approach RT-CH-140a.2, RT-CH-530a.1

For employees to understand compliance-related topics, we publicize information and trends regarding the latest regulatory and statutory requirements through education/training activities for employees and departmental routine meetings for them to acquire information regarding new laws and regulations and amendments of existing laws and regulations. The Group Division also provides legal consultation and recommendations. Moreover, besides arranging internal training or external training courses, we further invite external legal experts to give talks or seminars to enrich employees' knowledge and competencies in business-related policies and regulations.

We investigate and identify legal noncompliance to find the causes and take action to control and correct it to reduce negative impacts and prevent its recurrence. Additionally, to supervise legal compliance in employees, we have included environmental protection and OH&S incidents as evaluation items for productivity bonuses, and no bonus will be distributed for any monetary fine and non-monetary sanctions caused by environmental protection and OH&S offenses.

In 2024, neither monetary fine nor non-monetary sanctions for legal noncompliance relating to product labeling or for violation of economic laws and regulations was reported. However, we were sanctioned 4 times for violation of environmental protection laws and/or regulations, with a total fine of NT$412,000. No violation of the Occupational Safety and Health Act was reported. After completing corresponding corrective and preventive actions, we passed the re-inspection by the competent authorities for all violations. In the future, we will continue to implement and enhance HSE management to achieve the goal of five zeros: zero pollution, zero emission, zero accident, zero occupational hazard, and zero failure.

Note: Significant violations of laws and regulations were in compliance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities".

Monetary Fine and Non-Monetary Sanctions for Industrial Safety Incidents in 2024 and Improvement

Counts

* Monetary fine and non-monetary sanctions in the year are based on the date of notice issuance

Offense of environmental regulations and/or regulations:
Air pollution 4 offenses

Causes for Violation and Corrective Action

Ticketed defect:

1. The process waste gas was piped into the boiler and used as fuel without applying for a permit for disposal by itself. Fine amount: NT$12,000.
2. Non-compliance with the requirement to submit the annual maintenance report within one month after the completion of scheduled maintenance is subject to an administrative fine of NT$150,000.
3. One component of the equipment was tested to be greater than 2,000 ppm. Fine amount: NT$150,000.
4. The equipment was not listed in the license, and the operating conditions were inconsistent with the license approval content. Fine amount: NT$100,000.

Corrective actions:

1. The buffer tank is changed to a fixed equipment and equipped with a fixed pipeline to collect the waste gas to the boiler for treatment in a closed area, after the change, no waste is produced from this equipment.
2. Hold weekly meetings to confirm and review work progress, ensuring that issues do not recur.
3. Additional irregular and regular monthly FTIR measurement operations have been added, achieving reliable VOC management and forecasting.
4. Submit a change to the fixed pollution source operation permit.

IP Management

1 Patent management

1.1 Innovation patent and invention application platform

We have established an application platform on the employee portal. After registration, R&D personnel can record in detail their innovation ideas and experiment outcomes from work and store them in the encrypted folder. After data is complete and the review and approval of related supervisors, employees may apply for patents according to the procedures.

1.2 Patent

	Title	Project No.	Country	Remarks
1	HYDROGENATED BLOCK COPLYMER AND COMPOSITION THEREOF	US 10,450,455 B2 (application no.15/914,878)	USA	Awarded the patent on 2019/10/22 (expired on 2038/03/07)
2	Hydrogenated block copolymer and composition thereof	I660975	Taiwan	Awarded the patent on 2019/06/01 (expired on 2038/03/05)
3	MULTILAYER SHEET STRUCTURE FOR DENTAL APPLIANCE	US-2020-0237478	USA	Awarded the patent on 2022/05/31 (expired on 2040/08/10)
4	Fire retardant composite structure (utility model patent)	M597795	Taiwan	Awarded the patent on 2020/07/01 (expired on 2030/03/12)
5	Fire retardant composite structure (utility model patent)	CN213675870-U	China	Awarded the patent on 2021/07/13 (expired on 2030/06/01)
6	Recyclable Crosslinked Polymer Foam Material and Its Applications	I824566	Taiwan	Awarded the patent on 2023/12/01 (expired on 2042/06/15)
7	Recyclable Crosslinked Polymer Foam Material and Its Applications	202211580397	China	An application was summited on 2022/9/22

2 Trade secret management

The R&D Division stores the reports, documents, and related IPs from each R&D project individually in USI's internal encrypted web folders with access control. The system also automatically audits abnormal access and alerts the responsible supervisor to check the access to ensure the proper management of trade secrets.

2.5 Smart Management GRI 2-25, 3-3

Impact Topics

Enhance efficiency with automated processes, workforce simplification affects the right to work.

2024 Achievements

Promoted six projects:
Construction of the DCS + field data system, real-time vibration condition monitoring and development for high-pressure reactors, AI-based quality prediction, black smoke detection system, digital graphic and text management system, white smoke and open flame recognition system, and an energy dashboard system.

2025 Goals

Promote two new projects.

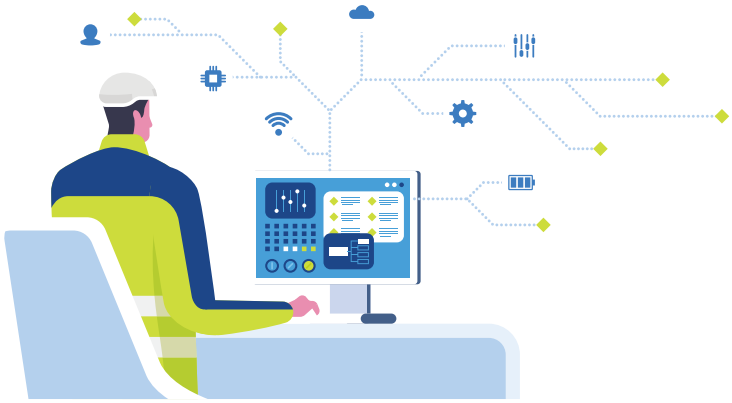
Medium- & Long-Term Goals

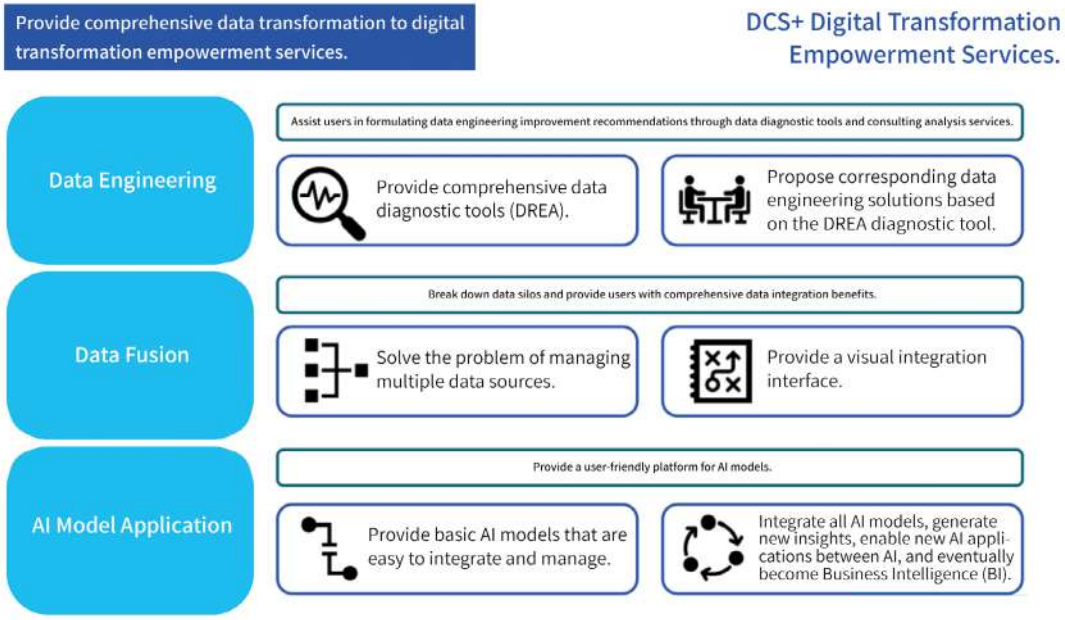
1. Optimize various AI models to enhance prediction accuracy.
2. Enrich the data management knowledge of employees to enhance analysis efficiency and optimize strategy implementation.
3. Invest in developing smart management applications to enhance production management efficiency.

In recent years, we have been actively promoting the use of various smart management systems in the smart predictive maintenance of key equipment, production data integration and analysis, AI model analysis and predictive maintenance, quality prediction, factory safety maintenance, energy management and carbon platform.

DCS+ Field-based Data System Implementation:

DCS+ breaks down data silos by integrating on-site field data through data engineering, solving the problem of multiple data sources, and providing an integrated data platform for the development of AI model applications. This project was completed and officially launched in 2024.





The Real-Time Monitoring of the High-Pressure Reactor's Vibration Status and the Development of AI Model Analysis for Predictive Maintenance

Implement real-time monitoring of the high-pressure reactor's vibration, integrate process operation parameters, and develop an AI model to analyze the real-time operating status of the high-pressure reactor. Utilize a visual interface system to monitor the health status of the high-pressure reactor at any time, predict the operating life, determine the shutdown timing, reduce the probability of process deviation, lower the risk of occupational incidents, and enhance operational safety. Currently, the AI model is undergoing continuous training and optimization to improve the accuracy of prediction.

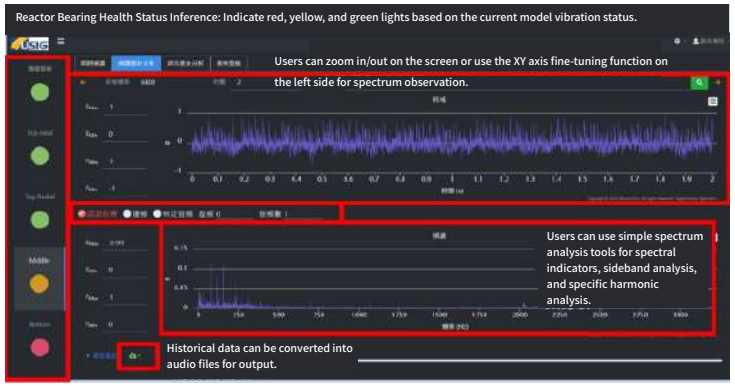
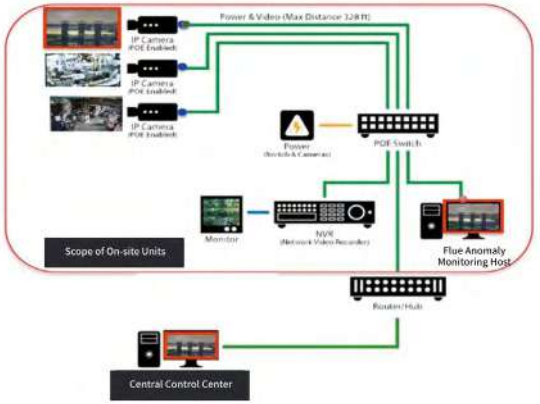


Diagram: Visualization of Operational Status System

Soot Detection System

Previously, the monitoring and judgment of abnormal chimney emissions were manually performed by operators, but on-site personnel were too busy to monitor screens 24/7. By introducing a Soot detection system, the burden on manpower is reduced. When soot is emitted from the chimney, the system immediately notifies on-site personnel to make adjustments, preventing continuous occurrence of soot. After a year and a half of learning, the AI system has achieved a recognition rate of 90%, effectively controlling and avoiding soot emissions, thus reducing production losses. The system was introduced into the plants in 2024.



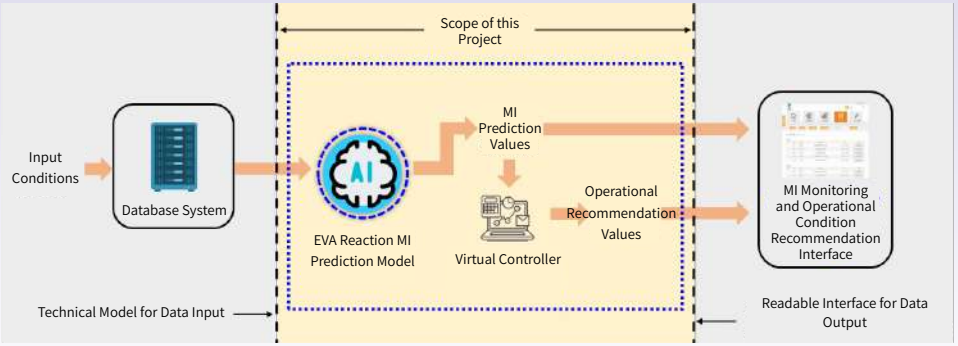
Chimney Smoke Detection System

Reduce Defective Outputs with AI Quality Prediction

Through collaboration with the National Taiwan University and National Taiwan University of Science and Technology, we implemented the cyber-physical integration technology development industry-academia collaboration project to predict quality with AI.

Prediction is run with the process quality prediction model developed with Python, DCS dynamic data, QC data, and product type operation conditions and through GRU sequence neural network model. We also developed the cyber-physical integrated control architecture to make recommendations for factory process operation.

This plan is expected to be implemented in three phases. The second phase has been completed in 2023, and the third phase is expected to be completed in 2025.



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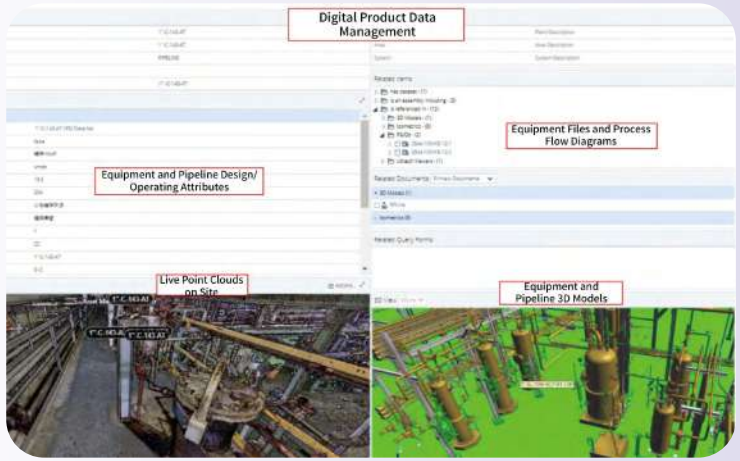

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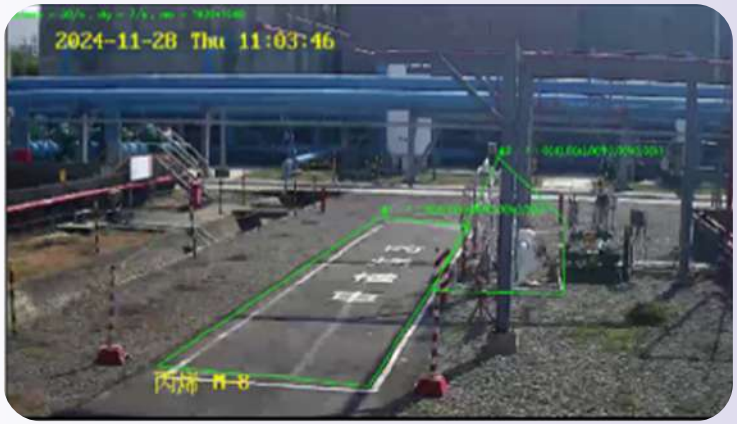


3

Digital Product Data Management System (Image 1)

In 2023, the completed pipeline and equipment reverse scanned 3D models, along with corresponding files and process diagrams, were linked to the digital graphics and text management system. This integration, which was completed in 2024, will enable linking and interaction between 3D models, live point clouds, related drawings, data files, design and operating attributes, process diagrams, and other data. The goal is to establish digital data management and visualization capabilities, achieving effective integration of equipment, pipeline, and process data.

White Smoke and Open Flame Detection System: Introducing Model Learning (Image 2)

Previously, the monitoring and judgment of any abnormality were manually performed by operators, but on-site personnel were too busy to monitor screens 24/7. By introducing this detection system, the burden on manpower is reduced and the personnel can be alerted immediately to make adjustments. Currently, model training is used to improve the accuracy of model prediction.

Energy Dashboard System (Image 3)

After applying to the IDB for the Factory Smart Energy Management Demonstration Guidance Program in 2020, and after years of use, the Group has commenced in-house development to establish a traceable energy dashboard system by integrating various data on raw material usage, production, and energy in the plants. It is expected that the system will be introduced in two phases, the first phase of which is the energy dashboard monitoring function, and the second phase of which will include the functions of analyzing energy usage and tracking trends.

Construction of Carbon Data Management Platform

In order to enhance the timeliness and accuracy of carbon emissions data, USIG has been promoting the construction of a carbon data management platform since 2024 to strengthen the internal carbon inventory process and data integration capabilities within the Group. The first phase of the platform covers five plants in Taiwan, mainly focusing on the systematic collection of Scopes 1 and 2 carbon emissions, and gradually incorporating some Scope 3 items. The system design combines the existing monthly reporting mechanism and certificate uploading process to ensure the consistency and traceability of activity data and original information. The platform is equipped with a flexible output function that supports the output of corresponding formats required by different specifications. Through this platform, USIG can manage carbon emissions more effectively, demonstrating its commitment to data-driven carbon management and enhancing information transparency and climate resilience.

Promotion Plan

Stage 1 2024	Stage 2 2025	Stage 3 2026
· Carbon emission reporting · Carbon fee estimates · The target is 5 Plants of MOE · Scope 1 & 2	· 5 Plants of MOE are operational · Expand to all Taiwan plants	· Expand to all overseas plants · Incorporating some Scope 3 items · OCR Technology

*OCR (Optical Character Recognition):Optical Character Recognition is a program that converts text images into a machine-readable text format.

Chapter 3
Innovation and Supply Chain Services

Performance Highlights

- New product development & improvement: 17
- Innovation and R&D accumulated 143 patents
- Funds for R&D and innovation: NT$130 million
- Ratio of R&D staff to all employees: 12.6%
- Legal noncompliance of products: 0

Material topics in this chapter

Technology R&D
Product quality
Supply chain management

3.1 Technology R&D

GRI 2-25, 3-3 SDGs 8, 9, 13

Impact Topics

New product development, product transformation and new market demand

2024 Achievements

1. New product development & improvement: 17
2. No violation or fine relating to product labeling was reported
3. The newly developed high-value EVA products in recent years accounted for 4.14% of consolidated revenue in 2024.
4. Development of eco-friendly products
5. Accumulated 143 patents at home and abroad

2025 Goals

1. New product development and improvement: 4 pcs/year.
2. Legal noncompliance of products: 0
3. Constantly develop and promote eco-friendly products

Medium- & Long-Term Goals

1. New product development and improvement: 5 pcs/year.
2. Legal noncompliance of products: 0
3. Constantly develop and promote eco-friendly products

Innovative Operations and Management

Each year we invest a huge amount in R&D and actively recruit and cultivate professional talents. The R&D investments in 2024 reached NT$130 million, accounting for 1.5% of the revenues.

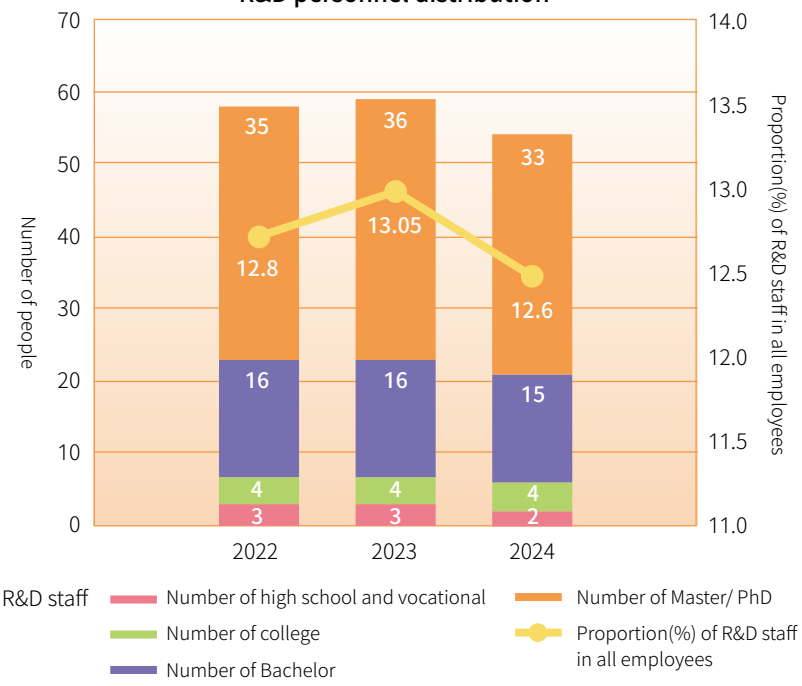
In 2024 there were 54 R&D staff, accounting for 12.6% of all employees. In terms of education distributions in 2024, 61% of R&D staff hold a master's or doctoral degree, and the number of R&D staff is maintained at the specific level.

Investments in Innovation and R&D

Unit: NT$

Item	2022	2023	2024
Operating revenues	15,632,151,000	11,449,372,000	8,821,441,000
R&D Funds	150,870,000	144,359,000	132,645,000
Number of employees	453	452	429
Number of R&D staff	58	59	54
Proportion of R&D staff in all employees	12.8%	13.1%	12.6%

R&D personnel distribution



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 heat-shielding coating, halogen-free fire-retardant materials, and so on to reduce energy consumption and hazardous substance emissions to lower the environmental impact.

Apart from participating in the “Key Chemical Materials Shortages Linkage Project” of the Industrial Development Administration , MOEA, we were also awarded the 17th National Innovation Award with the cyclic block copolymer (CBC).

Accumulated 143 patents at home and abroad in 2024

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. We have filed a total of 143 patents at home and abroad.

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.

Process flows of sustainable product design and product development can be found on the ESG website: Technology R&D

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 to purchase and maintain R&D equipment and precision analyzers and actively recruit outstanding talents from home and abroad to the R&D team so as 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 deployments to create sustainable value for enterprises in collaboration with suppliers. The newly developed high-value EVA products in recent years accounted for 4.14% of consolidated revenue in 2024.

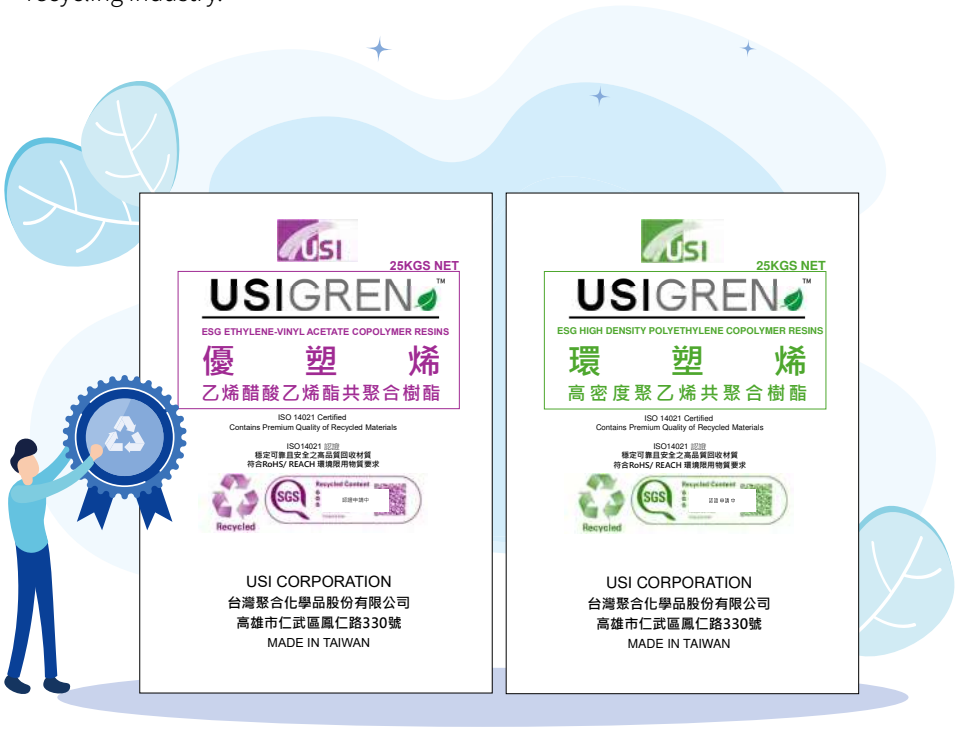
USI launched low-carbon transformation - Our new ESG product (USIGREN ™) obtained international ISO 14021 certification, making us the first domestic petrochemical group to obtain the low-carbon ESG product certification.

In the face of the global sustainability trend of plastic reduction and net-zero carbon emissions, USI is actively responding to the “Reduction of Industrial Waste at Source” policy promoted by the Ministry of Environment. In order to provide brands and processors with purer, more stable and traceable certified recycled materials, USI has formally launched a program to build a low-carbon footprint ESG product system in its plants starting from 2024.

USI's newly developed ESG low-carbon product system optimizes the entire process from raw material production, quality control testing, screening, grading and sorting within plants, to complete formulation and granulation. In order to ensure that all operations comply with the ISO 14021 international standard, a complete process and document management system has been established simultaneously. The system also passed a strict plant audit conducted by a third-party certification unit to meet the relevant specifications of ISO 14021.

The new low-carbon product series (USIGREN ™) launched under this innovative system - including ESG EVA and ESG HDPE - has been officially certified by ISO 14021 in May 2025, marking an important milestone in USI's commitment to sustainability.

USI's next-generation ESG low-carbon materials are used in a wide range of applications for world-renowned sporting goods brands, as well as in packaging, adhesives and other intermediate processing industries. By reducing carbon emissions at the source, USI is working with its customers towards a more environmentally responsible supply chain and realizing the development vision of a green economy and recycling industry.



High melt index EVA for hot melt adhesive processes -
A key material for driving resource efficiency and sustainable manufacturing

Under the strategy of promoting environmental sustainability and process innovation at the same time, the Company is actively introducing high melt index (MI 400~800 g/10min) EVA materials into hot melt adhesive processes as an important part of the fulfillment of ESG goals. High melt index EVA has excellent processing fluidity and thermoplastic properties, which can maintain product functionality while significantly improving resource efficiency and environmental performance in the production process.

Environmental: Carbon reduction and energy saving

- High MI EVA's excellent fluidity enables hot melt adhesives to operate at lower temperatures during processing, effectively reducing energy consumption and carbon emissions.
- The material's characteristics allow for thinner coatings and lower usage, further reducing raw material consumption and improving overall resource efficiency.
- The hot melt adhesive itself is a solvent-free formulation, and the combination of a high MI formulation facilitates recycling and supports the practice of circular economy.

Social & Governance: Efficiency and quality enhancement

- High-fluidity formulations can improve line efficiency, shorten production cycles, reduce the risk of production interruptions, and enhance supply chain stability and service quality.
- High MI EVA supports multiple formulation adjustments and is suitable for packaging, building materials, etc., thereby providing customized, efficient and sustainable solutions.

In 2024, revenue from melt index EVA products amounted to approximately NT$1.08 billion. Through the introduction of this product into hot-melt adhesive products, we will continue to promote our core ESG initiatives such as low-carbon manufacturing, resource optimization, and material recycling, demonstrating the Company's dual commitment to environmental responsibility and efficient operations. RT-CH-410a.1

USI "Jeliting" insulating and cooling soft-shell coating

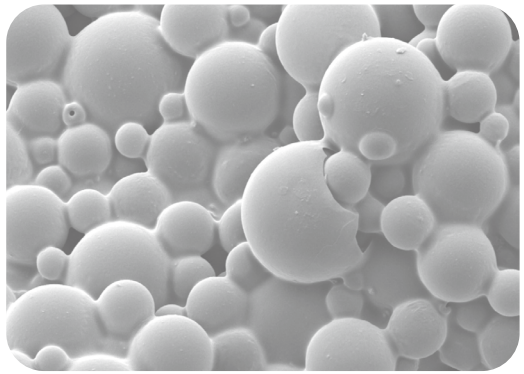
Newly upgraded and specially designed for large-scale factory piping systems, comprehensively solving the three major problems of high temperature, corrosion and wrapping!

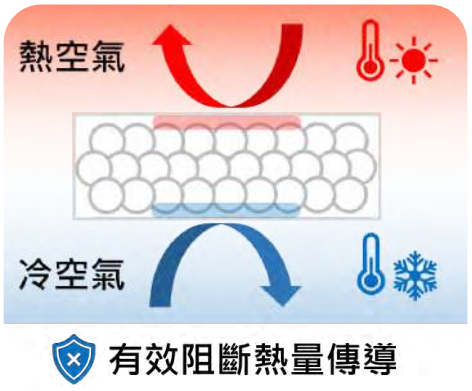
With respect to the various pipelines, joints, flanges and other regular or irregular structures commonly found in large-scale plants, USIG newly launched high-performance "Jeliting" insulation and cooling soft-shell coating, which has successfully broken through the limitations of traditional materials and effectively solved the following three major challenges:

1. High-temperature hazards and pipeline condensation
2. Difficulty in maintenance and contamination concerns
3. Difficult construction with irregular shapes

USI "Jeliting" uses a strong water-based resin as a carrier, combined with hollow and elastic microspheres, to create excellent thermal insulation and cold retention, with a thermal conductivity of only 0.05 W/m · K. "Jeliting" is sprayed on the surface of the pipeline without the need for additional support or wrapping materials, and its good visualization of corrosion spots helps in the early detection and treatment of the problem.

This innovative material effectively solves the pain points of traditional insulation systems. With four advantages of economy, speed, aesthetics and high performance, it has become the preferred solution for the insulation of new-generation industrial pipelines, which is a key tool to help enterprises achieve ESG goals and reduce operating costs.





E - Environment

· Reduce waste generation

The thickness can be customized, with only 1/20th of the traditional rock wool cladding method, which provides effective assistance to the enterprise's carbon and waste reduction goals.

· Significant energy-saving benefits

Outstanding thermal barrier performance, effectively reducing the heat loss of pipelines and equipment, and realizing energy saving and cost control.

· Construction safety and environmentally friendly

Environmentally friendly water-based formula reduces health risks to workers and fulfills the Company's high commitment to environmental protection and workplace safety.

S - Social

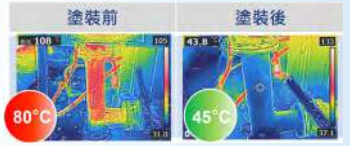
· Promote green upgrading of industries

More efficient and environmentally friendly insulation solutions, promoting technological innovation and sustainable development of industries towards a low-carbon transformation.

G - Governance

· Strengthen corporate image and competitiveness

The white and flat coating appearance enhances the overall visual quality of the building or equipment, as well as highlights the professional image of the Company and the results of the ESG practice, winning high recognition from customers, investors and all sectors of the society.



Please refer to the Company's official website for product information on environmentally friendly coatings: Product Information

Halogen-free eco-friendly flame retardants

In response to advancements in technology and rising environmental awareness, USI Corporation is actively developing more environmentally friendly and health-conscious materials for modern home construction and protective applications. In terms of home fire safety, USI has developed a water-based, eco-friendly flame retardant that has been tested by SGS and found to contain no detectable formaldehyde or halogenated carcinogens (content <0.01%), complying with the Oeko-Tex Standard 100. This product is suitable for flame-retardant treatment of home textiles such as curtains, sofas, tablecloths, and mats. Fabrics treated with this flame retardant meet several international fire safety standards, including BS 5852, JIS L 1091, and NFPA 701, thereby enhancing household fire safety while ensuring a healthier living environment.

Please refer to the Company's official website for information on halogen-free eco-friendly flame retardants: Product Information

Promotion of Product Innovation

Exhibition at sustainable materials library

ViviOn ™ (CBC) was showcased at the Sustainable Materials Library of the Plastics Industry Development Center under the name "Reduced-Plastic ViviOn ™ (CBC)/PE Blown Film". This ViviOn ™ /PE blend reduced plastic easy-tear film is a PE thin film that mixes ViviOn ™ and produced via blown film.

For information on exhibition at Sustainable Materials Library, please refer to the website of Sustainable Materials Library: (CBC)/PE Blown Film.

Participation of ViviOn ™ (CBC) in various internationally recognized trade exhibitions

In 2024, USI participated in World Forum for Medicine in Düsseldorf, Germany, Medical Device Fair in Silicon Valley, California, China International Medical Equipment Fair (CMEF), German Plastics Industry Fair, Chinaplas, etc., to promote ViviOn ™ (CBC) to the industry for its applications in Optics, electric vehicles, IC process carriers, lightweight applications, medical materials, biomedical testing, UVC sterilization, PE/PP packaging materials, etc.

For ViviOn ™ (CBC) promotions, please refer to the Company's website/latest news.

Promotion of eco-friendly coating products

1 Energy Taiwan (October): USI participated in the event. In recent years, the world advocates sustainable management, and renewable energy and other green energy have become one of the directions of development. In fact, power storage for redeployment through an energy storage device is merely using the energy storage device to stack a large number of batteries, which still emit heat. Therefore, it is still necessary to control ambient temperature. In this regard, how to manage the “heat” becomes another problem to be solved. Energy storage containers make use of USI’s insulation paint, with full sunlight reflection rate of up to 90%, which can effectively block 90% of heat from external sun exposure to protect the storage battery and extend battery life. Taiwan's solar energy is concentrated along the coast, and the various alloys and structures of the solar brackets that support the panels are difficult to withstand wind, salt and tidal corrosion over a long period of time. The harsh environment is an unavoidable challenge. USI provides a new approach to energy management and asset maintenance by using ISO 12944 anti-corrosion coatings to protect the brackets and extend their service life.

2 Taipei Building Show (December): USI gathered the Group's products to bring more efficient and sustainable innovative solutions for modern buildings under the three themes of “Insulation and Fireproofing Materials”, “Building Noise Management”, and “Air Pollution and Haze Prevention and Control”. A series of functional coatings were exhibited, such as thermal insulation coatings that can significantly reduce the temperature of building surfaces and minimize the use of air-conditioning, as well as waterproof and dustproof coatings that can extend the maintenance cycle of buildings. We also exhibited energy-saving thermal insulation soft-shell coating, which has just been launched this year. The coating can help companies save energy on energy-consuming equipment, and can also be applied to the ceilings of air-conditioning rooms to minimize the problem of condensation, which were all important highlights of the exhibition.

3 Echoing UNFCCC COP29*: Air pollution indexes in various regions are turning yellow, orange and red. Air pollution, greenhouse gases, VOCs and other environmental impacts are once again becoming a topic of public concern. With the rising awareness of low pollution and low carbon footprints, USI's temperature-reducing anti-corrosion coating system is specially designed with high solid content and low solvent content, which can be sprayed directly without the need for additional diluent. The VOCs content of the three types of base coatings, medium coatings and top coatings are all far below the world-class requirements. In addition to environmental protection and love for the earth, plants can also benefit from the ESG and carbon emission issues.

* “UNFCCC COP29” in 2024

3.2 Product Quality

GRI 3-2, 3-3, 2-25 SDGs 8

Impact Topics

Product yield rate and customer requirements

2024 Achievements

1. Number of established customer complaints of 5/14/0 for Department I/II/III.
2. Product defect rate of 2.6/4.3%/3.26% for Department I/II/III.

2025 Goals

1. Number of established customer complaints of no more than 5/4/3 per year for Department I/II/III.
2. Product defect rate of less than 1.8/5/8% for Department I/II/III.

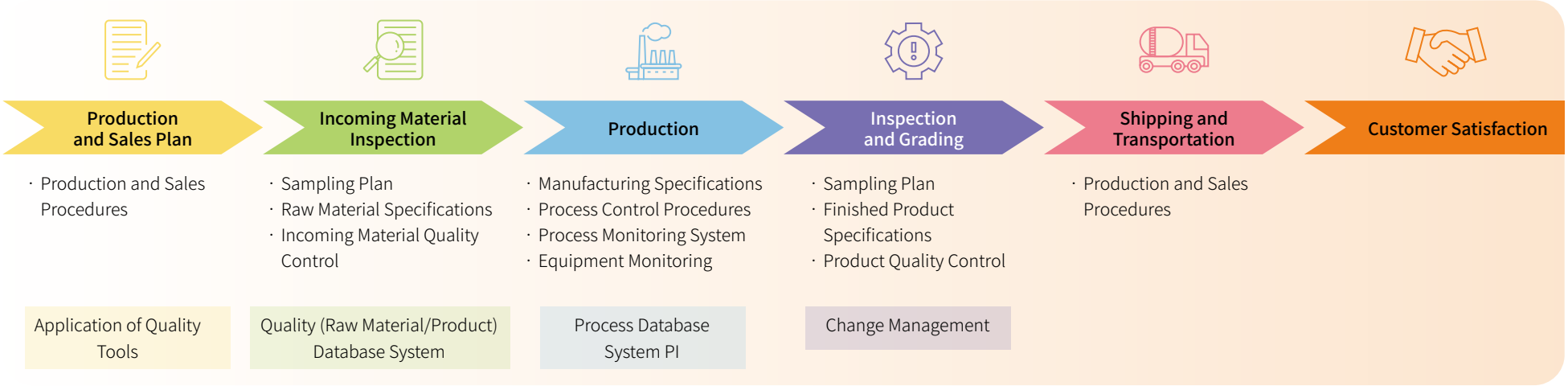
Medium- & Long-Term Goals

1. Number of established customer complaints of no more than 5/4/3 per year for Department I/II/III.
2. Product defect rate of less than 1.8/5/8% for Department I/II/III.

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/ judgment," 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.



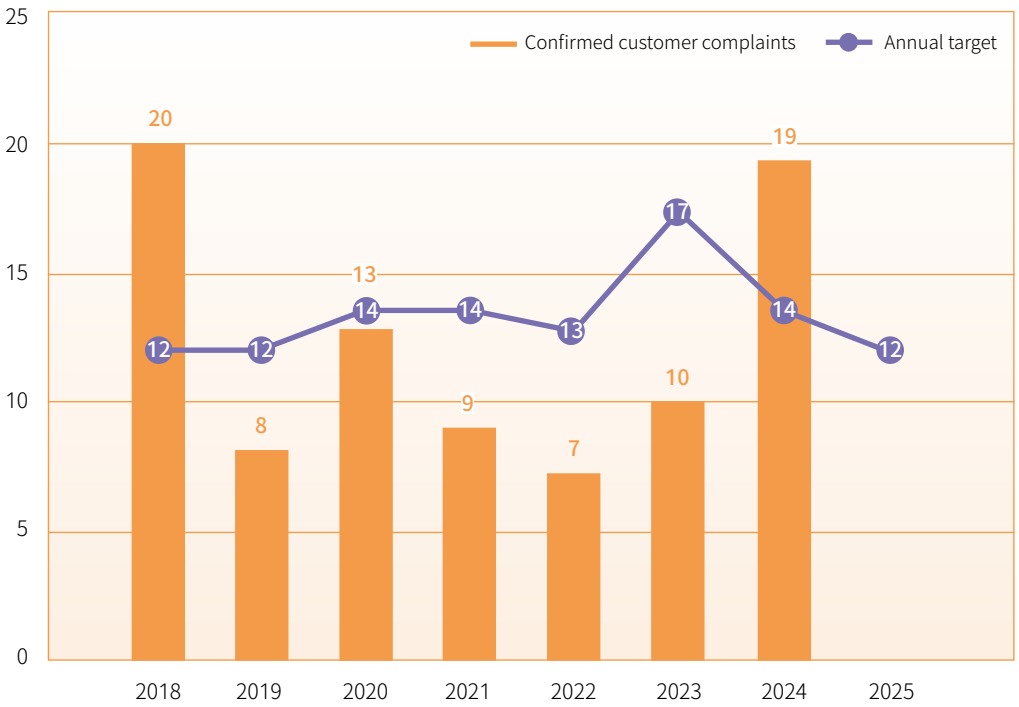
Major Quality Improvement Projects

2024	Contents and Schedules for 2024	2025	Contents and Schedules for 2025
Continuously adjust the production parameters of the new catalyst products of Manufacturing Department II for quality optimization.	✶ Inorganic residue reduction, high quality, customer promotion, customer satisfaction enhancement	Continuously adjust the production parameters of the new catalyst products of Manufacturing Department II for quality optimization.	✶ Inorganic residue reduction, high quality, customer promotion, customer satisfaction enhancement
	✶ Formulation adjustments have been completed in December 2024 and quality is in line with customer requirements.		Continuous improvement
Manufacturing Department I M/P renewal	✶ Equipment reliability and quality stability enhancement		
	✶ Updates were completed in April 2024		
Compounding continues to develop new products that meet the physical property requirements of our customers.	Improve quality and property to raise customer satisfaction	Compounding continues to develop new products that meet the physical property requirements of our customers. Added a second compound production line	Improve quality and property to raise customer satisfaction
Department I Catalyst Pump Renewal	✶ Equipment reliability and quality stability enhancement		✶ Equipment reliability and quality stability enhancement
	✶ Projected completion in September 2025	Department I Catalyst Pump Renewal	✶ Projected completion in September 2025
Blower heat exchanger replacement at Department I	✶ Avoid product contamination ✶ Completion in September 2024	Blower heat exchanger replacement at Department I	✶ Avoid product contamination ✶ Projected completion in September 2025
	✶ Reduce defective products and raise customer satisfaction (Completed)		
	✶ Reduce defective products and increase customer satisfaction(Completed)		
Implementation of a new additive system.	Enhancing product quality, reducing material consumption, and improving customer satisfaction ✶ Projected completion in December 2025	Implementation of a new additive system at Department I	✶ Enhancing product quality, reducing material consumption, and improving customer satisfaction ✶ Projected completion in December 2025
		Implementation of a new refrigerator at Department II	✶ Equipment reliability and quality stability enhancement ✶ Projected completion in September 2025
		Implementation of a new air compressor at Department II	✶ Equipment reliability and quality stability enhancement ✶ Projected completion in June 2025
		Implementation of a new Y7004 motor control system at Department II	✶ Equipment reliability and quality stability enhancement ✶ Projected completion in December 2025

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 2024, a total of 6 important quality-related improvement projects were implemented.

Quality improvement is a continuous process. USI has made it a long-term quality goal to continuously improve product yield rate and reduce customer complaints. USI has been able to achieve the yield goal in recent years. As a self-motivation, we have increased the yield goal year by year, and the number of customer complaints has been decreasing year by year due to the long-term improvement.

Confirmed customer complaints: count/year



Note: Starting from 2023, the number of customer complaints at the Manufacturing Department III has been included in the statistics.

3.3 Supply Chain Management GRI 2-6, 2-25, 3-2, 3-3

Impact Topics

Supply chain management, quality and supply

2024 Achievements

1. Ensure 100% of the existing suppliers sign the “Supplier ESG Commitment”.
2. Completed on-site audits of 2 suppliers.
3. Local procurement rate: Ethylene 80%; VAM 76%
4. Participated in the Ministry of Economic Affairs' "Gudeng Supply Chain Low-carbon Transition Coaching Program, and collaborated with our customers and its supply chains to achieve the goal of reducing carbon emissions by 10,000 tons.

2025 Goals

1. Ensure 100% of the suppliers sign the “Supplier ESG Commitment”.
2. Completed on-site audits of 2 suppliers every year.
3. Complete a guidance program for the low-carbon transformation of the supply chain.
4. Local procurement rate reaching 60% and above.

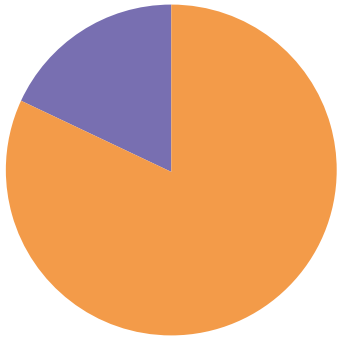
Medium- & Long-Term Goals

1. Conduct on-site audits on 4 suppliers each year.
2. Based on the on-site audit results, build an opinion exchange platform with suppliers and ask related USI professionals to make recommendations for their inadequacies and help them make corrective planning.

Supplier Sustainable Development Strategy and Goals

As an indicative business in Taiwan, it is our responsibility to call on suppliers to jointly undertake corporate social responsibility. Therefore, we have established the ESG Commitment to request suppliers to make commitments for compliance with human rights, industrial safety, health, environmental protection, and conflict minerals.

With the rise in the awareness of the issues related to sustainable development and supply chain risk management, apart from proactively performing social responsibilities and contributing to society, we have realized the need to understand the ESG impacts on our suppliers so as to implement supplier management.



Proportion of Materials Purchasing Amounts in 2024

Raw materials	95.2%
Material, Equipment, and Engineering Procurement	4.8%

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.

Supply Chain Risk Management

Risk Assessment and Prevention	Impact Response	Future Planning
In addition to supply chain safety requirements, chemical suppliers are examined for special conditions (including chemical process risks, workplace, VOC fugitive, and handling of environmentally restricted substances, etc.) Preventive measures include: 1. Implement the Supplier ESG Self-Assessment Form to provide information for initial risk assessment. 2. Establish long-term cooperation with suppliers; cultivate a second source or multiple sources and maintain cooperation to coordinate long-term material preparation. 3. Develop an internal safety stock mechanism and set a purchase base point according to the supply schedule to prevent the risk of supply disruption. 4. Providing sustainability education and training for procurement personnel. 5. HSE Education and Training for contractors.	Adjust the supply proportion of suppliers, timely supplement or dispatch from other suppliers. For construction projects, the ESH unit immediately investigates personnel safety, equipment damage, and environmental impact. After consolidation, the ESH unit will hand over the results to related units to address and understand the situations.	Apart from setting chemical suppliers as the focus, a risk assessment mechanism will also be established based on the procurement amount, project outsourcing amount, or project importance, and the on-site audit results of the said sustainable development strategy. Control and guidance will be arranged based on the above risk assessment mechanism and the assessed risk levels.

Performance of Supply Chain ESG Risk Management

Risk and Attribute	Supplier (chemicals)	Construction Contractor
	Environmental (E), social (S), and governance (G)	
Potential Risk	· Chemicals manufacturing process (E) · Dusty, high-temperature, noisy, and humid operating premises (E) · Risk of fugitive emissions of VOCs (Volatile Organic Compounds) (E) · Labor-intensive industries (S) · Supply chain disruption/delay risk (G) · Quality risk (G)	· Dusty, high-temperature, noisy, and humid operating premises (E) · Work at height risk. (E, S) · Labor-intensive (S) · Industrial safety risk of cutting or welding (S) · Project disruption/delay risk (G) · Project quality risk (G)
Number of audited and visited suppliers	In 2024, trial audits are conducted at 2 suppliers, with a pass rate of 100%	The contractors must undergo a review to ensure they do not employ child labor and comply with relevant occupational safety and health laws. This is conducted in conjunction with the construction evaluations of the contractors. In 2024, a total of 63 contractor evaluations were completed, all of which were deemed qualified.
Audit Details	Environmental (E): Regulatory compliance of the manufacturing and storage of environmentally controlled substances. Governance (G): Management of quality, production, and orders; customer satisfaction follow-up; employee education and training; and management of outsourced processing.	

Sustainable Supply Chain Concept Promotion and Qualification Screening:

Promotion of Supplier's Code of Conduct (Supplier ESG Commitment) GRI 308-1, 414-1

In 2020, we added the Supplier ESG Commitment as an incentive. From 2022, the Supplier ESG Commitment is a prerequisite for all new suppliers to become a qualified suppliers. Since 2023, all current and new suppliers have been required to sign this commitment letter, and we have achieved a 100% signing rate.

Counteractions for the negative environmental and social impacts on the supply chain:

Supplier Code of Conduct and Quality Requirements Self Assessment Form GRI 308-1, 308-2, 414-2

To enhance supplier control, we have planned on-site supplier audits in 2023 and introduced the Supplier's Code of Conduct and Quality Requirements Self-Assessment Form. Major domestic suppliers will be the priority targets for the investigation of negative environmental and social impacts. In 2024, audits were conducted at 2 suppliers, with a pass rate of 100%.

The five major aspects of the Self-Assessment Form are as follows:

Currently, major key feedstock suppliers and contractors , including Taiwan CPC Corporation, Dairen Chemical Corporation, and our partner CTCI Corporation, have all obtained relevant certifications for ISO 14001 and 45001. This compliance meets the Company's requirements for environmental management and occupational health and safety management from major suppliers, making them excellent partners for the Company's sustainable development. We implement "proactive risk management" to investigate the potential negative impacts of suppliers. On top of irregularly retrieving the environmental offence records of manufacturers published on the government websites and online media to find if suppliers have violated the above regulations or if there is related news of them, we plan to conduct on-site audits together with the Supplier's Code of Conduct and Quality Requirements Self-Assessment Form on two suppliers each year from 2023 to assess if they will cause negative or potential impacts on the Company (e.g., sanctions by the competent authorities and operation shutdown). We also recommend the following solutions for their excellent performance or the potential negative impacts and risks caused by legal offences or defects:

- Offence or defect records: We provide guidance for improvement for offences or defects. Where suppliers refuse or delay to make corrections, we will adopt risk control and response measures, such as degrading them or finding alternative suppliers.
- Suppliers with excellent performance and without offence of defect records: Hold opinion exchange meetings to exchange the strengths and opinions of both parties.

Value Chain ESG Engagement

Carbon reduction: In 2023, USI signed up for the Ministry of Economic Affairs' "Gudeng Supply Chain Low-carbon Transition Coaching Program." We are collaborating with our customer Gudeng Precision Industrial Co., LTD and its supply chain to collectively strive towards the goal of reducing carbon emissions by ten thousand tons by 2025. This project includes expert site visits and recommendations, as well as a GHG inventory. In 2024, USI implemented six energy-saving and carbon-reduction initiatives, reducing a total of 2,897 tons of CO_2e. In addition, with two on-site visits by experts, USI evaluated a new program for 2025, with an estimated carbon reduction of 585 tons of CO_2e.

Water Resource Sharing: USI has maintained a cooperative relationship with CPC Corporation for a long time. During water shortages, we obtained water from CPC's Kaohsiung plant.

Plastic Reduction: We collaborate with product transportation companies to implement a plastic pellet leak prevention management plan, reducing the dispersion of plastic pellets and dust during transportation. In 2024, we recycled 12 tons of plastics. USI has been implementing plastic reduction in packaging for many years. For designated customers, we use tank trucks for delivery to reduce the use of packaging bags.

Supply chain management

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.

Raw Materials Supplier Management GRI 308-1

At USI, supplier evaluation is implemented centrally by the procurement department, and only suppliers passing the evaluation are included in the Quality Supplier List. Please visit our ESG website SCM mechanism for the details of the evaluation mechanism.

Sources of Major Materials in 2024

Locations / Materials	Ethylene	VAM
Taiwan	80%	76%
Foreign	20%	24%
Source	Totaling 8 suppliers	Totaling 4 suppliers

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

Results of Raw Materials Supplier Evaluation from 2022 to 2024:

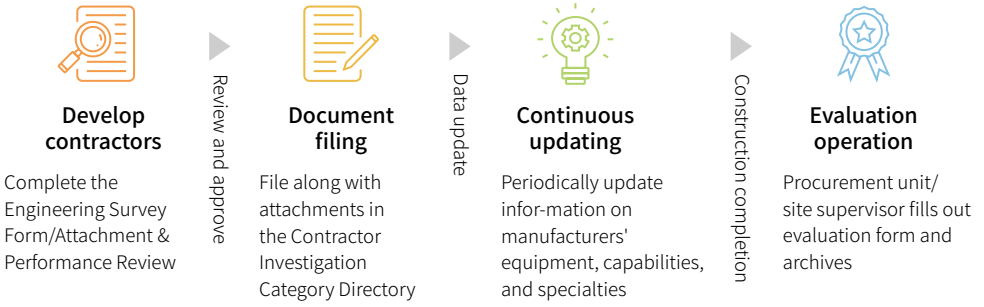
Year	2022	2023	2024
Suppliers Evaluated	83	86	63
Pass Rate	100%	99%	100%

In 2024, 63 suppliers were deemed qualified.

Management of Construction Contractors

We outsource construction contractors 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$200,000 in the last year	Factory scale	Amount of equipment investments	Number 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 (G)	Safety and health measures (S)	Coordination performance (G)	Site manager (S)	Environment maintenance (E)	Construction progress (G)
40%	20%	10%	10%	10%	10%

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.

In 2024, 87 engineering contractors were deemed qualified.

Product Transportation Management Evaluation

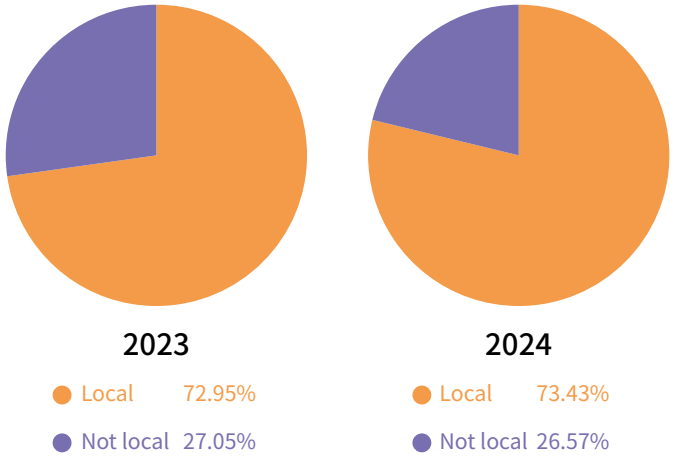
All products from Kaohsiung Plant are transported by De Yuan Transport Ltd. Apart from the hazard identification of forklift operation when product loading for shipping, we also implemented the AI industrial safety image recognition system together with partners to effectively detect if operators use personal protective equipment (PPE) properly. Additionally, we began implementing the transportation safety quality evaluation in 2020 to evaluate contractor safety management and performance. The evaluation result of 2024 was A (please refer to 5.1 In-house product loading safety management for details). We also co-implement the plastic resin pellet collection program to reduce microbeads from harming marine ecology.

Green Procurement

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

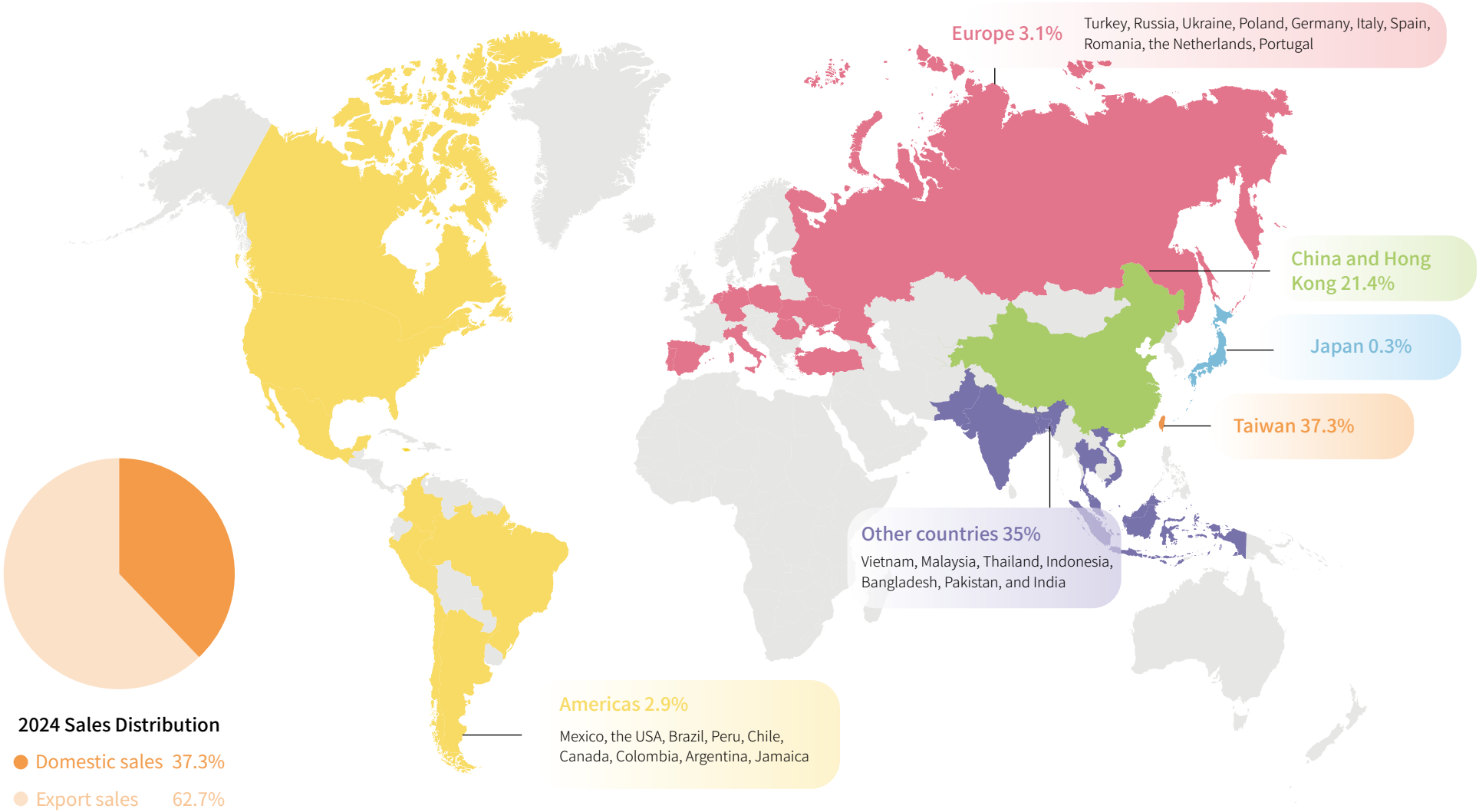


Equipments for Environmental Protection and Energy Conservation

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). In 2024, the reported amount for green procurement on the Ministry of Environment's Green Lifestyle Information Platform was NT$33.82 million. For details, please refer to ESG website/Green Procurement: Green Procurement

3.4 Sales and Customer Services GRI 2-6

USI products are distributed mainly to a total of 312 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 2024. All were calculated by sales volume.



Sales Services

Technical Support

- We have established the “Customer After Sales Technical Service Policy” to ensure the quality and consistency of after-sales service through systematic operation procedures, and to effectively protect customers' rights and interests.
- In the "Product Information" section of our corporate website, we disclose complete information regarding the specifications, properties, functions, application manual, and safety data sheet (SDS) of our current and new products, in order to help customers understand and use the products correctly, and to enhance operational safety and compliance.
- For all raw material products, a SDS has been compiled in accordance with relevant laws and regulations, covering storage, transportation, and operational recommendations, in order to provide customers with complete operational guidelines to minimize the risk of use and comply with regulatory requirements.
- We have set up a product technical consultation line to provide immediate professional advice and assistance, as well as to strengthen the efficiency of customer service response.
- In order to protect customers' right to know and safety of use, we continue to strengthen product information disclosure and labeling compliance. No violation or fine relating to product labeling was reported in 2024 (GRI 419-1).
- We provide customers with a small quantity of samples for test runs and continuous technical support, in order to help customers improve performance and satisfaction in the process of product development and application.
- With respect to production and process management, through education and training, we raise the awareness of all employees on quality standards and customer requirements, strengthen the habit of operating according to SOPs, set up a machine process engineer system, and promote project improvement plans.

Product Responsibility

- All products comply with the Restrictions on Hazardous Substances (RoHS) to ensure that they are safe for human health and the environment.
- We provide quality inspection reports as requested by customers.

Customer Privacy

- The Company has passed ISO 27001:2013 information security management system certification, and has implemented information security measures such as firewall management, authority control, and environment partitioning to strengthen customer data protection.
- We have established the General Provisions for the Information Security Management Policy, System Development and Maintenance Management Regulations, Directions for Going Live Management of Application Systems and Programs, and Directions for Database Management to establish a sound information governance mechanism.
- Personal information is handled using de-identification technology. We also strengthen employees' awareness of information security and confidentiality through education, training and impact assessment.
- In 2024, no damage or leakage of customer privacy was reported, ensuring the security of customer privacy.

Customer Complaints

- We have established the “Customer Complaint Handling Procedure”, which clearly standardizes the handling process and responsible units to ensure that customer complaints are handled swiftly and transparently.
- We have established a standardized customer complaint handling mechanism, covering all stages of filing, acceptance, investigation and reply, and strengthened tracking control and data analysis through computerized system records and management.

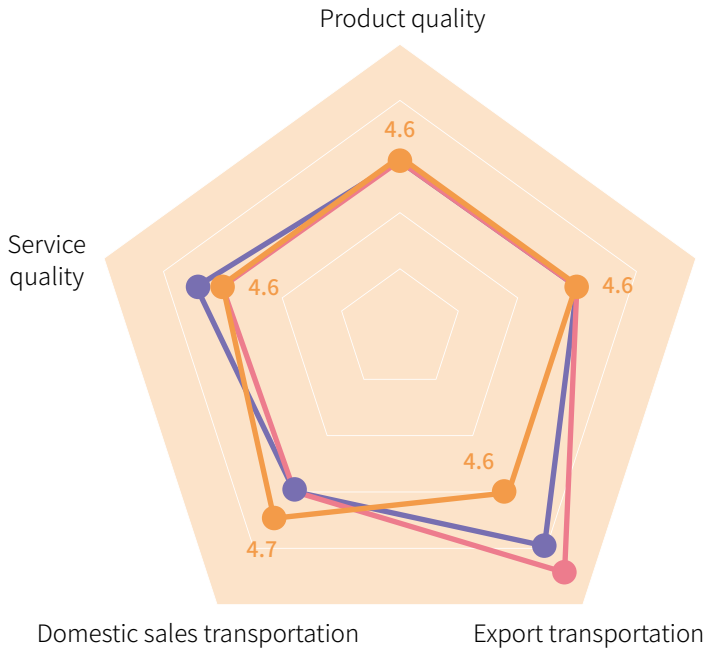
1 Customer submits complaint request	2 Sales unit accepts complaint request	3 Execution of complaint handling unit's root cause investigation	4 Reply to customer	5 Confirm effectiveness	6 Close case
Customer communicates complaint to sales unit	Fill out complaint handling notification form	Root cause investigation Suggest solutions	Fill out reply letter to customer	Report corrective and preventive measures Track effectiveness confirmation	Fill out complaint handling report

- Information on customer complaint handling is included in the monthly routine meeting report. Through cross-departmental communication and review, we strengthen the tracking and effectiveness evaluation of the corrective and preventive measures to facilitate organizational learning and quality improvement.
- Customer complaint cases are analyzed and handled by a dedicated unit, and recurring problems are regularly reviewed as a basis for internal quality management and service process optimization.
- In accordance with the “Customer Dispute Handling Procedures,” we provide multiple channels for complaints and feedback. In addition to immediate handling of business, we have also set up the [Product Q&A] and the [Stakeholder Contact] in the ESG section of the Company's official website, which facilitates customers to ask questions and provide opinions, and strengthens their participation and interactions.

Customer Satisfaction

Survey Frequency	A customer satisfaction survey is conducted semi-annually.
Sampling Method	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.
Contents and Results	In 2024, all aspects were above the “satisfied” level, and up to 97.77% of investigation feedback for investigations in the year was either “highly satisfied” or “satisfied," achieving the 2024 target (≧ 97.5%). The charts below show the survey results in “comparison with other suppliers” and “comparison with the previous year performance” in the past three years.

Comparison with other suppliers



Comparison with last year performance

Note: "5" for highly satisfied; "4" for satisfied; "3" for fair; ", 2" for unsatisfied; and "1" for highly unsatisfied.

Chapter 4

Environmental Sustainability and Climate Change

Performance Highlights

- Environmental Expenditure: approx. NT$106.18 million
- Electricity saving of 4,650,858 kWh, LNG saving of 333,379 cubic meters, equivalent to a carbon reduction of approximately 2,897 metric tons of CO_2e
- Water conservation of 6.20%
- Materials recycling rate of 14.4%
- Continuous implementation of ISO 14064-1 GHGs Inventory and Verification and Scope 4 inventory
- Received a B Management Level from CDP for both "Climate Change" and "Water Security" assessments
- Implementation of ISO 14067:2018 Carbon Footprint of Products and verification

Material topics in this chapter

Water resource management
Air pollution control
Waste management
Climate change and energy management

4.1 Environmental Management System

In 1998 we established the ISO 14001 environmental management system (EMS), with 100% coverage. EMS provides USI with a good environmental protection framework for controlling and reducing environmental impacts, preventing accidents from impacting the environment, and ensuring legal compliance. Following international trends, we have integrated the EMS and the health and safety system to draw up an HSE (health, safety, and environmental protection) policy and the "five zero goal". Environmental, Safety, and Health(EHS) Policy Cherish water resources and promote energy-saving and carbon reduction. Achieve zero environmental pollution. Ensure zero occupational safety hazards.

Upholding and realizing the business philosophy of the Chairman, we optimize occupational safety and health, process safety, and environmental protection to protect the health and safety of employees and maintain the environment and ecosystem. This is our wish and the responsibility of every employee. To promote sustainable development, fulfill ESG with due diligence, and support clean production and environmental protection, Kaohsiung Plant will make continual improvement of the workplace environment, operation safety, process waste reduction, water efficiency, energy conservation, and carbon reduction in order to achieve the “five zero goal: zero pollution, zero emission, zero accident, zero occupational hazard, and zero failure".

Environmental Objectives and Management Programs

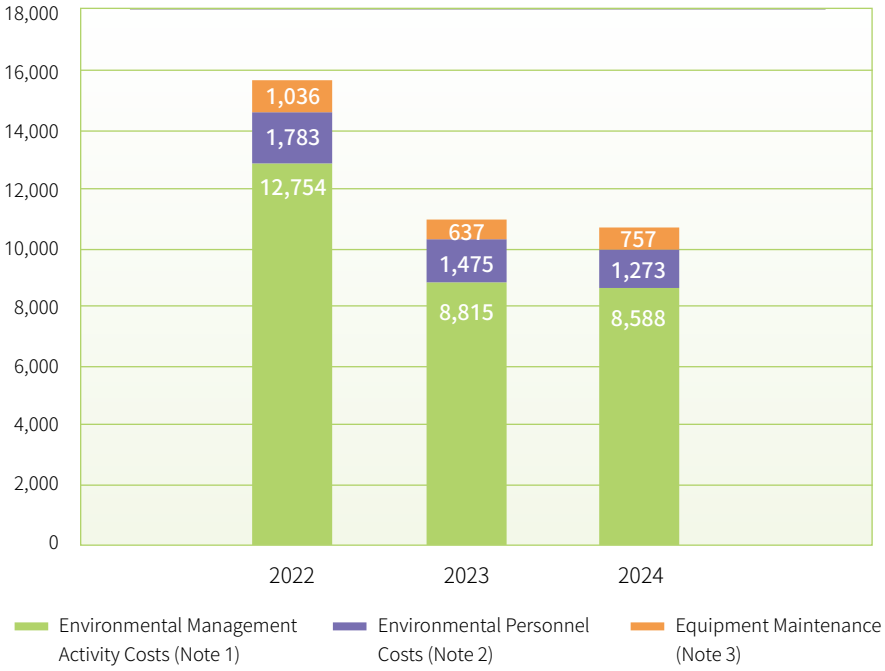
2024 Environmental Protection Targets and Management Programs

Policy	Goals	Program	Effectiveness	2025 Management Program
Zero emission	Zero emissions of air pollu-tants: Equipment/ component VOC leakage <0.5%	1. Reduce equipment/component for emission leakage of VOCs (Manufacturing Department I) 2. Reduce the annual leakage of VOCs (Manufacturing Department II) 3. VOCs Reduction Plan (Manufacturing Department III)	Reduced VOCs leakage of Manufacturing Department I/ Manufacturing Department II/Manufacturing Department III to 0.04% in 2024.	1. Reduce equipment/component for emission leakage of VOCs (Manufacturing Department I 2. Reduce the annual leakage of VOCs (Manufacturing Department II) 3. VOCs Reduction Plan (Manufacturing Department III)
	Zero Wastewater Emissions: Improve waste-water recovery rate by 2% (based on 2021 baseline)	Purchase the new float oil pump	2024 wastewater reclamation volume: 29,565 metric tons	Improve sludge treatment in wastewater pools
	Reduce GHGs Emissions by 1,560 metric tons of CO_2e	Implement 6 energy-saving projects	2024 cumulative energy savings: 4,650,858 kWh; LNG savings: 333,379 M^3; reduce GHGs by 2,897 metric tons of CO_2e	2025 estimated energy savings: 1,234,612 kWh, reducing GHGs by 585 metric tons of CO_2e
	Zero emissions of air pollutants: Greenhouse gas emissions and reduction estimates	1. Monthly greenhouse gas emissions and carbon fee estimates 2. Monthly carbon reduction estimates	1. Estimated carbon fee of NT$33,516,563 2. Electricity consumption and reduction in greenhouse gas emissions (4,359,422 kWh * 0.474 kg CO_2/kWh = 2,066,366 kg/CO_2)	Continuous implementation
	Reduce water discharge by 5,280 metric tons	Continuous monitoring and reclamation of effluents	2024 wastewater water reclamation: 29,565 metric tons	2025 estimated wastewater water reclamation: 24,600 metric tons
Zero pollution	Zero emissions of air pollutants: Reduce the leaked emissions of VOCs	Recover 31,500 kg/year from Manufacturing Department I V-404 VA tank	Reduce VA losses by 31,500 kg	The program was completed in 2024
	Zero air pollution: Replacement of pumps to reduce VOC emissions to the atmosphere	Added 1 new Modifier pump J-220E to the C-line Added 2 new Modifier pumps J-220P and J-220Q to the EF-line	1. Upon replacement of Modifier pumps, the emission coefficient was reduced from 0.00335kg/hour to 0.00008kg/hour, reducing 292.76 kg of VOC emissions to the atmosphere on the basis of 365-day operations 2. Upon replacement of Modifier pumps, the emission coefficient was reduced from 0.00335kg/hour to 0.00008kg/hour. Upon replacement of 2 pumps, a total of 585.52 kg of VOC emissions to the atmosphere were reduced on the basis of 365-day operations per pump	Add 1 new Modifier pump J-220E to the EF line (Manufacturing Department I)

Environmental Expenditures

Our environmental management costs include the cost for environmental management activities, environmental-protection-related personnel expenses, and equipment maintenance costs. In 2024, we actively implemented the reduction of leaked emissions of VOCs, water recycling and reuse, energy conservation and carbon reduction, and emissions reduction. The total amount of environmental expenditures in 2024 decreased by 2.9% over 2023 to about NT$106.18 million. The primary differences are due to a relative decrease in the cost of waste removal in 2024.

Environmental Expenditure Over the Past Three Years (Unit: 10,000)



Note 1: The cost for environmental management activities includes the fees for air pollution control, water pollution prevention, waste disposal, noise pollution prevention, management of toxic and concerned chemical substances, industrial safety improvement, depreciation of fixed assets and others (e.g., cleaning and mowing).

Note 2: Environmental-protection-related personnel expenses include personnel expenses and environmental protection-related training fees.

Note 3: Equipment maintenance cost includes the fees of environmental-related equipment and the fees for equipment maintenance.

4.2 Water Resource Management GRI 2-25, 3-3, SDGs 6

Impact Topics

Water shortages, production disruption due to torrential rain, water pollution, and collection of water consumption fee

2024 Achievements

1. Receiving a B rating from the CDP Water Security Management Assessment.
2. MRT Condensate Water Recycling Improvement and Rainwater Harvesting System with Detention Ponds: 61,980 metric tons/year, saving water by 6.20%
3. Collected 12 metric tons of plastic resin pellets through the Plastic Resin Pellet Collection Program.

2025 Goals

Wastewater treatment system, estimated water conservation with the MRT condensate recovery improvement and retention basic rainwater harvesting system: 50,000 metric tons/year, saving water by 5.06%.

Medium- & Long-Term Goals

Reducing water withdrawal and consumption and improving water quality to enhance water recycling and reuse.

Water Resource Management GRI 303-1:2018, 303-3:2018, 303-4:2018, 303-5:2018 RT-CH-140a.3

Goals and management units

The circular economy is an industrial system designed for recovery and regeneration to replace "end of life" with "recovery" in order to turn waste into resources and thereby achieve waste reduction. By continuously implementing the circular economy, we implement water conservation and drainage reduction through improvement programs to reclaim and recycle valuable water resources for reuse and set the annual water conservation target at "1%". The actual conservation in 2024 was 6.20%. The boundary of water resource and effluent management is the Kaohsiung Plant, with data coverage of 100%.

In 2023, to further strengthen water management, the head of the Kaohsiung plant designated the Technical Department as the responsible unit. They are tasked with reporting to the Board regularly as well as setting a reduction target for water consumption per unit and a reduction target for water recycling rate.

	2024 Achievements	2025 Short-term Goals	2027 Medium-term Goals	2030 Long-term Goals
Unit water consumption	3.48	4	3.9	3.8
Water recovery rate	92.20	90	90	93

Water resource

In terms of water stress distributions, we refer to the water stress by country in the 'Aqueduct Water Risk Atlas' published by the World Resources Institute (WRI). The Company defines an area under water stress as an area in which the water stress situation exceeds 40%, which is an important basis for water management and risk response. After investigation, USI's main source of water withdrawal is the Gaoping River Dike, which falls at the low to medium level, with water stress at 10-20%.

According to the 2023 water resources statistics published in the Water Resources Agency Register Statistical Report, MOEA, the water consumption of Kaohsiung City was 927,279.141 ML, including 349,667.41 ML of water for domestic use and public use, 242,403.883 ML of water for industrial use, and 335,197.848 ML of water for agricultural use. The 2024 total water withdrawal of Kaohsiung Plant was 938.423 ML, accounting for about 0.1% of Kaohsiung City's total water consumption. Kaohsiung Plant withdraws water mainly from tap water supplied by the Pingding Waterworks and Cheng Ching Lake Waterworks for product production, equipment cooling, boiler, domestic use of employees, and other uses. In 2024, due to a decrease in annual production, the water withdrawal decreased by about 31.1 ML to 938.423 ML compare to 2023.

2024 Water Withdrawal, Discharge, and Consumption

GRI 303-3:2018, 303-4:2018, 303-5:2018 | RT-CH-140a.1

Total withdrawal 938.423 ML

Low to medium water stress areas Water stress: 10-20%

- Third-party water - freshwater (≤ 1,000 mg/L TDS): 923.115 ML
- Surface water - Rainwater: 15.308 ML
- Water cart capacity: 0 ML
- No runoff, groundwater, seawater, output water

Note: The intake of third-party water is recorded based on meter readings (flow meter). The intake of rainwater is calculated according to the water resource recovery plan "Detention Ponds and Rainwater Harvesting in Tank Areas." The water cart capacity is based on data from the supplier's water withdrawal records.

Total discharge 280.701 ML

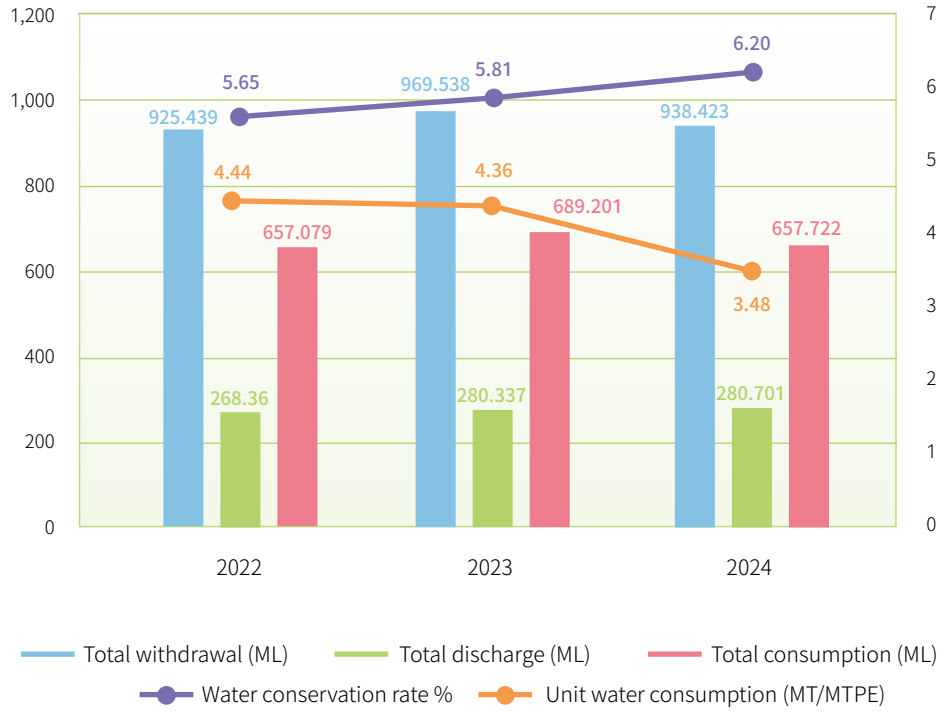
Total NH4 Control Area

- Runoff- fresh water (≦ 1,000mg/L TDS): 280.701ML
- Discharge contains no groundwater, seawater, and third-party water.
- NH4 in 2024H1 and 2024H2 was 1.54 mg/L and 0.80 mg/L, far below the effluent standard (20mg/L).

Note: Discharge is subject to the readings on the effluent meter (flow meter).

Total Consumption = Total Withdrawal – Total Discharge = 657.722ML

Water Status in the Last 3 Years



Water Conservation and Reclamation GRI 303-1:2018

Following the rising water demand, escalating climate change impact, and expanding sustainability pressure, we keep a constant track on water shortages and endeavor to reduce water consumption or enhance water reclamation in response.

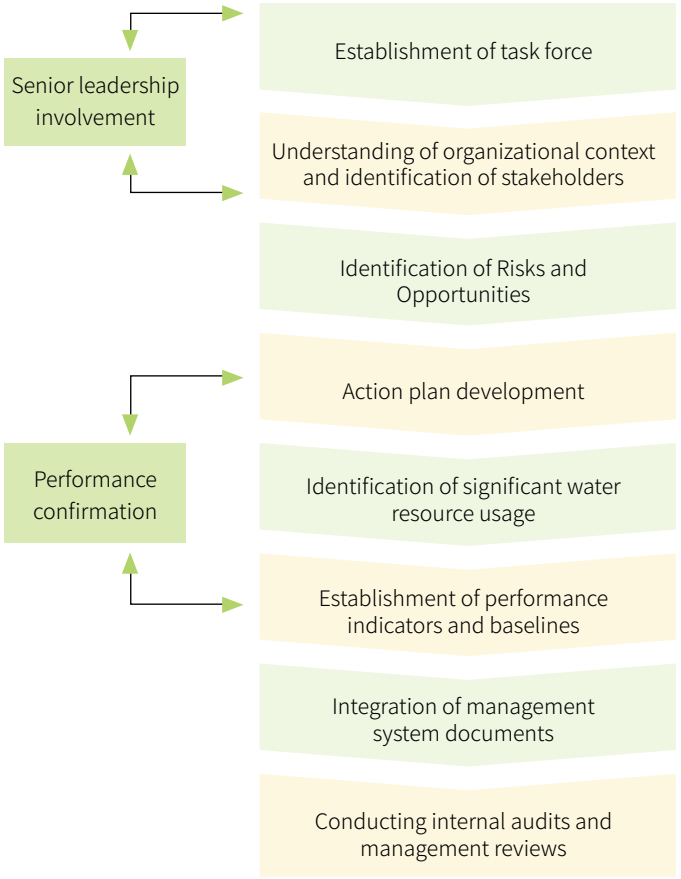
We began to build the water monitoring system in 2020 to keep constant track of the water supply. Based on the drought response measures, apart from cutting unnecessary water consumption, enhancing pipeline and switch tour inspection, and reducing cooling water discharge, we also get support for water in the fire fighting storage tanks, buying water with water trucks, following the government's 3-stage rationing measures, and actively implement various water improvement programs to reduce total water withdrawal each year.

Water reclamation program	Effectiveness
Continuous monitoring and reclamation of effluents	Continuous monitoring of the in-house effluent quality to enhance effluent treatment and response capacity and ensure that effluents comply with the discharge standards. After reclaiming by the system, effluents are treated before being transported to the cooling tower for re-use to reduce tap water consumption and process effluents. Calculation: According to the actual pump reading on-site, the total wastewater recycled in 2024 was 29,565 metric tons.
Detention basin and storm water reclamation channel	Pipelines will be installed from the existing detention basin and storm water reclamation channel to the cooling tower. After filtering by the storm water separator next to the cooling tower, storm water will be re-used by the cooling tower. Calculation: The project was completed in 2017 and started operation in 2018. The plant rainwater collection area is 3,500 m^2, the tank site dike area is 2,300 m^2, Kaohsiung's annual rainfall in 2024 was 2,932.5 cm (Note 2). Based on a reclamation rate of 90% (Note3), the estimated water reclamation in 2024 is about 15,308 metric tons.
MRT Steam Condensate Recovery	Steam condensate is recovered for reuse in the boiler to reduce tap water consumption. The project annual recovery is 17,107MT. Calculation: Steam condensate recovery at 2.4 metric tons/*24 hours/day. The number of workdays is 330 days/year* reclamation rate 90%. The annual recovery is thus 2.4×24×330*90%=17,107 (metric tons/year).

Note: 1. The estimated volume of reclaimed and recycled water in 2024 was 61,980 metric tons; the total water withdrawal was 938,423 metric tons; the volume of reclaimed and recycled water was 6.60% of the total water intake.
2. Annual rainfall data sourced from the "Central Weather Administration, Ministry of Transportation and Communications."
3. MRT Steam Condensate Recovery, detention basin and storm water reclamation channel - Due to possible losses from pumps, pipelines, and rainwater evaporation, the estimated recycling amount is calculated at 90% of the computed value.
4. MRT Steam Condensate Recovery - The time required for actual equipment maintenance or repair, the number of working days in the year is calculated as 90% of the 365 days in the year (based on 330 days).

Water Efficiency Management System GRI 303-1:2018

In 2021 we implemented the ISO 46001:2019 Water Efficiency Management System (Certificate valid from March 17, 2022 to May 17, 2025). By inventorying the current status and ways of water consumption across the plant, through identifying, planning, managing, and improving the risks and opportunities of water with systematic water consumption management, and thereby optimizing water demand management, we effectively achieved the goals of water conservation and discharge reduction to enhance water efficiency and reduce water costs.



In 2024, we enhanced wastewater system management and optimized operation to reduce wastewater discharge and increase wastewater reclamation. The actual volume of recycled water was 29,565 metric tons, and the wastewater recovery rate was 9.53%. (29.565/(29.565+280.701)=9.53%).

Additionally, about 15,308 metric tons of water was reclaimed within the retention basin and rainwater harvesting in the tank area. **The water conservation rate was 6.20%. In 2025, the estimated volume of recycled water was 50,000 metric tons, with an estimated wastewater recovery rate of 5.06%.**

External Verification of Water Recycling Rate

In 2024, Kaohsiung Plant requested the Foundation of Taiwan Industry Service to verify the plant-wide water recovery rate (excluding the amount of recycling in cooling water towers, commonly known as R2) in the previous year, and the recycling rate was 92.2% after the verification (please refer to the Statement of Verification for details), which was better than the industry range of 30~80%.

Effluents Management GRI 303-1:2018

Wastewater from the plant is the main source of effluents from USI. According to KSEPB's effluent runoff discharge permit, effluents that cannot be refused after treatment and comply with the environmental protection laws and regulations can be discharged to the surface water body -- Houjing River. The pollution of Kaohsiung Plant is below 0.00324 %.

Wastewater is transported to the water treatment plant for treatment via wastewater pipelines. The wastewater treatment system includes the pretreatment and primary (physical) treatment. Through trash screening, oil removal, sedimentation, and chemical treatment, and the sludge treatment unit for wastewater solid-liquid separation, effluents meet the drainage quality before discharge.

To reduce the environmental impact of discharge and promote waster recycling and reuse, besides complying with environmental protection laws and regulations, we optimized the functions of the wastewater (sewage) treatment plant in 2020, including adding the sludge concentration tank, improving the bottom sludge removal system of the sedimentary tank, and building the sludge rinsing system for the flotation system to enhance sludge treatment and collection efficiency.

Water Quality Monitoring and Management GRI 303-2:2018, 303-4:2018

Every half year, we hire environmental analysis organizations approved by the Environmental Analysis Laboratory (EAL) to examine water quality of effluents from our plants, including NH4 required for total volume control. Every year, effluent test items required for reporting are well-followed the effluent standard. According to previously amended and promulgated "Effluent Standards", the water quality control of discharge from the petrochemical industry includes 22 items, including 7 general water quality items and 15 specific water quality items. In our 2024 untreated wastewater and effluent quality tests and analysis, effluents met the effluent emission standard. Effluent quality: COD 51.6 mg/L and COD 28.1 mg/L in 2024H1 and 2024H2, respectively.

Results of Water Quality Examination in Last 3 Years

Water Quality Indicator	2022		2023		2024		Effluent Standard (Petrochemistry)
	H1	H2	H1	H2	H1	H2	
SS (mg/L)	8.0	9.7	8.6	14.2	13.8	8.5	30
Grease (mg/L)	9.5	5.7	5.3	4.3	7.8	8.7	10
COD (mg/L)	26.4	19.7	33.5	77.8	51.6	28.1	100
NH4 (mg/L)	0.2	0.63	0.13	0.06	1.54	0.8	20

Prevention and Management of Plastic Resin Pellet Leakage

The US Plastics Industry Association and American Chemistry Council co-promote the Operation Clean Sweep (OCS) campaign dedicated to preventing plastic resin pellets, flakes, and power loss from entering the ocean to cause environmental pollution.

In 2020, we began implementing the measures for prevention and management of plastic resin pellet leakage and awareness education for in-house plastic resin pellet leakage management. In 2023, We performed the on-site walk-through inspection of contractors and comprehensive process area inventory to understand the methods that contractors and employees adopted to clean up and prevent the leakage of plastic resin pellets. We also established new or revised related control documents to ensure the collection of plastic resin pellets, flakes, and powder to prevent them from polluting the environment by rainfall or sewage. In 2024, we recovered a total of 10.4 metric tons of plastic resin pellets across the plant.

Year	Recovery Weight (kg)
2022	11,889.4
2023	11,996.9
2024	10,369.7

Operation management

- Site Inspection and Review
- Enhancing Employee Awareness
- Establishment of Procedure Documents
- Tracking Execution Results

Workplace

- Leveling of Site Ground
- Setting Up Barriers
- Providing Employees with Cleaning Equipment

Personnel Training

- Education/training
- Enhancing Colleague Compliance with Operating Procedures
- Workplace Advocacy

Management Measures

- Unloading Management
- Transportation Packaging Management
- Area Cleaning
- Collection Management

4.3 Air Pollution Control GRI 2-25, 3-3, SDG 11

Impact Topics

Air pollution

2024 Achievements

1. Reduced VOCs leakage of Manufacturing Department I/Manufacturing Department II/Manufacturing Department III to 0.04%.
2. A. Estimated carbon fee of NT$33,516,563.
3. B. Electricity consumption and reduction in greenhouse gas emissions (4,359,422 kWh * 0.474 kg CO_2/kWh = 2,066,366 kg/CO_2)
4. Reduce VA losses by 31,500 kg
5. Upon replacement of 2 Modifier pumps, a total of 585.52 kg of VOC emissions to the atmosphere were reduced on the basis of 365-day operations per pump

2025 Goals

1. Zero air pollution: Equipment/component VOC leakage <0.5%
2. Zero air pollution: Replacement of pumps to reduce VOC emissions to the atmosphere

Medium- & Long-Term Goals

1. Implement VOCs reduction programs
2. Reduction of equipment/component leakage
3. Reduction of pollutant emissions

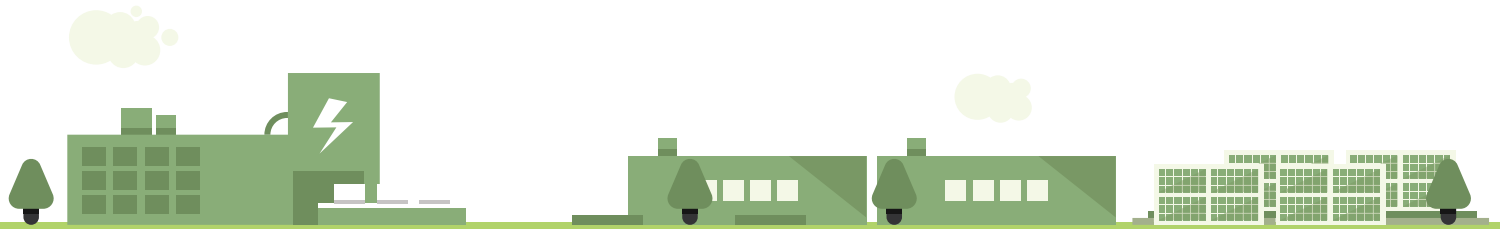
Management Approach Description

USI is located in Kaohsiung City within the Gaoping Total Volume Control Area and the level 3 control area of PM_{10}, $PM_{2.5}$, and O_3. Therefore, air quality improvement has always been our prime target. To fulfill our corporate social responsibility, we spare no effort in implementing environmental improvement, hoping to achieve the “zero pollution and zero emission” goals in the five zero’s policy and contribute to air quality improvement.

Management Targets

We constantly promote pollution reduction, replace fuels with clean energy, and effectively collect exhaust to control equipment for proper treatment. We also cooperate with the total volume control and reduction of the Gaoping River to achieve the goals of zero pollution and zero emissions. In 2024, 3 new pumps were added, including 1. addition of 1 new Modifier pump J-220E to the C-line, and 2. addition of 2 new Modifier pumps J-220P and J-220Q to the EF-line.

In addition, a V-404 VA tank condensate recovery project was implemented in the Manufacturing Department I, recovering 31,500 kg of VA/year, and reducing VA losses to the atmosphere.



Management Approach

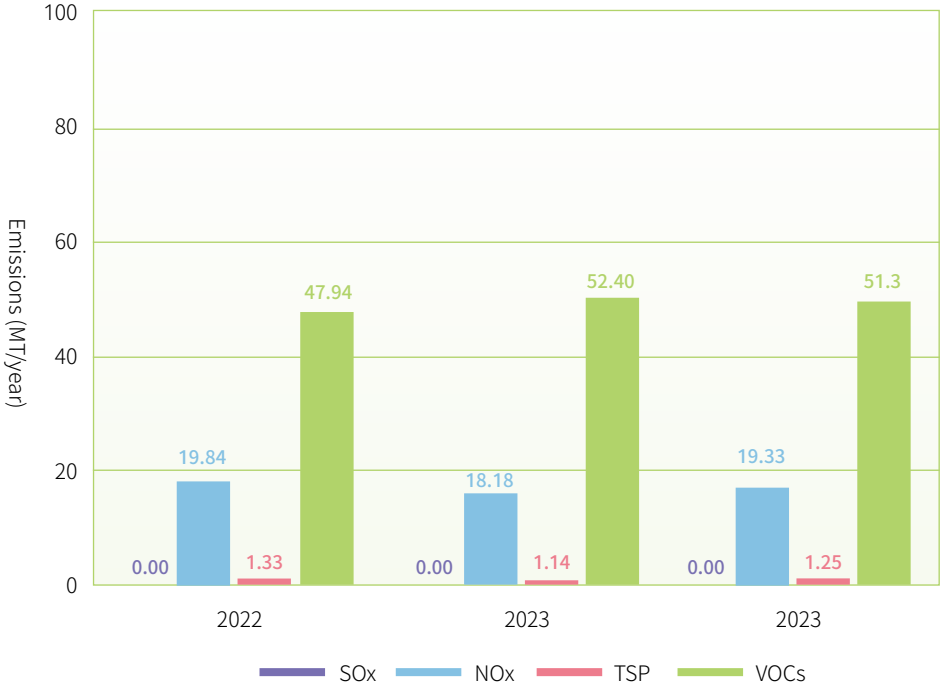
In addition to regularly testing and reporting air pollutants, we have planned the following reduction programs to effectively reduce air pollutants:

VOCs Reduction	We implemented the equipment/component management plan at Kaohsiung Plant. Besides establishing SOPs and creating master files for equipment/component management, outsourcing quarterly external inspection, and purchasing monitoring and measuring equipment and gauges and performing periodic instrument calibration, all plants also enhance equipment/component self-management, periodically review and follow up the inspection and service progress, run equipment maintenance and repair re-inspection, identify and improve equipment/component with a high leakage rate, reduce the quantity of equipment/component or replace with equipment/component with a lower leakage rate or leakage resistance, and enhance the inspection of equipment/component with a high leakage rate and more motions. In 2024, we continued to implement the management of the leaked emissions of VOCs for equipment/components. The Environmental Protection Section of the plant performed self-imposed equipment/component spot checks on 1,850 points and found leakage at 8 points. Improvement was completed immediately. Programs in 2024: a. Added 1 new Modifier pump J-220E to the C-line b. Added 2 new Modifier pumps J-220P and J-220Q to the EF-line The above pump replacements were completed in 2024.
Effective Treatment of VOCs	The RTO treats high-intensity VOCs in-house. In 2024, we commissioned an outsourced inspection. The results showed that the content of non-methane hydrocarbons (NMHC) before and after treatment was 783 ppm and 11 ppm respectively, with a removal rate of 98.6 %, better than the regulatory requirement of 95% or 150ppm. In 2024, we continued the equipment operation and maintenance training, management system establishment, and education and training.
Reduction of Pollutant Emissions	In 2024, it was planned to install a VA storage tank condenser and a finned condenser. By increasing the contact surface area, the condensation efficiency will be improved to increase VA recovery and reduce pollution. Programs in 2024: Recover 31.5 metric tons/year from Manufacturing Department I V-404 VA tank The above VA recovery was completed in 2024.
Emergency Response to Air Quality Deterioration	In 2020-2024, we implemented the air quality deterioration response drill to enhance the response ability of employees and review the opportunity for improvement after the drill. We also joined the LINE group of the Environmental Protection Bureau to keep updated with the air quality condition in Kaohsiung City at any time and take counteractions immediately.
Managing Hazardous Air Pollutants	In 2024, test of hazardous air pollutants (HAPs), the intensity of all other tested items was below 200ppb, except for xylene at 400ppb.

Management Performance GRI 305-7 RT-CH-120a.1

Major air pollutants emitted by USI include sulfur oxides (SOx), nitrogen oxides (NOx), total suspended particulate (TSP), and volatile organic compounds (VOCs). Fuel burning of the steam boiler is the main source of SOx, NOx and TSP detected in the plant, while RTO, flares, storage tanks, and equipment components are the main sources of VOCs emissions. Over the years, we hired EAL-accredited environmental engineering companies to test USI pipeline emissions, and the emission test results have been consistently well below the EPA emission standards announced by the Ministry of Environment.

Air Pollutant Emissions in Last 3 Years



Note: Air pollutant volume was reported based on the air pollution control fee.

Testing Results of Boiler Discharge Pipes in the Last 3 Years

Pollutant	2022	2023	2024	Emission Standard (announced 2020)
SOx (ppm)	ND	ND	ND	50
NOx (ppm)	88.9	92.6	78.1	100

Note 1: The results of VOCs emissions comply with the statutory requirements over the years, with a reduction rate over 95%.
Note 2: ND means not detected.

Testing Results of the RTO Discharge Pipes in the Last 3 Years

Pollutant	2022	2023	2024	Emission Standard
SOx (ppm)	ND	ND	ND	100
NOx (ppm)	2	1.4	1.0	150
TSP (mg/NM^3)	2	-	-	100
VOCs (ppm)	56	55	11	Reduction rate>95% or<150ppm

Note: The results of VOCs emissions comply with the statutory requirements over the years, with a reduction rate over 97%.

4.4 Waste Management GRI 2-25, 3-3, SDGs 11, 12

Impact Topics

Resource recycling, waste treatment

2024 Achievements

Random inspection was conducted on 11 waste removal manufacturers and 9 waste disposal manufacturers, and the inspection results were all in line with relevant laws and regulations.

2025 Goals

1. Continue to implement the waste audit and management systems.
2. Promote the reduction and recycling of packaging materials.

Medium- & Long-Term Goals

1. Strengthen the waste audit and management systems.
2. Promote waste reduction.

Management Approach Description

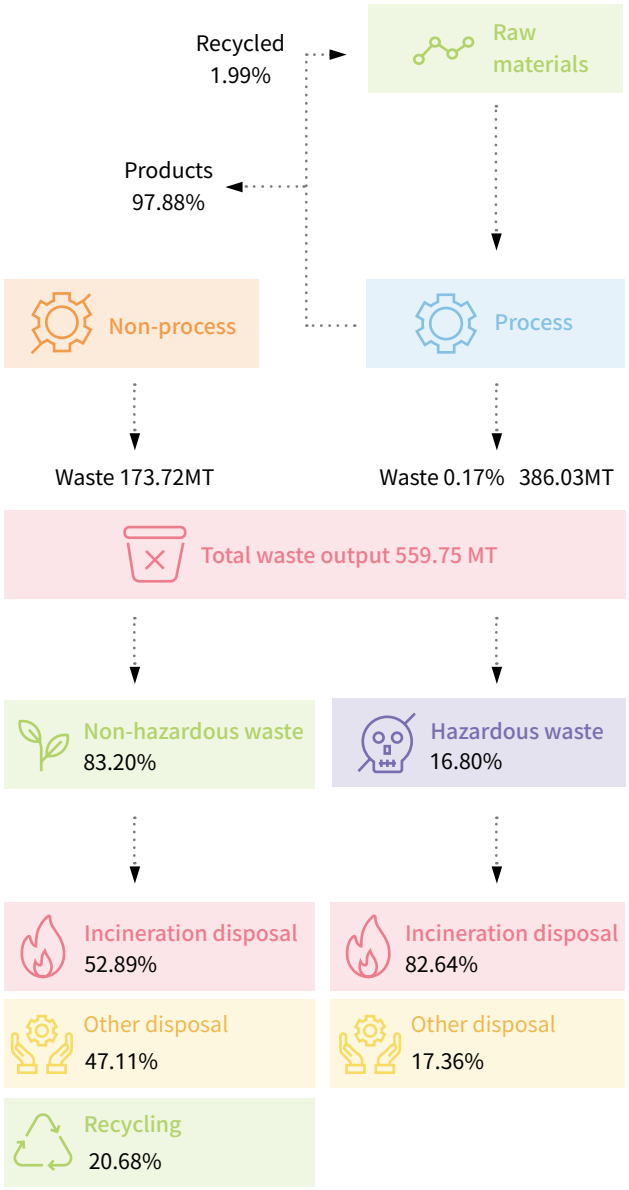
For proper waste disposal, we hire licensed contractors to dispose of such waste according to laws and regulations related to waste disposal. Apart from reviewing the qualifications of contractors and requesting them to provide support documents for proper waste disposal on a regular basis, we perform onsite inspections on contractors to verify their waste disposal performance, in order to perform our supervision obligation.

Management Approach

We produce mostly general industrial waste and dispose of such waste by incineration, physical treatment and cleaning. In recent years, the QC lab has been constantly assessed the reviewed the methods for analyzing hazardous waste management to reduce solvent consumption and effectively reduce the output of hazardous industrial waste. In addition, after washing and processing by qualified contractors, waste plastic containers are crushed and sliced for recycling to achieve the circular economy of resources.

We continue to conduct comprehensive review of waste legitimacy on an annual basis, as well as compare and proofread the monthly report data to facilitate the accurate control of waste information. Additionally, industrial waste is sorted by the property of major composition before storing in the storage site, and the storage sites, containers, and facilities are properly labeled. We also built covered waste storage sites equipped with blocking ditches to prevent groundwater and water from runoff contaminations. In 2024, we audited waste storage sites every month, and all sites complied with the related regulations.

Waste Management Process GRI 306-1:2020 RT-CH-150a.1



Usage of waste output/resources

- Waste collection and classification management
- Regular online reporting of waste output and storage conditions
- Monthly regular inspection of storage areas to confirm compliance with regulations
- Source management review to reduce waste generation
- Promotion of waste reduction schemes

Waste transportation management

- Online declaration of waste weight cleared from the factory
- Real-time tracking system for transportation equipment (GPS positioning)
- Commissioning of joint disposal control delivery slips for record keeping
- Management of waste disposal vendors audits

Waste disposal management / resource utilization

- Online declaration by disposal vendors of the weight of waste received
- Proper cleanup record keeping for reference
- Management of disposal vendor audits
- Compilation of records for resource utilization

Waste Disposal Contractors Audit and Management GRI 306-2:2020

We only hire licensed waste disposal contractors to clean up and dispose of waste by law. Since 2021, in accordance with the "Regulations Governing Determination of Reasonable Due Care Obligation of Enterprises Commissioning Waste Clearance" (amended on February 23, 2021), 11 waste cleanup contractors and 9 waste disposal contractors with the items listed in Annex 2 of the regulations were inspected in 2024. The inspections aimed to understand the storage, removal, disposal, and recycling of waste of disposal contractors, and no nonconformity was found.

Basic document review

Environmental Protection Contractor Permit
ISO management system

Waste storage/disposal

Degree of legal compliance
Compliance with disposal methods and contractors/receipts

Waste final disposal

Verification of final disposal methods and flow
Compliance with final disposal methods and contractors/receipts

Management

GRI 306-3:2020, 306-4:2020, 306-5:2020

We are also committed to waste sorting to categorize, collect, and manage recyclable resources. Apart from weighing and recording waste before shipping out of the plant, we hire licensed contractors to recycle waste metal. In 2024, we recovered 173.13 metric tons of waste metal, and 0.59 metric tons of paper waste was disposed of by nearby resource recycling contractors. The recycling rate for non-hazardous waste reached 48.22%, an increase of 23.95% from 2023. Although the amounts of recovered waste paper decreased by 0.9 metric tons in 2024 compared to 2023, the amount of plastic waste and waste metal recycled increased by 10.96 metric tons and 105.23 metric tons compared to 2023. Additionally, in 2024, the total waste production was 559.75 metric tons. No spill of oils, fuels, waste, or chemical substances was reported in 2024.

Waste Production, Transfer, and Disposal in the Last 3 Years

Waste		Disposal/Recycling	2022	2023	2024
Hazardous waste	Toxic Industrial Waste Direct disposal	Incineration (including nonrecyclable waste)	47.5	60.46	77.71
		Other treatment	15.85	17.76	16.32
Total weight of hazardous waste			63.35	78.22	94.03
Non-hazardous waste	General Industrial Waste Direct disposal	Incineration (including nonrecyclable waste)	248.95	275.91	177.72
		Other treatment	70.16	65.06	63.44
	Total weight of non-hazardous waste		319.11	340.97	241.16
	Recycling	Recycling for reuse	98.20	109.27	224.56
		Resource recycling rate (%)	20.40	24.27	48.22
Total weight of non-hazardous waste			417.31	450.24	465.72
Total weight of waste (metric tons)			480.66	528.46	559.75

Note 1: Data regarding the production, transfer, and disposal of waste were extracted from the Waste Report and Management Information System of the Ministry of Environment. Data of recycling were extracted from in-house records and accounting documents.

Note 2: Waste is transported by licensed cleanup contractors to the qualified disposal contractors for disposal. Waste for recycling was recycled for reuse outside of the plant. Waste for recycling was recycled for reuse outside of the plant.

Waste reduction programs

Reinforcement of Awareness Education

Reinforce the awareness education of the need for waste sorting and labeling to increase waste recovery volume and reduce the disposal volume of general waste.

Clean Production

Strengthen process management to minimize end-of-pipe treatment and reduce the output of sludge and other industrial waste.

Hazardous Waste Reduction Management

1. After washing and processing by qualified contractors, waste plastic containers are crushed and sliced for recycling.
2. In analysis method improvement, the QC lab skipped the extraction process in inhibitor analysis to stop using solvents. As a result, solvent consumption reduced significantly. In addition, solvents are recovered for reuse in washing to reduce the consumption of washing solvents. In the future, we will continue to assess and review the analysis methods to effectively promote the reduction of hazardous waste.

4.5 Climate Change and Energy Management GRI 2-25, 3-3, SDGs 7, 13

Impact Topics

Green power, carbon emission reduction

2024 Achievements

1. Annual electricity savings rate: 1.88% (Average electricity savings rate from 2015 to 2024: 1.45%).
2. A total of six energy-saving and carbon reduction projects were implemented, achieving a total carbon reduction of 2,897 metric tons CO_2e.
3. Completing GHG inventory and assurance for subsidiaries in the consolidated statements in advance.
4. The cumulative grid-connected capacity of the invested solar energy field has reached 8.6 MW.

2025 Goals

1. Annual electricity savings rate: 1.51%.
2. Four energy conservation and carbon reduction programs are planned for 2025, with an estimated carbon reduction of 585 metric tons of CO_2e.
3. Install solar panels and utilize about 3.698 million kWh of solar green power in accordance with the law.

Medium- & Long-Term Goals

1. Build AI intelligent management platform to provide recommendations on energy-saving operations.
2. Continuously implement energy-saving planning to enhance energy efficiency, and save 1.5% of electricity per year.
3. Continuous green power planning and implementation.

Management Performance

Climate Change: Addressing climate change brings the opportunities for sustainable development

TCFD climate change risk management

Climate change poses a global challenge. In alignment with international efforts and the pursuit of sustainable development, Taiwan promulgated the amended Climate Change Response Act - formerly the Greenhouse Gas Reduction and Management Act on February 15, 2023. In response to the impacts of climate change, carbon reduction has become a universal goal. In early 2022, USIG established the carbon reduction target for 2030 to “reduce carbon emissions by 27% by 2030 compared to 2017 levels”. In 2023, the Company further set the long-term corporate goal of achieving “carbon neutrality by 2050”.

In order to achieve the corporate sustainability vision, USIG has actively implemented corresponding response strategies and management mechanisms with practical actions. The group's domestic plants continue to implement ISO 14064-1 GHG Inventory and Verification, and plan and implement carbon reduction programs. The group also actively develops external renewable energy sites. By the end of 2024, the cumulative grid-connected capacity of the invested solar energy field has reached 8.6 MW, which will generate about 10.73 million KWH of green electricity every year.

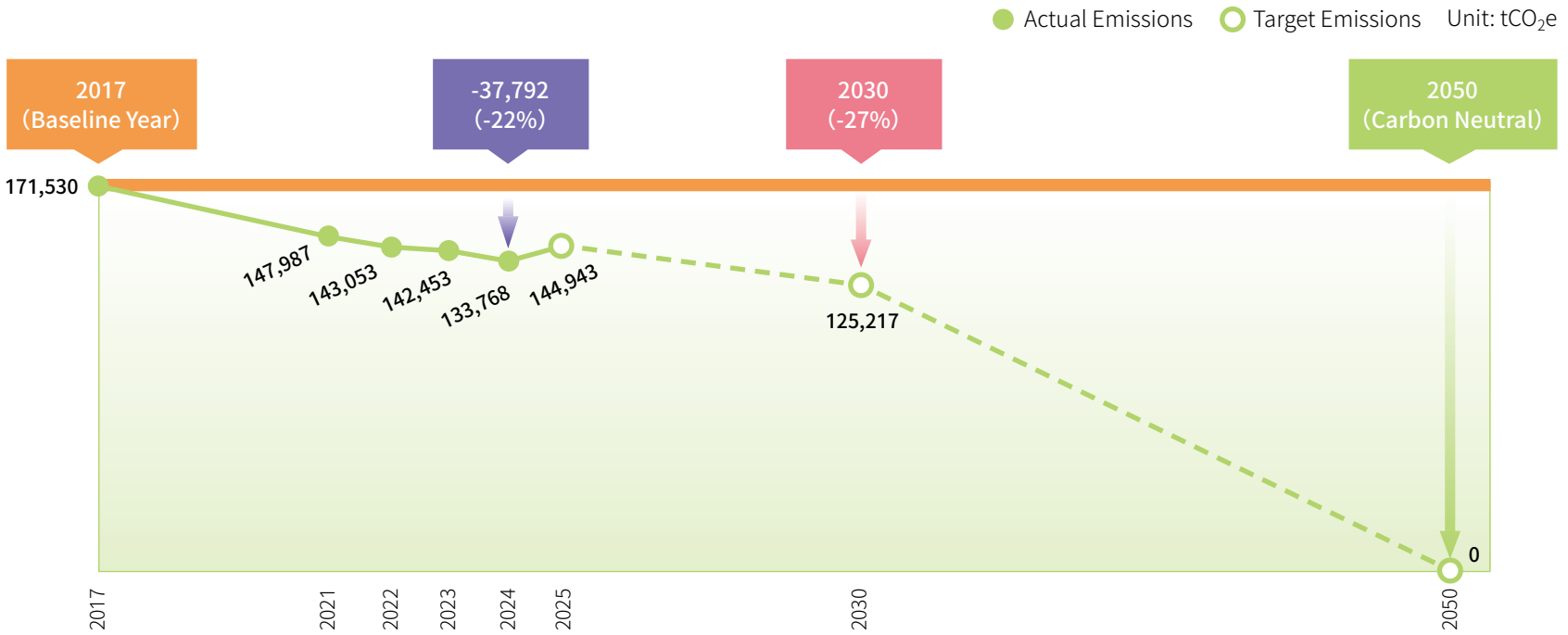
We plan our carbon reduction pathway according to the group’s 2030 carbon reduction target. Our 2024 GHG reduction already reached 20.3% over the baseline year (2017). In the future, we will implement energy conservation and carbon reduction programs more actively. The medium-term carbon reduction strategy will proceed towards the transition to low-carbon energy, enhancement of energy efficiency, intelligent monitoring, and the setup and use of renewable energy. The long-term carbon reduction strategy will continuously focus on low-carbon fuels, carbon capture, reuse technology, and negative carbon emissions technology, to implement the carbon neutrality goals and promote sustainable development.

USI 2030 Carbon Reduction Pathway Planning

As indirect GHG emissions from purchased electricity accounts for over 80% at USI, green power deployment is an important strategy:

- **Solar PV:** Installed capacity reached 8.6MW in 2024 and will increase to 20MW in 2027.
- **Geothermal:** We have selected sites in Taitung, and terminal survey is in progress.
- **Offshore wind power:** We have formed CURE (Chem Union Renewable Energy Corporation) with other petrochemical companies to discuss electricity purchase with wind power developers.

GHG emissions



2024 Target Emissions (10,000 tons)	2024 Actual Emissions (10,000 tons)	2024 Achievement Rate	2025 Target Emissions (10,000 tons)
14.08	13.38	105 %	14.49

Note 1: Achievement Rate = Target Emissions for 2024 / Actual Emissions for 2024
Note 2: The carbon reduction contribution (TPC) from purchased electricity was not included in the carbon reduction pathway planning.
Note 3: As full plant operation started in 2017 after the completion of new production lines, we set 2017 the baseline year for energy consumption and total GHG emissions.
Note 4: The data of TPCS is from Scopes 1 and 2 of Kaohsiung Plant.

In response to the global emphasis on environmental (E), social (S), and governance (G) issues, the Company follows the "Sustainability Development Roadmap for TWSE/TPEx Listed Companies" issued by the Financial Supervisory Commission to progressively disclose greenhouse gas inventory and assurance information, and to build internal GHG inventory capabilities. The Company has completed GHG inventory and assurance for both parent and subsidiaries under the consolidated financial statements. Each year, specific measures are reported and reviewed, with directors providing recommendations.

In addition to continuously enhancing corporate governance effectiveness, the Company is prudently planning and implementing measures to achieve carbon reduction targets and develop green power strategies. The use of AI technologies improves management efficiency, helping reduce corporate risks and issues, aiming to meet international standards and realize long-term corporate sustainability goals.

Climate change management framework

Category	Management strategy and action
Governance	· ESG Committee: The Board of Directors oversees the USI's climate change management initiatives. The ESG Committee under the Board is the highest governance body of climate change management and chaired by independent directors. It reports climate change planning, implementation and performance to the Board every year. · Operations Management Meeting: Chaired by the Board chairman, it plans and implements material policies for energy conservation and carbon reduction and reports the results from time to time. · Division of Equipment Preventive Maintenance and Environmental Risk Control Quarterly Meeting: As the highest governance body of the Group's energy management, it reports the planning and progress to the Group's chairman each quarter and makes decisions on energy management. · Group Green Power Team: As the Group's responsible unit for green power promotion, it reports the status of and future plans for green power development to the chairman of the Board. · Other functional committees under the Board, such as the Audit Committee, report the identification results of the Risk Management Group to the Board. The Risk Management Group identifies risks arising from global climate change, energy and related fiscal issues on an annual basis.
Strategy	· Identification of risks and opportunities: Identify material risks and opportunities based on their likelihood and impact. · Assessment of potential financial impacts: Assess the potential financial impacts of identified material risks and opportunities. · Scenario analysis: Set plans to achieve net zero emissions in different scenarios.
Risk Management	· Introduction of TCFD: Identify risks and opportunities based on the TCFD-recommended framework, communicate with all responsible units, and confirm by senior management. · Report of identification results: Included in the annual risk assessment. Each year, personnel designated by the president reports the control measures and management performance to the Audit Committee and Board.
Indicators and Targets	· Group carbon reduction target: 27% less than 2017 (baseline year) by 2030 and achieve carbon neutrality by 2050. · Climate change countermeasures: Equipment replacement, installation of renewable energy equipment, optimization of production schedules, air conditioning planning of buildings, energy management systems, and extreme climate emergency response plans. · GHG emissions disclosures: Disclose the data of Scopes 1, 2 and 3 emissions in the ESG report every year and review the causes for changes periodically.

Note: Please refer to 2.3 Risk Management for the details of the risk management process and mechanism.

Identification of Climate Risks and Opportunities

In response to the intensifying global climate change, the Company continues to adopt the TCFD framework to assess risks associated with extreme weather events and identify emerging business opportunities. Referring to the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) and the National Center for Disaster Prevention and Relief Technology (NCDPRT), 3 physical risk issues are listed for the scenarios of RCP 8.5, estimating the temperature increase, rainfall, flooding, and drought in 2016-2035; and 9 transformation risks and 12 opportunity issues are listed based on the group's strategy, industry characteristics, and the nation's self-defined expected contribution target (INDC) and TCFD indicators, making a total of 24 potential risk and opportunity issues.

In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance of each risk to the Company's operations and the timing of its possible impact, as well as the development and implementability of each opportunity. 14 questionnaires were returned, which were statistically analyzed by the team to identify 12 significant climate issues (1 physical risk item, 5 transformation risk items, and 6 opportunity items).

USI assessed the potential financial impacts of the 12 significant risks and opportunities and formulated a response strategy and management mechanism to understand the possible impacts of climate change in various aspects, reduce the possible operational impacts of extreme weather and establish a resilient climate change culture.

Climate-related risk items are categorized into three time horizons based on the expected time of impact: short-term (< 3 years), medium-term (3–5 years), and long-term (> 5 years). Climate-related opportunities are categorized into five levels based on their potential impact on company development and technical feasibility, as detailed in the following table:

Type	Item	Time Horizon
Physical Risks	Aridity	Short Term (< 3 years)
Transformation Risks	Government regulation or oversight - levy of water consumption charges	Short Term (< 3 years)
	Carbon fee	Short Term (< 3 years)
	Renewable Energy Regulations - Large Consumers Clause Risks	Short Term (< 3 years)
	Low Carbon Technology Transition	Short Term (< 3 years)
	Rising Raw Material Prices	Short Term (< 3 years)

Type	Item	Development Potential	Technical Feasibility
Opportunities	Highly efficient production	Promising and aligned with existing company policy	Under expansion
	Recycling - Circular Economy	Promising and aligned with existing company policy	Under expansion
	Reduction of water use and water consumption	Promising and aligned with existing company policy	Mature
	Use of low-carbon energy	Promising and aligned with existing company policy	Mature
	Developing Low Carbon Goods and Services - Investing in Renewable Energy Markets	Promising and aligned with existing company policy	Under expansion
	Development of new products and R&D and innovation of services - Research and Development of Low Carbon Energy Saving Products	Promising and aligned with existing company policy	Under expansion

Potential Financial Impact of Risks and Response Measures GRI 201-2

Climate change issue	Type	Risks and opportunities item	Potential financial impact	Strategy and response of the Company
Aridity	Physical risk / Chronic	1. Based on the base period of 1986-2005, it is estimated that the recent climate conditions of the USI Kaohsiung Plant (2016-2035) will have a maximum number of consecutive days without rainfall of 58 days per year, which may lead to water shortage or drought. 2. In response to the abnormal climate, the plant will limit water or lack of water, and the production line will be reduced or completely shut down in serious cases.	Increased cost of operations In case of water deficiency, the Company will buy water trucks. If the situation is severe, the Company will reduce production line output or suspend all productions. The water purchasing cost is expected to rise by NT$0.1 million every day. If it is necessary to stop a single production line, the loss will reach some NT$2.50 million per day, and given a comprehensive business suspension, the loss will exceed NT$10 million per day.	USI has established an AI water monitoring system since 2020 to keep an eye on water supply. In addition to stopping non-essential water use, strengthening inspection of pipelines and switches, and reducing cooling water discharge, there are also fire tanks to store water buffer, water trucks to buy water, and actively implement various water improvement programs to reduce the total water withdrawal year by year.
Government regulation or oversight - levy of water consumption charges	Transition risk / Policy and law	The Water Resources Administration of the Ministry of Econo-mic Affairs promulgated the "Measures on Water Consumption Charge" in January 2023 which came into effect on February 1, 2023. A "water consumption charge" of NT$3 per kilowatt-hour will be levied on heavy water users whose monthly water consumption exceeds 9,000 kilowatt-hour during the dry season (January to April, November to December). However, if the recovery rate meets the announced standard, the rate can be reduced to NT$2 or NT$1.	Increased cost of operations The water consumption fee paid in from November 2023 to April 2024 was NT$[544,000].	1. Promote ISO 46001 water efficiency management systems. 2. Improve the wastewater recycling system and strengthen the operation management to increase the amount of recycled water.
Carbon fee	Transition risk / Policy and law	In August 2024, the Ministry of Environment issued the "Regulations Governing the Collection of Carbon Fees and Other Three Sub-regulations", which will introduce a carbon fee from 2025 onwards for large carbon emitters whose annual emissions exceed 25,000 tons.	The early input cost is high, the later carbon emissions are low, and the operating cost is reduced Based on the USI's estimated carbon emissions for 2024, assuming a carbon fee of NT$300 per tonne, the estimated carbon fee would amount to NT$33.52 million.	1. USI introduced internal carbon pricing in 2024, and used shadow pricing to incorporate carbon costs into investment appraisals to enhance the execution opportunities of carbon reduction projects. 2. Set up an energy management system and analyse the figures for room for improvement. 3. Rooftop solar panel systems for self-consumption are being installed and are scheduled for completion in 2026.
Renewable Energy Regulations - Large consumers clause risks	Transition risk / Policy and law	1. The Ministry of Economic Affairs (MOEA) implemented the "Regulations on the Installation of Renewable Energy Power Generation Facilities for Electricity Consumers with Contracted Capacities Above a Certain Level" in 2021, which requires that large-scale users with contracted capacity of 5,000 kW or more must install renewable energy facilities with a contracted capacity of 10% of the total contracted capacity by 2025. 2. In 2025, the Ministry of Economic Affairs announced the energy saving targets for large power users from 2025 to 2028, with the average annual energy saving target remaining at 1% for contracted capacity of 801-10,000 kilowatts, and increasing to 1.5% for capacity above 10,000 kilowatts. USI's contracted electricity consumption exceeds 10,000 kilowatts and is subject to a 1.5% energy saving target.	Increased cost of operations USI owns 100% of the shares of USI Green Energy Corporation with a capital of NT$366 million. USI Green Energy Corporation will continue to develop the plant with a target of completing the installation of a 20MW plant in 2027, and will continue to develop the plant in the future. In April 2024, TPC increased tariff by 7%. However, the electricity consumption decreased by 7.53% due to more downtime. The tariff for 2024 increased by 2.61% over the previous year.	USI established USI Green Energy Corporation to actively find an appropriate site and implement the green power development plan. In 2024, the accumulated capacity of solar photovoltaic installations reached 8.6 MW, generating approximately 10.73 million kWh of green electricity per year.

Climate change issue	Type	Risks and opportunities item	Potential financial impact	Strategy and response of the Company
Low carbon technology transition	Transition risk / Energy, technology	Investing in the development of low-carbon technologies such as energy transformation, efficiency enhancement and fuel substitution for the purpose of carbon reduction has led to an increase in the cost of technology investment by enterprises	Higher capital expenditure and lower operating costs In 2024, the Company implemented a total of six energy-saving and carbon-reduction projects, with a total investment of NT$8.183 million, achieving electricity savings of 4,650,858 kWh and a reduction of 333,379 cubic meters of LNG consumption. The quantified benefit amounts to NT$21.44 million per year.	The Company continues to plan energy-saving and carbon-reduction measures, including equipment upgrades and improvements in energy efficiency.
Rising raw material prices	Transition risk / Market	In the future, under the consideration of carbon tax, the cost of raw materials will be added to the cost of carbon emission, and the price will increase.	Increased cost of operations Ethylene is the major raw material for USI's products. To diversify import sources of ethylene, USI invested nearly NT$8 billion and NT$906 million in Gulei and the ethylene storage tank project of the Kaohsiung Intercontinental Dock, respectively.	1. The Company will accelerate the schedule for AI introduction, improve the efficiency and reduce the loss from specification change of raw materials. 2. Carried out chiller system renewal and related improvement projects to enhance the recovery rate of the original vinyl acetate condenser and increase the recovery rate of raw materials. 3. Implementation of ISCC Certification for Bio-Ethylene 4. The 2024 feedstock recovery rate of 14.4 % was about NT$757 million.
Highly efficient production	Opportunity / Resource efficiency	Enhance overall production efficiency and reduce energy consumption through production tools such as AI intelligent production, industrial motors, and automatic packaging.	Higher capital expenditure and lower operating costs In recent years, total investment in various AI projects has amounted to approximately NT$30 million.	Implementation of various efficiency improvement and AI projects includes construction of the DCS + field data system, real-time vibration condition monitoring and development for high-pressure reactors, AI-based quality prediction, black smoke detection system, digital graphic and text management system, white smoke and open flame recognition system, and an energy dashboard system, totaling six initiatives.
Recycling - Circular economy	Opportunity / Resource efficiency	Based on the three principles of circular economy (3Rs): Reduce, Reuse and Recycle. Reduce the cost of waste disposal, or the amount of raw materials used.	Higher capital expenditure and lower operating expenditure The cost of wax recovery equipment was NT$776,574. In 2024, the wax recovery generated a profit of approximately NT$36,000.	1. Wax processing for reuse. 2. USI cooperates with the team of University of Taiwan and National Taiwan University of Science and Technology to carry out the industry-academia co-operation project of virtual-reality integration technology development, applying AI technology to carry out quality prediction, reduce the generation of second-grade materials, and enhance the utilization rate of raw materials.

Climate change issue	Type	Risks and opportunities item	Potential financial impact	Strategy and response of the Company
Reduction of water use and water consumption	Opportunity / Resource efficiency	Water is an irreplaceable resource in the manufacturing process. Reducing plant water leakage and increasing the proportion of water recycling will save operating costs and enhance the resilience of the plant.	Higher capital expenditure and lower operating expenditure 1. Invested about NT$16 million in a continuous wastewater monitoring system. 2. Invested about NT$1.2 million in detention ponds and tank area rainwater recycling. 3. Invested NT$1.6 million in process improvement for steam condensate recovery with an annual recovery rate of 17,500 metric tons. 4. Improvement of process operations in 2024 will result in steam reduction and water savings of 61,980 tonnes/year, saving approximately NT$743,760. 5. With 29,565 metric tonnes of water recovered in 2024, the savings would be NT$354,780 based on a NT$12/kWh tap water rate.	1. Investments in wastewater treatment systems, MRT condensate reclamation improvements and stormwater reclamation systems in retention ponds. 2. Improvements in process equipment and operation have resulted in vapour reduction. 3. Continuously develop reduction plans for water consumption.
Use of low-carbon energy	Opportunity / Resilience, energy source	Promote coal-to-gas conversion and increase the use of renewable energy to reduce carbon costs and lower the carbon footprint of products.	Higher Operating Costs and lower Carbon Fees Project Inputs Carbon Reduction, Costs, Benefits In 2024, investments in equipment and projects totaled NT$8.183 million, resulting in a carbon reduction of 2,897 tons. Based on a carbon fee of NT$300 per ton, this equates to a cost reduction of approximately NT$869,000.	1. Developing self-built solar farms. 2. Natural gas is preferred as the source of steam supply. 3. To be aware of and participate in the renewable electricity market.
Developing Low Carbon Goods and Services - Investing in Renewable Energy Markets	Opportunities / Products and Services, Resilience	Invest in renewable energy development and power purchase and sale platforms, and lower the threshold for acquiring green power.	Higher capital expenditures and higher revenues 1. USI holds 100% of the shares of USI Green Energy Corporation, which has a capital of NT$366 million. 2. USI owns 33.3% of the shares of Chemical Union Corporation, which has a capital of NT$30 million. 3. The 2024 renewable energy installations amounted to approximately NT$59.2 million, with renewable energy electricity sales generating around NT$45.16 million in revenue.	1. USI established USI Green Energy Corporation to actively find an appropriate site and implement the green power development plan: · Photovoltaic: Cumulative installed capacity reached 8.6 MW in 2024, generating approximately 10.73 million kWh of green electricity per year. · Geothermal: The site is located in Taitung and is undergoing exploration. 2. USI formed Chemical Union Corporation with the petrochemical industry and negotiated with wind power developers for the purchase of electricity.
Development of new products and R&D and innovation of services - Research and Development of Low Carbon Energy Saving Products	Opportunity / Products and services	R&D is geared towards the development of circular economy, low-carbon and energy-saving products, and technological investment is made from the perspective of the complete life cycle of products and services to develop low-carbon products.	Higher R&D expenses and higher revenue USI's transformation products include the CBC sterilized water bottle, water filter pitcher, and USii liquid insulation film, with estimated short-term revenue of approximately NT$100 million, and projected to exceed NT$500 million by 2028.	Development of new products to actively transform and penetrate the B2C market includes: 1. ISO 14021 certified international recycled products. 2. ACIN240 Energy-Saving Thermal Insulation Coating. 3. Halogen-free eco-friendly flame retardants

Promote group internal carbon pricing

On August 29, 2024, the government announced the implementation of three sub-laws related to carbon fees, followed by the publication of the official carbon fee rate on October 21. Starting in 2025, emissions will be formally included in carbon fee calculations, marking the beginning of a carbon-pricing era.

To proactively align with governmental policies, address climate change, and mitigate carbon-related risks, USI introduced an internal carbon pricing mechanism in 2024. The initial internal carbon price was set at NT$300 per metric ton, based on the domestic carbon fee benchmark, with plans for periodic reviews and phased adjustments. This mechanism aims to integrate carbon costs into corporate decision-making and investment evaluation processes, enabling the Company to assess the operational impact of emissions, accelerate the implementation of reduction measures, and stimulate low-carbon investments.

In July 2024, the Group conducted two training sessions to educate relevant departments on the concept and application of internal carbon pricing, supporting swift implementation across all sites. In September, a general training on carbon-related knowledge was held to engage employees of the Group and raise group-wide awareness and expertise in carbon reduction, fostering collective efforts toward achieving emission reduction targets of the Group.

The Company continues to invest in innovative materials and products to reduce the impact of climate change. For details, please refer to 3.1 Technology R&D

TNFD (The Taskforce on Nature-related Financial Disclosures)

USI recognizes that conserving biodiversity is critical to the stability of global ecosystems and to long-term human well-being. We therefore take proactive actions to reduce the impacts of our operations on the natural environment.

We regularly use biodiversity-risk assessment tools to examine our dependencies and impacts on nature. Assessment with WWF's Biodiversity Risk Filter indicated that our operations fall into a higher-risk category under the "Pollution" theme. In response, USI follows the TNFD mitigation hierarchy, prioritizing avoid and minimize measures: avoiding siting or operating near areas of national or global biodiversity importance; incorporating environmental risk controls into design and operations; and minimizing pollutant emissions by strengthening emission-control and monitoring mechanisms.

In addition, USI values transparency and completeness in environmental information disclosure, and we are enhancing climate-hazard risk management and preparedness measures.

To further demonstrate our commitment to nature, USI collaborates with the College of Bioresources and Agriculture at National Taiwan University to advance ecological surveys, conservation, and restoration, and to continuously improve biodiversity management.

Response to IFRS Sustainability Disclosure Standards

In response to the "Roadmap for Promoting the Adoption of IFRS Sustainability Disclosure Standards in Taiwan" released in August 2023, listed companies in Taiwan will be required to adopt IFRS Sustainability Disclosure Standards in three phases starting from 2026. In 2024, the USIG established a cross-functional IFRS project team, with quarterly implementation progress reported to the Board of Directors of USI for oversight. The project team is led by the Group Chief Financial Officer and comprises the "Operational Impact Task Force" and the "Financial Impact Task Force" to jointly assess the potential financial implications and impacts of material risks and opportunities. USI serves as a member of the Operational Impact Task Force. In 2024, the establishment of the project team, gap analysis with IFRS standards, and formulation of an implementation plan were completed.

Implementation Work Plan

Stage Tasks	Stage 1 Analysis and Planning	Stage 2 Design and Execution			Stage 3 Implementation	Stage 4 Adjustment and Improvement
Schedule	2024 Q4	2025 Q2	2025 Q3	2025 Q4	2026 Q3 ~ Q4	2027 Q1
Summary of Implementation Tasks	· Establishment of a cross-functional project team for the adoption of IFRS Sustainability Disclosure Standards. · Preliminary identification of key differences and impacts between existing sustainability information and IFRS Sustainability Disclosure Standards. · Preliminary identification of the reporting entity. · Formulation of an implementation plan.	· Identification of sus-tainability-related risk and opportunity topics. · Assessment of the potential impacts of sustainability-related risks and opportunities on current and anticipated financial positions. · Evaluation of whether sustainability-related information constitutes material financial information, incorporating disclosure areas such as metrics and targets, risk mana-gement, and strategy.	· Inventory of sustainability-related data required within the company's reporting boundary and across the value chain. · Establishing linkages between sustainability-related data and information used in financial reporting (e.g., input values and parameters.)	· Adjustment of corporate processes including financial and non-financial reporting procedures, information systems, supply chain management processes, internal controls, and daily operations across departments.	· Pilot preparation of the sustainability section in the annual report. · Continuous updates to internal control manuals related to IFRS sustainability information and provision of relevant training.	· Disclosure of sustainability information in accordance with IFRS Sustainability Disclosure Standards in the 2026 annual report, to be announced and filed simultaneously with the 2026 financial statements.

Energy Management

Group Energy Management Targets

USIG voluntarily set energy management targets in 2016 and began to make dynamic target reviews in accordance with the country's energy development policies and by keeping track on the internal trends and domestic laws and regulations. After measuring the internal and external factors, we set the 2030 carbon reduction target in early 2022, and further set a carbon neutrality target by 2050 in 2023. The 9 USIG core production plants in Taiwan began to implement the ISO 50001 energy management system and obtained the certificate on after another in 2018 to effectively manage energy performance and continuously improve energy conservation and carbon reduction, hoping to demonstrate USIG's influence and so to lower environmental impact.

USIG 2030 Carbon Reduction Goals

Carbon reduction by 27% over 2017 by 2030

Carbon inventory/ carbon footprint

- By 2022, all listed companies in the Group completed GHG inventories and verification for Taiwan sites; in 2024, the Group (parent and subsidiaries on a consolidated basis) completed the GHG inventory and limited assurance.
- Product carbon footprint in 2021 USI promotes EVA, in 2022 CGPC and CGPCPOL promote PVC powder, PVC cloth, PVC leather, TPE, in 2023 Taiwan VCM promotes VCM and in 2024 CGPC promote Hydrochloric Acid, Sodium Hydroxide, and Sodium Hypochlorite Solution.

Energy saving and carbon reduction in the plant

- By 2021, all plants in Taiwan of the group's listed cabinet company have passed ISO 50001 energy management system verification
- Taiwan plants have continued to implement energy-saving and carbon-reduction measures. From 2022 to 2023 these measures achieved a cumulative reduction of 24,000 tCO_2e.
- The Group hosts an annual conference to share energy-saving best practices and accelerate the deployment of carbon-reduction technologies.

Pioneer renewable energy

- A Green Electricity Taskforce was established in 2020 to plan and execute renewable energy strategy.
- As of 2024, the Group's invested solar projects have an installed capacity of 8.6 MW, generating about 10.73 million kWh annually—equivalent to ~5,300 tCO_2e avoided emissions per year.
- We continue to expand green and diversified renewable energy to enhance the resilience of our future energy use.

Every year, USIG holds the "plant technology exchange meeting" and several "northern/Kaohsiung plants resource integration meetings" for plants to share resources and exchange technologies to improve performance in energy conservation and carbon reduction. In 2024, the plant technology exchange meeting was held on November 14 at USI's Linyuan plant. Continuing last year's themes of "industrial safety and environmental protection", "equipment preventive maintenance", and "energy conservation and carbon reduction", each of 12 plants in Taiwan presented more than 1 technology case for written review, and 7 plant cases entered the final. The finalists were voted on by the Group's senior executives and representatives of the presenting plants to select the outstanding technical case of the year.

Under the solid presentation and prudent evaluation, USI's Kaohsiung Plant won the first place for the "RECYCLE COOLER Internal Management Improvement Sharing". The certificate and bonus were presented by Chairman Wu. (Latest News)

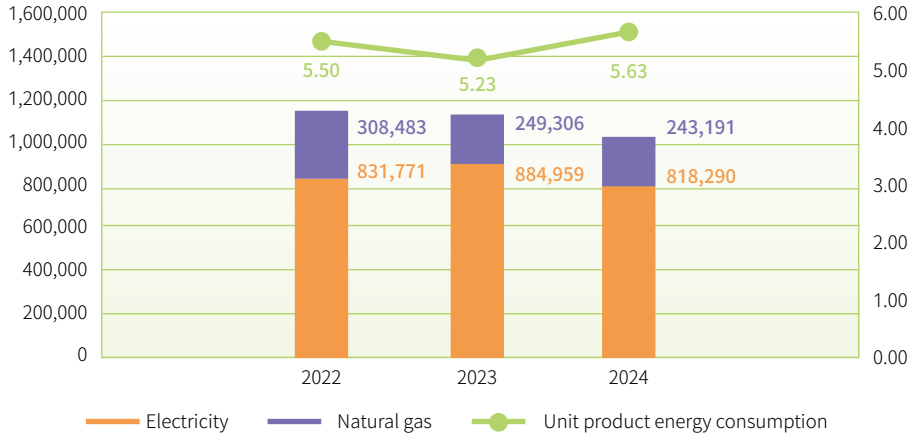
Photo of 2024 group factory technical case presentation meeting

Kaohsiung Plant won the first place in technical case presentation

USI Energy Consumption GRI 302-3

In 2023, total electricity consumption increased due to higher production volumes, and energy consumption per unit of product was high due to the production of HV products. In 2024, equipment failures led to production line shutdowns, resulting in increased natural gas consumption and higher energy intensity per unit.

Energy Consumption(GJ) and Unit Product Energy Consumption(GJ/MT PE) of USI Kaohsiung Plant in Last 3 Years



Note: Since the usage of diesel and gasoline is much lower than that of electricity and natural gas, their data cannot be shown in the above chart. Please refer to the table below.

Energy Consumption and Unit Product Energy Consumption in Last 3 Years GRI 302-1 RT-CH-130a.2

Energy Type	Unit	2022	2023	2024
Electricity	GJ	831,771	884,958	818,290
Natural gas	GJ	308,483	249,306	243,191
Diesel	GJ	415	502	555
Gasoline	GJ	266	312	322
Total consumption	GJ	1,140,935	1,135,078	1,062,358
Production	MT	207,413	217,173	188,691
Unit product energy consumption	GJ/MT	5.50	5.23	5.63

Note 1: Referring to the Energy Heating Value Per Unit Product Table announced by the Energy Administration, Ministry of Economic Affairs, the conversion factor of energy consumption of electricity, LNG, and diesel is as follows: 860 kcal/kWh, 9,000kcal/m3, 8,400 kcal/L, and 7,800 kcal/L; where 1 kcal = 4.187 kJ.
Note 2: Sources of natural gas and electricity consumption: fuel bill statistics; Source of diesel consumption: Material collection forms; Source of Gasoline: Purchase invoices.
Note 3: Only non-renewables are used.
Note 4: Energy data coverage rate = 100%.
Note 5: Information recoding explanation: In 2022, the addition of gasoline as an energy category aligns with the temperature disk. (GRI 2-4)

Electricity Conservation Rate in the Past 3 Years

Item	2022	2023	2024
Electricity Conservation (%)	1.21	1.72	1.88

Note 1: Source: Based on the 2024 Report on the Annual Energy Saving Audit System of Energy Users of the Energy Administration.
Note 2: Subject to the energy audit equation of the Energy Administration, reported energy saved divided by the total electricity consumption.

From 2015 to 2024, the Company achieved an average annual electricity savings rate of 1.45%, surpassing the 1% minimum average annual target set by the Bureau of Energy, Ministry of Economic Affairs, for energy users during the same period.

The 2024 target and performance of electricity conservation and the planned 2025 target are tabulated below:

Year	2024		2025
Item	Planned Target	Actual Result	Planned Target
Reduction (%)	1.18	1.88	1.51

GHG Management

GRI 302-2, 305-1, 305-2, 305-3 RT-CH-110a.1

Based on the ISO 14064-1:2018 GHG inventory standard and the GHG Emissions Inventory and Registration Guidelines of the Ministry of Environment, we performed GHG inventory, consolidation, and system establishment with the assistance of external experts. We set organizational boundary for GHG inventory based on the "operational control method." The organization has 100% of GHG emissions from facilities under its operational control. GHGs under inventory include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. The emission coefficients are cited from Ministry of Environment's GHG Emission Coefficient Management Table V.6.0.4, and the global warming potential (GWP) is reported based on IPCC's AR6 (2021).

The Company has always attached importance to greenhouse gas management, and has been conducting greenhouse gas inventories on a voluntary basis since the early days. In addition, the Company has also conducted external verification for the year 2019 since 2020. In line with the FSC's sustainable development roadmap for listed companies, the Company the Company is actively planning ahead to complete individual entity inventory and assurance in 2023 (ahead of the 2024 regulatory schedule), and completed the inventory and assurance for consolidated subsidiaries in November 2024 (ahead of the 2027 regulatory schedule).

The boundary of the individual company inventory in 2024 is Kaohsiung Plant. Guishan R&D Division and Taipei HQ continue to use the 2023 inventory report. In 2024, GHG emissions from USI's Kaohsiung Plant Guishan R&D Division and Taipei HQ included Scope 1 - 26,080 tons of CO_2e, Scope 2 - 107,890 tons of CO_2e, Scope 3 - 470,400 tons of CO_2e.

The Scope 1 and Scope 2 GHG emissions of the consolidated subsidiaries amounted to 760,420 tons of CO_2e in 2023 and 697,020 tons of CO_2e in 2024, reflecting a reduction of 63,400 tons of CO_2e in 2024 compared to 2023.

Scopes 1 and 2 Emissions from Each Site of USI Consolidated Entities

Site No.	Company	Site Type	Scope 1 (tCO_2e)	Scope 1 Share (%)	Scope 2 (tCO_2e)	Scope 2 Share (%)	Total (tCO_2e)
1	USI – Taipei Headquarters	Office	19.3247	16.2530	99.5745	83.7470	118.899
2	USI – Guishan R&D Center	R&D Center	9.9015	9.6108	93.1234	90.3892	103.025
3	USI – Kaohsiung Plant	Plant	26,050.5645	19.4745	107,717.0688	80.5255	133,767.633

Note 1: The emissions from Taipei Office and Taoyuan Guishan Laboratory were far below 1%, and the 2023 inventory results will be used in the future in accordance with the materiality principle.
Note 2: Kaohsiung Plant adopts 2024 inventory results.

GHGs inventory in the past two years

Unit: 10,000 metric tons of CO_2e/year

	Kaohsiung Plant		Guishan R&D Division		Taipei HQ	
Year	2023	2024	2023	2024	2023	2024
Scope 1	0.002	0.002	0.001	0.001	2.104	2.605
Scope 2	0.01	0.01	0.009	0.009	12.141	10.77
Scope 3 (Cat. 3) Transportation Indirect Emissions	0.001	0.001	0	0	0.024	0.024
Scope 3 (Cat. 4) Indirect Emissions from Products Used by the Company	0.003	0.003	0.002	0.002	49.338	47.01
Total	0.016	0.016	0.012	0.012	63.607	60.409

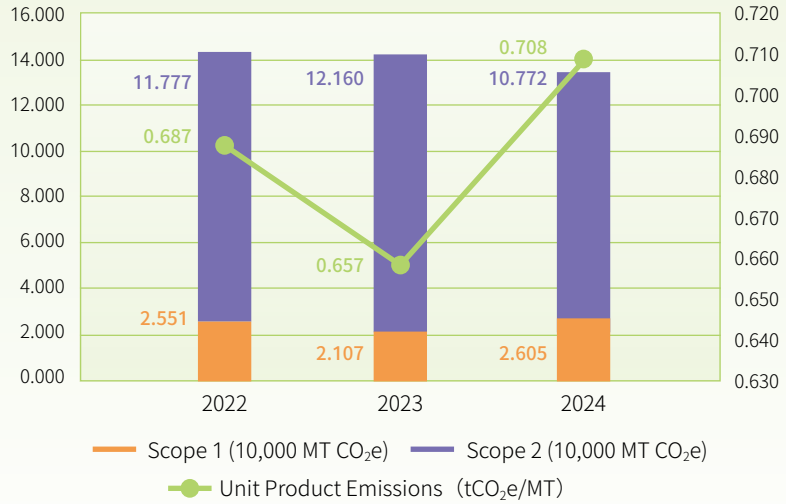
Note 1: Scope 1 refers to the direct emissions from stationary combustion sources, direction emissions from combustion sources, direct process emissions from industrial manufacturing processes, and direct leaked emissions from GHGs generated by artificial systems.
Scope 2 refers to the indirect emissions of purchased electricity.
Scope 3 refers to other indirect emissions:
- Indirect emissions from the disposal of solid and liquid waste.
- Emissions from transportation: carbon emissions generated by employee commuting and business.
- Carbon emissions from the production process of raw materials such as ethylene and vinyl acetate.

Note 2: The Kaohsiung Plant is a GHG emission control unit under the Ministry of Environment, with Scope 1 emissions accounting for 99.9% of USI's individual emissions.

Note 3: All figures are aggregated from the original audit data and displayed to three decimal places.

Analyzing the intensity of GHG emissions in 2024, emissions per unit of product have increased due to declining production capacity. GRI 305-4

GHGs emissions in the past three years



Year	2022	2023	2024
GHG emissions of Scope 1 + Scope 2 (10,000 metric tons of CO_2e)	14.328	14.267	13.377
Production (metric tons)	208,648	217,172	188,986
Emission Intensity per unit product (metric tons of CO_2e/metric tons)	0.687	0.657	0.708

Note 1: The calculation boundary includes USI's Scope 1 and Scope 2 GHG emissions.

Note 2: The carbon emission coefficient for electricity is based on the latest data published by the Energy Administration: 0.495 metric tons of CO_2e per kWh in 2022, 0.494 metric tons of CO_2e per kWh in 2023, and 0.474 metric tons of CO_2e per kWh in 2024.

Note 3: In 2024, diesel without biofuels was used, resulting in 0 $kgCO_2e$ emissions from biofuel combustion.

Note 4: Compliance with ISO 14064-1:2018 standards are required, and AFNOR Asia Ltd. has been commissioned for verification.

Energy Conservation and Carbon Emissions Targets and Performance GRI 302-4 RT-CH-110a.2

The energy conservation and carbon reduction programs in 2024 and their performance are tabulated below. A total of 6 energy conservation and carbon reduction programs with a total investment of NT$8.183 million were implemented to reduce carbon by 2,897 metric tons of CO_2e. GRI 305-5

No.	Program	Category	Energy Saved	Carbon Reduced (metric tons of CO_2e/year)	Investment amount (NT$1,000)
1	Steam cooler replacement	LNG Saving	145,200 cubic meters	301.7	51
2	Steam line insulation replacement	LNG Saving	188,179 cubic meters	391.0	4,000
3	Reactor pressure reduction	Electricity Saving	56,450 kWh	26.8	44
4	Cooling line maintenance (chiller energy saving)	Electricity Saving	113,256 kWh	53.7	4,000
5	CBC plant shut down, chilled water supplied by other means	Electricity Saving	4,057,317 kWh	1,923.2	44
6	Reactor pressure reduction	Electricity Saving	423,835 kWh	200.9	44
Total		LNG Saving of 333,379 cubic meters Electricity Saving of 4,650,858 kWh		2,897	8,183

Note 1: Carbon emission factor of electricity as 0.474 metric tons of CO_2e/MWh.
Note 2: Source: Based on the 2024 Report on the Annual Energy Saving Audit System of Energy Users of the Energy Administration, with annualized carbon reduction benefits counted directly in the year of implementation, without dividing months and across-year calculation.
Note 3: Items 1 and 2 calculation method: Calculate LNG savings based on assumed steam savings and operating time.
Note 4: Items 3 and 6 calculation method: Calculate energy savings based on the operating current values and operating times before and after adjusting the operating pressure of the secondary compressor.
Note 5: Item 4 calculation method: Calculate energy savings based on the actual measurement difference of the equipment before and after the improvement and the operating time.
Note 6: Item 5 calculation method: Calculate energy savings based on equipment specifications and the time the production line is idle.

In 2025, we plan to implement 4 energy saving programs with an estimated 1,234,612 kWh of energy savings, 585 metric tons of CO_2e of carbon reduction, and a budget of NT$9.944 million.

2025 Energy Conservation Programs and Estimated Targets

No.	Program	Category	Energy Saved	Unit	Carbon Reduced (metric tons of CO_2e/year)	Investment amount (NT$1,000)
1	Addition of modifier injection points for secondary compressor inlet engineering for B Line at the Manufacturing Department I	Electricity Saving	37,729	kWh	18	100
2	Adjustment of B Line LDV valve to reduce the loading of the secondary compressor	Electricity Saving	1,045,419	kWh	496	4.4
3	Replacement of cooling tower fan materials	Electricity Saving	79,680	kWh	38	200
4	Upgrade of the air compressor at the Manufacturing Department II	Electricity Saving	71,784	kWh	34	690
	Total	Electricity Saving	1,234,612	kWh	585	994.4

Energy conservation and carbon reduction plan

Forestation Adoption Program

- In response to energy conservation, carbon reduction, and environmental protection, we promoted the Forestation Adoption Program in collaboration with the Experimental Forest, College of Bio-Resources and Agriculture, National Taiwan University to grow more trees with the technical assistance of professional teams. Additionally, the program allows the public to understand the benefits of growing trees for CO_2 adsorption by soil and water and its importance to environmental protection.
- In December 2021 we signed the agreement to donate NT$9 million for forestation through adopting 7,500 trees occupying an area of about 5 hectares for a term of 20 years, with a total carbon fixation capacity of 1,350 metric tons of CO_2e, equivalent to the capacity of about 3.5 Daan Parks. (According to the Council of Agriculture, the per hectare carbon adsorption of forests is 15 metric tons of CO_2e/year. The area of Daan Park is 25.8 hectares, i.e., its annual carbon adsorption capacity is about 387 metric tons of CO_2e.)
- Completion of the Forestation Adoption Program Phase IV Donation

Supported "Earth Hour", a global energy conservation activity.

- We began supporting this event in 2018. During 20:30-21:30 on March 26, 2024, we joined the “Earth Hour” activity with the world by turning off the landscaping lights of the plant’s exterior walls and unnecessary lighting fixtures.We supported the government's energy conservation and carbon reduction policies and activities in real action. Besides reducing energy use and lowering the cost, we also hope to encourage the public and businesses to value energy conservation and carbon reduction by setting an example through participating in Earth Hour.

Product Carbon Footprint

We started to promote product carbon footprint verification (CFV) in 2021, and has successively conducted inventories on key products. Based on the data of lifecycle assessment, the GHG emissions from direct and indirect activities or accumulated in the product is considered according to the product lifecycle from materials acquisition or natural resource production to disposal at the end of life is considered. Verification for conformity to the ISO 14067:2018 product carbon footprint standard was completed on EVA, the target product, according to ISO 14064-3:2006. The declared/functional unit is per kilogram (including package).

According to the FSC's Guiding Principles for Determining Sustainable Economic Activities, the technical screening standard for standard polyethylene in the petrochemical industry must be less than 1.0823 metric tons of CO_2e/ metric tons, and the Company's polyethylene products are less than the standard on the manufacturing side, which meets the criteria for determining sustainable economic activities.

Raw material stage → **Manufacturing stage** → **Distribution and sales stage** → **Usage stage** → **Waste disposal stage**

Lifecycle GHG Emissions

Declared Unit of Emissions of Target Verification Product (Unit: $kgCO_2e$)				Functional Unit Emissions (Unit: $kgCO_2e$)
Lifecycle Stage	Materials	Manufacturing	Total	
EVA®UE2828	2.270	0.689	2.96	2.96
EVA®UE649-04	2.128	0.689	2.82	2.82
EVA®UE659	2.223	0.689	2.91	2.91

In 2025, we added the carbon footprint inventory and assurance for the new HDPE LH5920. The total carbon footprint is 2.0446 $kgCO_2e$/kg (including upstream materials).

4.6 Raw Material Management

Our main products are: LDPE, EVA, HDPE, and LLDPE. Major raw materials include ethylene, VAM, and butene. Major secondary materials include Iso-Paraffin Solvent, propylene, n-Hexane, and isopentane. Raw materials are only used by Kaohsiung Plant, with a coverage rate of 100%.

Ethylene usage in 2024 amounted to approximately 195,000 tons, accounting for approximately 81.5% of all major raw material usage, followed by VAM at approximately 16.4%. 76% of ethylene is locally sourced in Taiwan. Please refer to 3.3 Supply Chain Management for details. GRI 301-1

Packaging Materials Management

Based on the weight of packaging bags of each product in the Kaohsiung Plant, the use of packaging materials is estimated to be 898 tons in 2024 based on the sales volume. Customers with large sales volume use tank trucks for transportation to save packaging materials.

2024 Packaging Weight

Unit: Kg

	PE Packing Bag	Bulk Bag	Paper Bag
Manufacturing Department I	548,153	35,729	0
Manufacturing Department II	163,064	100,951	38,316
Manufacturing Department III	11,442.8	0	0
Subtotal	722,660	136,680	38,316
Total Weight			897,656

Packaging materials are not recycled due to pollution concerns. For the direction of packaging materials and reduction testing: The use of recycled plastic bags mixed with recycled materials and change the shrink-wrapped packaging to bare packaging to save cartons.

Raw material recycling GRI 301-1

The Company's product manufacturing process is committed to improving the efficiency of raw material recovery, hoping to reduce raw material consumption. The recovery methods included high pressure recovery system improvement project of the second plant, setting of Monomer Refine Tower (MRT), connecting new Tower tank with old tower tank, Ethylene Purification Tower (EPT) is equipped with a condenser at the front end and a new compressor leak gas recovery system. The recovery rate of raw materials was 14.4% in 2024, with approximately 27.83 million tons of VAM and Butane-1+isopentane recovered, resulting in savings of NT$757 million.

Application for ISO 14021 PIR (Pre-Consumer Material) Certification

Waste materials (EVA/HDPE) generated during the production process are recycled and reused as plastic raw materials. Certification under ISO 14021 is expected to be obtained in 2025. For details, please refer to Section 3.1 Technology R&D.

Implementation of ISCC Certification for Bio-Ethylene

Bio-ethylene is derived from renewable resources and serves as an alternative to conventional petrochemical-based ethylene. It offers advantages such as reduced carbon emissions, lower carbon footprint, renewability, biodegradability, decreased reliance on fossil fuels, and support for a green economy and the use of renewable resources. As a recoverable and renewable green alternative material, bio-ethylene contributes to carbon reduction and environmental protection, playing a significant role in promoting sustainable economic development. It is expected that the Kaohsiung Plant will complete ISCC certification for bio-ethylene by the end of 2025.

Chapter 5
Safety, Health, Social Inclusion

Performance Highlights

- Annual employee health checkup: 99.5% coverage
- A total of 2,547 hours of PSM training for 1,157 persons
- Awarded the certificate of Taiwan i-Sports by the Sports Administration
- Turnover (excluding retirement) rate: 4.8%
- There were no incidents of violation of Occupational Safety and Health Act resulting in fines.

Material topics in this chapter

Occupational safety and health
Talent attraction and retention

5.1 Transportation Safety Management

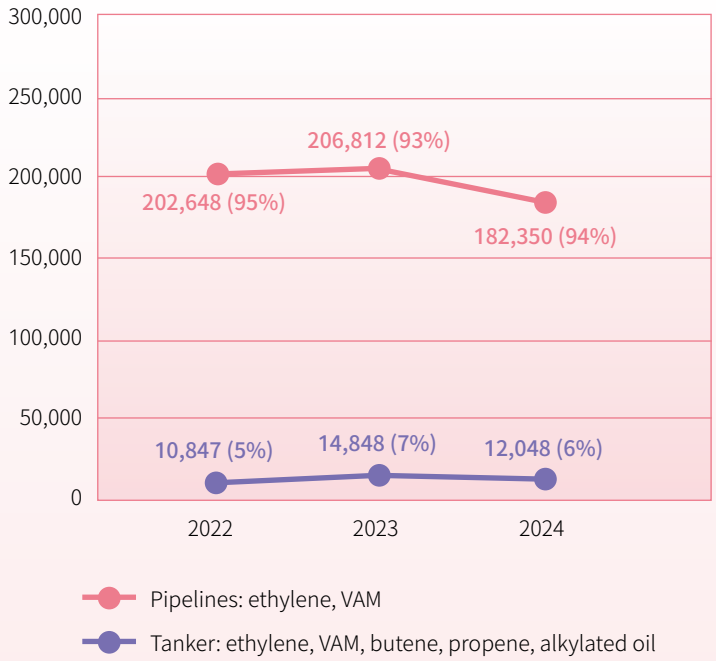
Management of raw materials and product transportation

Materials Transportation

Transportation Methods

The raw materials required by the Kaohsiung Plant are transported via underground pipelines and tankers.

Raw Materials Transportation Methods



Implementation Plan and Effectiveness

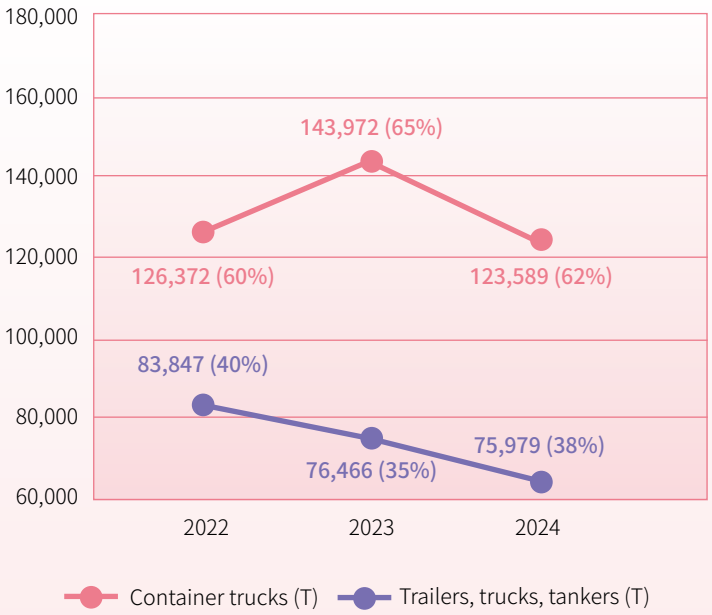
- No transportation-related accident was reported.
- To ensure pipeline integrity, we maintain the safety management of underground pipelines through operation, maintenance, test, inspection, and emergency response with reference to the international underground pipeline regulations and in compliance with the legal and regulatory requirements of the Kaohsiung City Economic Development Bureau. Additionally, we have passed the third-party (DNV) verification for compliance with the standard B31.8S Managing System Integrity of Gas Pipelines of the American Society of Mechanical Engineers and the review of the Kaohsiung City Economic Development Bureau.
- Double protection including corrosion zone and impressed current cathodic protection (ICCP) is implemented for all underground pipelines. In 2024 every quarter, we completed 192 cathodic corrosion tests and 36 cathodic corrosion rectifier checks to ensure the anti-corrosion system is working without worries.
- In 2024, we completed the excavation verification after the underground pipeline ILI inspection, and obtained the third-party confirmation from Norway's DNV Verification Company (DNV) to verify the compliance with the ILI inspection results, confirming that the ILI inspection data and results are in line with the actual condition of the pipeline, effectively capturing the current condition and integrity of the underground pipeline, and ensuring that the pipeline transportation is safe and secure.
- To prevent pipeline damage caused by third-party excavation and construction errors, we commission CKS Guard to perform daily pipeline tour inspection. We collaborate with the Pipeline Excavation Management Center formed by the Kaohsiung City Public Works Bureau to prevent pipeline damage caused by third-party excavation. In 2024, we prevented a total 32 instances of pipeline damage caused by third-party excavation.
- In 2024, we organized one underground pipeline scenario drill with other manufacturers and the simulated accident alert drill of the Economic Development Bureau to reduce the damage caused by natural disasters or accidents through emergency response drills.
- All tankers are qualified tankers for transporting chemical substances; each contractor has good emergency response ability, and well-established emergency response plans. Transportation is implemented according to the relevant control regulations and management measures.

Product Transportation

Transportation Methods

All USI products are transported with trailers, trucks, tankers, and container trucks through contractors.

Product Transportation Method



Implementation Plan and Effectiveness

- No transportation-related accident was reported.
- Government-licensed transporters that have passed ISO 9001 certification and equipped with trained, qualified health and safety management personnel.
- Semi-annual evaluation of performance, efficiency, cooperation and quality and proposals for improvement programs based on customer feedback at the transportation review meeting.
- Regular vehicle examinations according to the relevant regulations. Holding safety meetings quarterly to ensure that contractors can safely transport products to the destination to minimize environmental impacts caused by transportation.
- During 2020-2024, we continuously implemented transportation safety and quality evaluation. Besides reviewing the results of agreed improvements from last year, we verified the degree of legal compliance of onsite operations and equipment condition in order to capture and manage the transportation safety of contractors. The result of the 2024 transportation safety and quality evaluation of contractors was grade A.

In-House Product Loading Safety Management GRI 403-7:2018

Management Approach Description

All products from Kaohsiung Plant are transported by Deyuan Transport Ltd. Apart from shipping products with trucks every day, the transporter designates resident loading personnel at Kaohsiung Plant. In addition to requiring them to comply with Kaohsiung Plant's access control and HSE regulations, we have established related controls to supervise their work alongside onsite and industrial safety OH&S personnel. We also constantly request them to enhance product loading safety to strictly control personnel operation safety.

Management Approach

In response to the massive use of forklifts for loading and stacking, as well as the tank trucks for loading finished products at the warehouse in routine work, we identified the forklift operation hazards during product loading during 2021-2024. We also introduced the AI industrial safety image-recognition system to timely identify camera surveillance images through AI intelligent image-recognition technology, so as to effectively detect if workers use related personal protective equipment (PPE). By doing so, we are able to comply with the in-house PPE regulations, enhance the strength of in-house industrial safety walk-through inspection, improve contractor operation management, and reduce the risk of industrial safety accidents.

During 2021-2024, we continued to implement the transportation safety and quality evaluation of products in terms of the following eight items: corporate condition, driver record, safety policy and communication, SOPs and instructions, safety equipment, driver evaluation, vehicle condition control, and transportation quality. Additionally, to enhance the control of recommended improvements after the evaluation, we determine the audit frequency based on the evaluation score and notify transporters to make early improvements of the audited problems.

Management Performance

In 2024, the ongoing implementation of safety protection identification (AI system) for forklift operations in the warehouse area continued. In addition to reviewing the regulatory compliance of the system's determinations, the safety personnel also provided feedback on any abnormalities identified to the relevant units and their contractors. This year, we also invited the contractors to conduct a review of the safety promotion and deficiencies, and met with the actual operators to explain the key points of the requirements and the reasons for the contractor's non-compliance with the law, so as to discuss further improvements. In the end, we hope that this system will not only serve as a 24-hour continuous management tool, but will also indirectly enable workers to understand the importance of safety protection.


Contractor violations - failure to wear seat belts


Contractor violations - failure to buckle up helmet strap

Contractor violation penalties and enhanced training advocacy

Regarding the transportation safety quality assessment in 2024, efforts were made to follow up on the previous year's recommendations for Deyuan. In addition, considering that the related system has been improved, we conducted on-site reviews with operators, as well as on-site inspections on the daily inspection items and the physical and mental state of the drivers, etc in 2024. If any non-conformity was found in the results, a deadline was set for improvement to ensure effective response in the event of an emergency. The comprehensive assessment result for the year was rated as Grade A. The assessment results will also be provided to transportation companies as a reference for subsequent safety improvements.

Confirmation of vehicle recording equipment function

Inspection of fire extinguishing equipment in vehicle

Provision of suggestions for verification procedures

Evaluation results graded as A-class

5.2 Occupational Safety and Health GRI 2-25, 3-3, SDGs 3, 8

Impact Topics

Lower the turnover rate and reduce occupational accidents, and build a friendly workplace

2024 Achievements

1. Incident rate = 0, equipment improvement and renewal, inspection and maintenance enhancement, periodic walk-through inspection, education and training, and OH&S management.
2. Frequency-Severity Indicator (FSI)= 0. Installation of anti-scalding mesh to avoid scalding of operators and heat preservation corrosion; replacement of soundproof enclosure structure and addition of new lighting to enhance the safety of operators; improvement of operation risks.
3. Monitoring indicator excess=0. Completed on-site monitoring on Type 2 organic solvents, specific chemical substances, noise, CO_2 and local exhaust equipment wind speed. No nonconformity is found.
4. Downtime caused by key equipment=6, machinery maintenance by the engineering department = 2,211 units.
5. Implemented 14 projects, including 3 underground pipeline operations and maintenance projects.

2025 Goals

1. Promoting 14 process safety management systems.
2. Implementing fire safety equipment inspection and maintenance.
3. Continue to organize HSE Education and Training.
4. Incident rate, Frequency-Severity Indicator (FSI), monitored nonconformities, and shutdowns caused by key equipment are all 0.

Medium- & Long-Term Goals

1. Promote safety and health management
2. Continuous promotion of PSM management system
3. Underground pipeline risk assessment
4. Plant smart management

In 2001 we began to constantly implement the OH&S management system across the plant and promote system certification. We also set it as part of the Company's sustainable development strategy to maintain workplace environment safety and employee health. In 2020, we completed the certificate renewal certification and acquired the certificate for ISO 45001:2018. The current certificate is valid until April 2025, and we continue to comply with periodic audits. GRI 403-1:2018

In 2024, 1,025 personnel were covered by the OH&S management systems, including all USI employees and contractors. All operations were planned and implemented according to the OH&SMS, including hazard identification, risk assessment, audit, and accident investigation.

Workers covered by OH&SMS in 2024 GRI 2-8, 403-8:2018

Category	Number of people	Percentage
USI employees	429	42%
Contractor personnel	596	58%

Note: Contractor personnel include 596 workers of qualified contractors.

For details of the management system, please refer to the ESG website Occupational Health and Safety)

OH&S Goals and Management Program 2024

Policy	Goals	Program	Effectiveness
Zero accident	Incident Rate F.R.=0	Steam inlet inspection for reducing hazards from steam sleeve breakage and leakage caused by corrosion and prevent pipeline corrosion hazards.	Completed steam inlet inspection at 173 points in 2024. Program progress: 100%.
		Addition of R/T N_2 PURGE pipeline to the D-line to avoid high-pressure ethylene leakage to low-pressure pipeline, resulting in pipe breakage and hazards.	Completed in 2024Q2. Program progress: 100%.
		Addition of new MID Cat. catalyst pumps to the C, EF-line to eliminate old equipment and enhance operational reliability.	Catalyst pumps have been delivered and are currently under construction. Program progress: 57%.
		Replacement of recycle train cooler to avoid cooler leakage and hazards.	Completed in 2024Q1. Program progress:100%.
		C-5211 steel support to avoid corrosion under insulation (CUI) at the conjunction.	Rust removal, re-welding, anti-corrosion cladding and painting have been completed. Program progress: 100%.
		Rust and corrosion of common area piping and H-beam.	Rust removal, re-welding, anti-corrosion cladding and painting have been completed. Program progress: 100%.
		Underground pipeline inspection and maintenance	Visual inspection and thickness measurement of the underground pipelines' exposed sections completed in July and November 2024. Program progress: 100%.
		Pipeline patrol education and training plan.	4 hours of education and training on pipeline inspection completed in 2024. Program progress: 100%.
		Underground pipeline routine patrol plan.	Chung Kung Safety Guard Corporation commissioned for daily inspections, and 6 self-initiated inspections were completed. Program progress: 100%.
Zero occupational accidents	Frequency-Severity Indicator F.S.I.=0	Installation of anti-scald mesh on the outlet line of nitrogen deaerator in purification area C-1108 to avoid scalding and temperature preservation corrosion.	Rust removal, welding and anti-scalding mesh installation were completed in 2024Q1. Program progress: 100%.
		Replacement of K-6007 acoustic enclosure to enhance personnel safety.	Removal and re-installation of sound enclosure were completed in 2024Q1. Program progress: 100%.
		Improvement of operation risk of hydrogen shut-off valve. Considering the risk of falling of personnel from the simplified platform, the operation is changed to making an isolation valve prior to the installation of a compressor as an alternative.	Installation of isolation valves was completed in 2024Q2. Program progress: 100%.
		Addition of new lighting to the operation area of the sec-butyllithium to improve operation efficiency and personnel safety.	Erection was completed in 2024Q1. Program progress: 100%.
Zero failure	Shutdowns caused by key equipment =0	Shutdowns caused by key equipment = 0 (machinery and instrumentation)	Downtime caused by key equipment = 6, machinery maintenance by the engineering department = 2,211 units.

Note 1: Incident Frequency Rate (F.R.) = Number of incidents x 1,000,000/total hours worked Note 2: Frequency-Severity Indicator (F.S.I.) = $\sqrt{}$ [(FR x SR)/1000]

OH&S Organization and Operation GRI 403-4:2018

USI establishes the OH&S Committee with respect to the "Regulations for Occupational Health and Safety Management" to establish OH&S policies, make recommendations for OH&S management, and review, coordinate, and advise OH&S affairs.

Members of the OH&S Committee include the committee chair (the plant general manager), executive secretary (chief of the industrial safety office), committee members (department chiefs/unit chiefs/industrial safety staff/labor representatives). Currently, there are 7 labor representatives (35%) and 13 management representatives, totaling 20 members. The committee holds a committee meeting every quarter. Labor representatives voice for all employees and discuss, coordinate, plan, and decide on HSE issues with the management to ensure employee participation, consultation, and communication.

Hazard Identification and Risk Assessment GRI 403-2:2018, 403-9:2018

To prevent operations, activities, or services from harming employee health and safety and causing financial losses to the Company, early intervention is implemented. Through constant identification of hazards, risks, and opportunities relating to OH&S, we take appropriate precautionary actions, implement necessary controls, or eliminate hazards. We also find opportunities to make improvements to control risks within an acceptable range in order to enhance OH&S performance.

Every three years, we identify hazards and assess risks on current, changing (potential or transitional) and future activities within the plant, hazards outside of the plant, and underground pipelines. From time to time, the baseline review team formed by the section chiefs of all units provided professional training on hazard identification and risk assessment for the baseline review team and employees. In 2024, the baseline review team provided professional training on hazard identification and risk assessment for the baseline review team and employees. We assess and screen risk levels using semi-quantitative descriptive statistics. Then, we establish targets and plans based on the graded control, OH&S objectives, and the Regulations for Management of Management Plans to reduce the risk to an acceptable range by prioritizing means such as elimination, replacement, engineering controls, labels/warnings/or management controls, and PPEs.

OH&S Management GRI 403-7:2018

Management Approach Description

In consideration of the increasing industrial safety accidents in Taiwan in recent years, from 2022 to 2024, the Industrial Development Bureau, MOEA has progressively implemented joint supervision on large petrochemical plants and found that those implementing process safety management (PSM) have significantly better performance in industrial safety. Therefore, in addition to arranging PSM education and training for employees, labor inspection units have constantly revised OH&S laws and regulations based on PSM. They also provide guidance and advice for petrochemical plants to implement PSM to enhance the employee's awareness of process safety in order to reduce fires, explosions, leakages, intoxication, and occupational accidents.

Management Approach

PSM is implemented in main consideration of the relevant regulations at home and aboard, such as the"Process Safety Management of Highly Hazardous Chemicals"(29CFR 1910.119) announced by the US Occupational Safety & Health Administration (OSHA), the Hazardous WorkPlace Review and Inspection Regulations, and the "Regulations of Implementation Regarding Regular Process Safety Evaluation". A total of 14 categories were concluded for overall planning and review. PSM conformity was identified through compliance audit. We have learned from the industry to promote practical examples and accident cases for self-review, and continued to strengthen process safety and industrial safety protection.

System Establishment | **Technology and Foundation Enhancement** | **System Integration and Promotion of Safety Culture**

2019

Introduction of PSM (Process Safety Management)

- PSM essentials training
- PSI (Pre-Startup Safety Review) program and data establishment
- Review of MOC (Management of Change) and PHA (Process Hazard Analysis) procedures

2020

Introduction of MI (Management of Change)

- PSM baseline review and complete plant equipment inventory
- Collection and updating of PSM-related data
- Education and training on MI-related Work

2021

Program establishment

- MI procedure manual establishment
- Establishment of critical equipment maintenance plan、equipment classification and corrosion loops.
- Establishing training systems on contracting, hot work, and incident investigation

2022

Fundamentals strengthening

- Old equipment management
- Advanced Training on PSM Elements
- Worker participation and PSSR (Pre-Startup Safety Review) system establishment
- CMMS system and RBI analysis inspection planning
- Review of process operation SOPs and PSM procedures

2023

MI evaluation analysis / CMMS establishment

- Establishment of PSM KPIs
- CMMS establishment and testing
- Review of HAZOP, electrical Systems, and explosion Protection
- FMECA-based critical equipment inspection planning
- Execution of LOPA and Procedural HAZOP

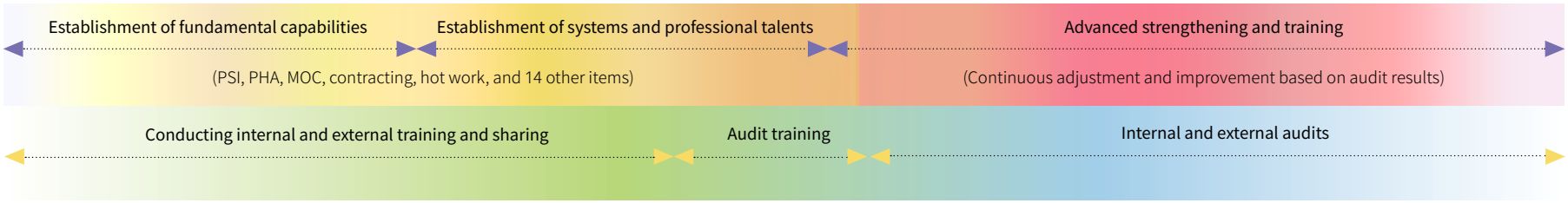
2024

Review, strengthening, and optimization of effectiveness

- Confirmation of KPI implementation
- Internal and inter-plant audits with partner facilities
- Review of incidents (including Near Misses) and procedures
- Evaluation of overall Inspections and major audit findings
- Reassessment of existing hazards and safety enhancement
- Promotion of safety culture and full employee participation

Note: PSI (Process Safety Information), MOC (Management of Change), PHA (Process Hazard Analysis), MI (Mechanical Integrity), CMMS (Computerized Maintenance Management System), SOP (Standard Operating Procedure), PSSR (Pre-Startup Safety Review), FMECA (Failure Modes, Effects, and Criticality Analysis), LOPA (Layer of Protection Analysis), HAZOP/Procedural HAZOP (Hazard and Operability Analysis), RBI (Risk-Based Inspection)

Key execution points

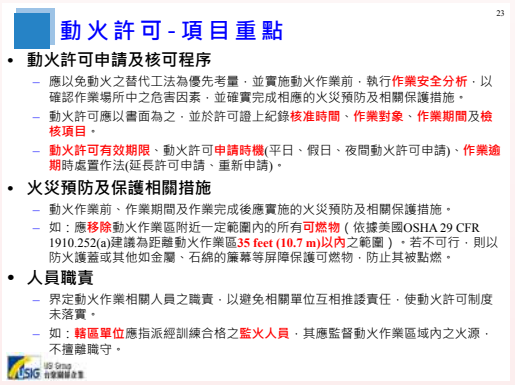


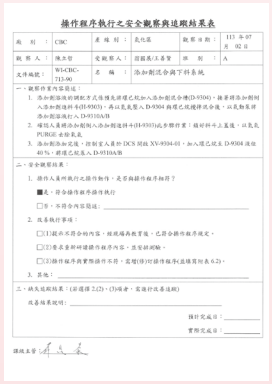
Management Performance

In 2024, the PSM promotion mainly focused on the implementation and review of the projects that have already been completed, with more emphasis on the application of process safety information, the introduction of advanced hazard analysis techniques, the review and improvement of accidents (false alarms), and the confirmation of personnel operating safety procedures (safety observation), etc. On the other hand, the Group's Environmental Protection Department also organized training on auditing guidelines and techniques to enhance the ability of in-plant and cross-factory auditing. It also invited all factories to formulate and review the guidelines on the construction of explosion-proof electrical equipment, which have been reviewed based on the daily operations of employees. In addition to helping to improve process safety management, it can also meet the requirements of occupational safety regulations.

This year, we emphasized on reviewing the results of employees' implementation. In this regard, we completed a total of 70 meetings and 19 training courses, with a total of 1,157 participants and a total of 2,547 hours of training, demonstrating that all employees attached great importance to process and operation safety. On the other hand, it is planned that in 2025, we will continue to review the results of the first three years of implementation, re-examine and revise the procedures, as well as continue to make improvement in accordance with the results of actual operations and experience. In addition, from the initial promotion of supervisors and engineers to lead the implementation, we will gradually expand the relevant concepts, systems, and the effectiveness review to each employee with the plant, in order to create a safe operating environment and culture.

Effectiveness evaluations and review are reported quarterly to the Occupational Safety and Health Committee. Moreover, advantages and weaknesses are shared and reviewed from time to time at plant meetings and unit safety meetings and with supervisors, engineers and field personnel to make adjustments to the systems and the execution methods. Meanwhile, through our audit system, which includes internal PSM audits and cross-audits with group affiliates, we aim to share resources, review current practices, and adopt more effective implementation strategies. This approach enhances the overall robustness and execution of our PSM system.





Process Safety Management Performance RT-CH-540a.1

Item	2022	2023	2024
Total Count of Process Safety Incidents (PSIC)	1	0	0
Process Safety Total Incident Rate (PSTIR)	0.23	0	0
Process Safety Incident Severity Rate (PSISR)	0.69	0	0

Note 1: In 2022, the total working hours were 866,052 hours (including employees and contractors), and the severity level of accidents was classified as level three with 3 points

Note 2: PSTIR = The cumulative (annual) count of incidents x 200,000/total hours worked by workers

Note 3: PSISR = The total severity score of process safety incidents x 200,000/total hours worked by workers

Equipment safety management

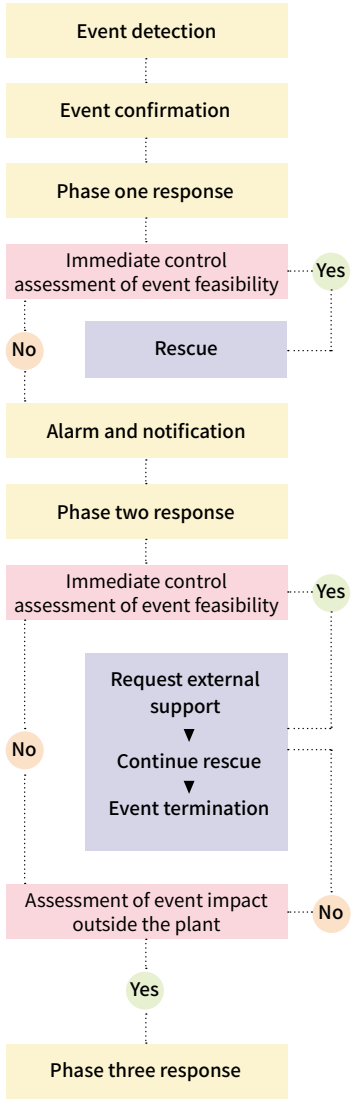
We regulate and perform periodic inspection of dangerous machinery and equipment by law to ensure equipment operation safety. In 2024, we inspected 5 dangerous machines and 230 sets of dangerous equipment, and all were qualified. Additionally, we replaced and scrapped 11 sets of dangerous equipment to maintain operational safety and production continuity.

Emergency Response Mechanism

We organize emergency response and fire safety drills half-yearly and refer to the emergency response guide and manual to facilitate emergency mobilization, take corrective actions, effectively control disasters, and reduce losses in emergencies. (Please visit the ESG website for the details of the Response Processes at Different Stages)

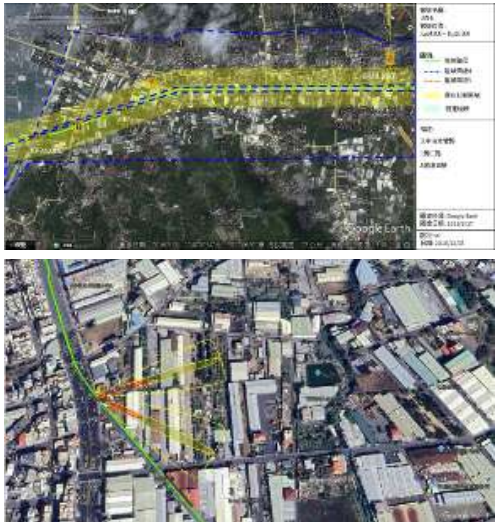
In 2024, our plant's self-defense fire brigade training focused on "fire extinguisher and foam nozzle practical training". Through hands-on practice and self-defense fire brigade training, we enhanced the operational knowledge and personal protection of our response personnel, establishing the first line of defense in disaster reduction and preparedness.

Emergency Response Operating Procedure



Underground pipeline emergency response

To improve emergency preparedness and response ability to underground pipeline occurrences, we perform emergency response assessments on high-consequence areas (HCAs) based on the analysis results. In 2024 we assessed the 10-inch ethylene pipelines in high-consequence areas at No. 374 Zhongzheng Road (water pipeline intersection on Zhongzheng Road) in Niaosong District, where there were sensitive receptors including shops, Niaosong Elementary School, Chengqing Lake Scenic Area, Chengqing Lake Baseball Stadium, etc. The process covered a full-scale assessment, including the simulation of chemical spread after a pipeline leakage, people evacuation, receptor contacts, communication and coordination of external support, hoping to help improve the preparedness and efficiency of emergency response to underground pipeline accidents. We conducted one independent scenario planning (August 28, 2024) and one drill (September 20, 2024) for underground pipelines, and carried out one unannounced drill in line with the Economic Development Bureau.(May 13, 2024).



Simulation and assessment of emergency response plans

Emergency response drills on toxic and concerned chemical substances

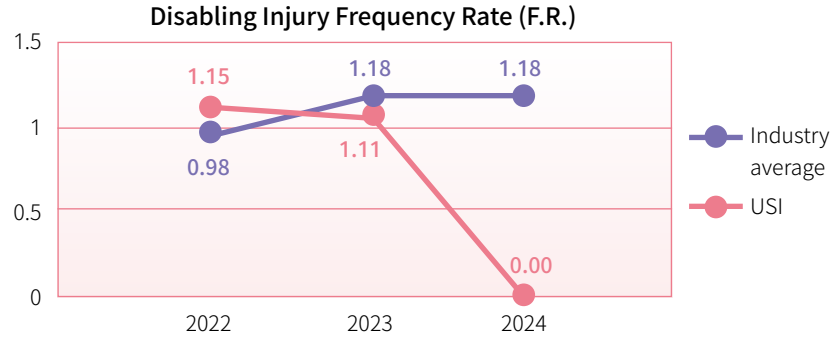
In 2024, we held emergency response drills on toxic and concerned chemical substances, including one comprehensive response drill and two unannounced tests and drills. In addition, for the response to toxic and hazardous chemicals, we have designated specialized response personnel at various levels, including 1 for the expert level, 2 for the commander level, 7 for the technologist level, and 4 for the operator level, to improve our independent responsiveness to toxic and concerned chemical substances.

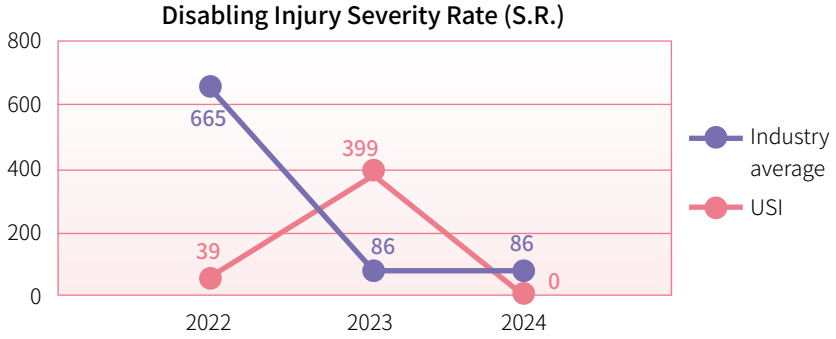
Work-related Injury and Absenteeism GRI 403-9:2018 RT-CH-320a.1

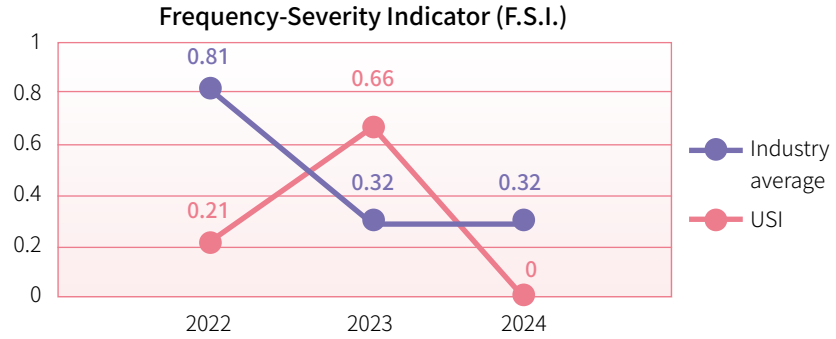
Given that "zero accident and zero injury" are the objectives of USI's management of work-related injuries, a low injury rate (IR) and low absentee rate (AR) are two key indicators for evaluating the OH&S of employees and contractors.

In 2024, there was 0 occupational injury incident involving a company employee during operations, and there were no occupational injuries reported for contractors.

According to the statistics, from January 2024 to December 2024, the Company recorded a total of 860,118 working hours without any disabling injuries (including both employees and contractors).







Note 1: The comparison baseline is the statistical annual report of labor inspections by the Department of Occupational Safety and Health, Ministry of Labor for the years 2022 and 2023. The latest available data is for the year 2023. In 2024, the industry average is compared to the industry average data from 2023.

Note 2: Industry: Chemical raw materials, fertilizer, nitrogen compounds, plastic and rubber raw material, and synthetic fiber manufacturing industry.

OH&S Management Performance

Item / Year	2022		2023		2024	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Disabling injury frequency rate (F.R.=LTIFR)	0	1.15	1.11	0	0	0
Disabling injury severity rate (S.R.)	0	39	399	0	0	0
Frequency-severity indicator (F.S.I.)	0	0.21	0.66	0	0	0
Number and rate of recordable work-related injuries	0/0	2/2.30	1/1.11	0/0	0/0	0/0
Number and rate of high-consequence work-related injuries	0/0	0/0	1/1.11	0/0	0/0	0/0
Number and rate of fatalities as a result of work-related injury	0/0	0/0	0/0	0/0	0/0	0/0
Total recordable incident rate (TRIR)	0	0.46	0.22	0	0	0
Lost time injury rate (LTIR)	0	0.23	0.22	0	0	0

Note 1: The total hours worked in 2022 were 866,052 hours (755,626 hours for employees; 110,426 hours for contractors, calculated from April onwards) and 896,252 hours (775,331 hours for employees; 120,921 hours for contractors), respectively. The total hours worked in 2024 were 860,118 hours (752,074 hours for employees; 108,044 hours for contractors).

Note 2: Disabling injury frequency rate (F.R) = Lost Time Injury Frequency Rate (LTIFR) = Number (person) of disabling injuries x1,000,000 / total hours worked (rounded down to two decimals)

Note 3: Disabling injury severity rate (S.R.) = Injury days lost x 1,000,000/total hours worked (rounded down to two decimals)

Note 4: Frequency severity index (F.S.I.) = $\sqrt{\ }$ [(F.R×S.R.)/1000] (rounded down to two digits)

Note 5: Rate of recordable work-related injuries = Number of recordable work-related injuries (including fatalities) x 1,000,000/total hours worked (rounded down to two decimals)

Note 6: Rate of high-consequence work-related injuries (inability or difficulty to return to pre-injury health within 6 months) = Number of high-consequence work-related injuries (excluding fatalities) x 1,000,000/total hours worked

Note 7: Rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury x 1,000,000/ total hours worked

Note 8: Total Recordable Incident Rate (TRIR) = Number of recordable work-related injuries x 200,000/total hours worked

Note 9: Lost Time Injury Rate (LTIR) = Number of lost time injuries (persons) x 200,000/total hours worked

Note 10: In 2023, the leave of employees due to accidents were calculated until February 14, 2024, and the number of injury days was recounted for a total of 358 days. Therefore, the disabling injury severity rate and the frequency-severity indicator were updated. (GRI 2-4)

Industrial Safety Audit and Follow-up

To capture the safety of contractors and their workers working in-house, we measure their blood pressure to ensure that they are physically and mentally fit before entry. In vehicle control, we timely perform spot sobriety tests to ensure they are in a safe state before entry. We also perform tour inspection of all onsite operations every day to verify contractor and worker safety to reduce unsafe behavior. The tour inspection results are recorded in the "ESH Management Platform" and reported to the Occupational Safety and Health Committee every quarter. In 2024 we audited 1,869 items, and 1,546 items passed, 321 items required observation or recommendation, and 2 items failed. The improvement of all nonconforming items was completed. Additionally, we conduct one group audit and guidance every six months and follow up all audited defects and improvement results. Through total industrial safety audit and management, we improve occupational safety and process safety.

Focus of Action	Audit Unit	Implementation Frequency
Contractor entry physical and mental condition check	Security guards	Non-scheduled
Contractor coordination organization meeting	Industrial Safety Section	Daily
Workplace inspections and records	Industrial Safety Section	Daily
Defect and improvement review and publicity	Industrial Safety Section	Quarterly (OH&S Committee)
HSE & regulatory audit	Auditing Office Environmental Protection Department	Semiannually Annually

Incident Investigation GRI 403-2:2018

USI has established an accident investigation procedure document to address any process or occupational accidents or near-misses that occur during various operational activities within the plant. This includes implementing an effective accident investigation process and handling system, which incorporates techniques such as timeline analysis, fault tree analysis (FTA), or event tree analysis (ETA). We also added the evidence collection checklist to facilitate the consolidation and identification of actual or potential accident causes and established preventive measures against potential causes that can be prevented to prevent the recurrence of similar accidents.

In 2024, we revised the incident investigation procedure document to incorporate the requirements on API 585 pressure equipment integrity incident investigation, and organized education and training to improve the professional investigation and analysis skills of relevant personnel so as to make appropriate improvements through the effective recording, investigation, and analysis of the root cause of accidents and so to prevent the recurrence of accidents and near misses to protect employee safety and health. Additionally, nine lagging indicators and one leading indicator have been established and incorporated into the KPI performance management system to effectively monitor the safety management system, identify areas for improvement or reinforcement, and prevent safety barrier failures to achieve the goal of accident prevention. For accident investigation process, please refer to: Occupational Health and Safety/Accident Investigation

Contractor Safety Management GRI 403-5:2018

We also value the safety management of contractors and suppliers. Contractors must go through the qualification review, receive ESH education and training, and pass the evaluation before entry. Through continuous training, publicity, and request, we urge contractors to voluntarily follow all safety and health regulations to achieve the goal of zero accidents. Additionally, we enforce the workplace environment and hazard notification and hold the work safety meetings and coordinative organization meetings for contractors. Before implementing high-risk work, we run a risk assessment to identify hazards, assess risk, take precautionary measures, and review the emergency response plan. We also hold communication and coordination meetings with contractors from time to time to ensure operation safety.

In 2024, we ensured the implementation of work permits and toolbox meetings to confirm the safety of the work environment at each job site. We provided specific instructions and guidance to workers regarding job tasks, potential hazards in the work environment, safety precautions, and regulations. Additionally, we conducted on-site inspections of construction equipment/tools and environmental monitoring operations. To strengthen safety during contractor operations and ensure effective supervision and management of occupational health and safety personnel, our safety personnel conducted on-site inspections of each project. This included pre-operation checks of machinery and equipment, identification of any unsafe conditions during operations, and monitoring of personnel for unsafe behaviors. If a nonconformity is detected, industrial safety staff will immediately request contractors to stop construction and complete all improvements before carrying on construction. If a serious nonconformity is detected, re-education and re-training will be arranged for that contractor. Furthermore, we established leading KPIs to periodically assess compliance with work permits and evaluate the performance of completed contractors. This measurement and tracking process allows us to monitor the safety management operations of contractors effectively.

Contractor Works Distribution by Type in 2024

Type of Works	No. of Works	Percentage
Open Fire	225	40%
Confined Space	40	7%
Others	295	53%

HSE Education and Training GRI 403-5:2018

At USI, we have established training procedures and manuals for employee training, competency assessment, and occupational health and safety education, as well as guidelines for managing contractor access to our facilities. These protocols are tailored to the specific needs of different employee categories and contractor personnel, providing them with relevant knowledge and skills training. In 2024, our Kaohsiung plant conducted a total of 473 EHS training sessions, with 4,547 participants accumulating 13,589 training hours. The training covered 950 employees and contractor personnel, achieving a training rate of 100%. Each EHS training session includes assessments or practical exercises, and records are maintained. Furthermore, we regularly send personnel for professional certification updates to ensure the validity of their qualifications.

Statistics on HSE Education and Training 2024

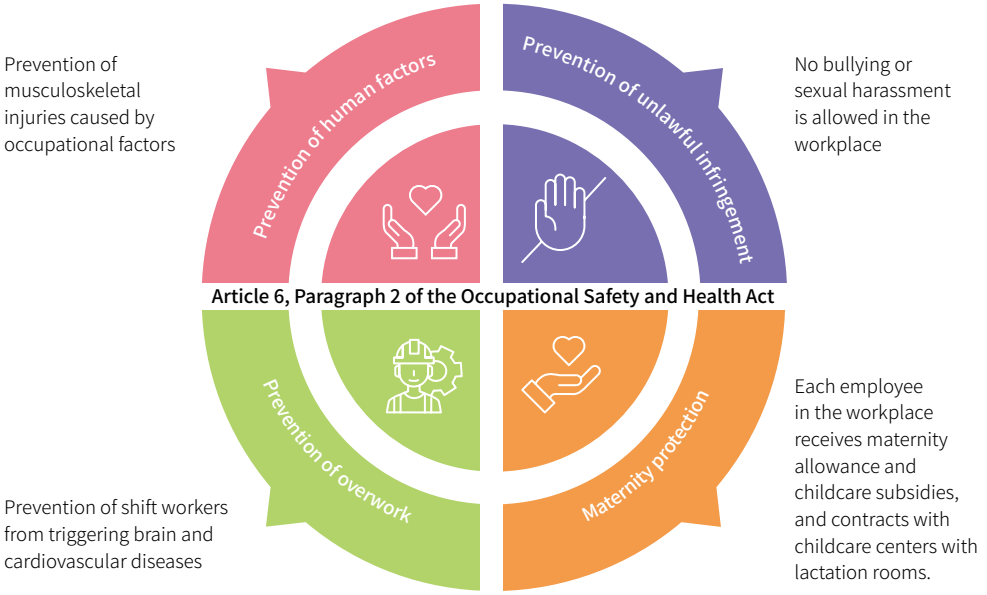
Category	Sessions	Person	Total hours
New employee training	5	8	48
Personnel changes training	17	25	165
On-the-job training	358	3,918	11,588
Contractor training	93	596	1,788

Health Risk Assessment RT-CH-320a.1

USI conducts comprehensive assessment and classification management of chemicals throughout the entire plant in compliance with regulations. For substances with health hazards (CNS15030), we evaluate their level of hazard and exposure, categorize the risk levels, and implement corresponding classification management measures. Additionally, we conduct biannual monitoring of the working environment for employees, focusing on the measurement of organic solvents, specific chemical substances, noise levels, CO_2 levels, and the airflow velocity of local exhaust ventilation systems. The results of the 2024 monitoring activities met regulatory standards, demonstrating compliance with legal requirements. Moving forward, we remain committed to protect the health of our employees and providing a safe and healthy working environment.

Health Concerns

Workplace Health Keeper



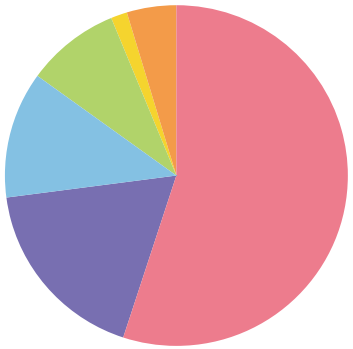
We value the rights and interests of every employee. Therefore, we establish a preventive program according to the "Occupational Safety and Health Act" for each USI employee to feel happiness and the sense of belonging. Apart from retaining people, this can create better work performance.

Health Passport

GRI 403-3:2018, 403-6, 403-10:2018

USI cares about the physical health of employees. Therefore, we arrange complete health checkups better than the legal requirements for employees every year and follow up their health condition periodically. Additionally, we combine the environmental monitoring data of statutory special operations to identify the risk of potential health hazards and arrange special health checkups for employees exposing to noise, dust, n-hexane, ionizing radiation, and 1,3-butadiene in order to capture the health condition of employees and provide a reference for employees to implement self-health management to achieve the aim of "prevention is better than cure" and create a safe workplace environment. In addition, every month we arrange labor health service physicians to provide in-house service, free medical consultation, and health and new healthcare knowledge promotion. We also develop the awareness and execution power of self-health management in employees through various thematic health talks.

2024 Health Examination Categories and Personnel Distribution



Note 1: In 2024, there were 426 employees in total (Taipei HQ, Guishan R&D Division, and Kaohsiung Plant) qualified for the health checkup, with a checkup rate in 2024 of 99.5%.

Note 2: All employees received the general health checkup, other items are additional special examinations.

Graded Health Management

GRI 403-10:2018

In 2024, special checkups were arranged for 135 employees, and health management was implemented based on the graded health management by risk level, hoping to identify high-risk groups, provide individual health instructions and notification, and reduce the risk of work-related ill health through early detection of the high-risk group in order to build a healthier and more comfortable workplace environment through continual source improvement and terminal health care.

Item	Total Number of People	Level 1 Management	Level 2 Management	Level 3 Management	Level 4 Management
Noise Operation	89	62	27	0	0
Dust	61	60	1	0	0
Ionizing Radiation	44	22	22	0	0
n-Hexane	8	8	0	0	0
1,3 Butadiene	42	29	13	0	0

Grade Management

Level 1 Management

No abnormalities

- Provide health information

Level 2 Management

Abnormalities related to occupation

- Provide health guidance
- Physician to specify work unsuitable for the employee

Level 3 Management

Abnormalities possibly related to occupation

- Occupational health follow-up and health uidance
- Occupational health perations assessment
- Reclassify based on perations assessment
- Report to competent authorities

Level 4 Management

Abnormalities related to occupation

- Hazard Control
- Engineering improvements
- Administrative management improvements
- Implement health management measures
- Report to competent authorities

Health Promotion Practices GRI 403-2:2018, 403-3:2018, 403-10:2018

Includes annual employee health checkups, contractor care, unlawful infringement - occupational bullying education and training, musculoskeletal injury prevention education and training, etc. Please refer to the website for details: Occupational Health and Safety/Health Concerns

Occupational Disease Analysis GRI 403-7:2018, 403-10:2018

To enforce OH&S, we take precautionary actions relevant to the physical, chemical, ergonomic, and socio-physiological health hazards according to the Occupational Safety and Health Act. For related hazard factors, potential work-related ill health and precautionary management actions (please visit the ESG website Health Concerns for details). No occupational disease from employees or contractors has been reported over the years.

Preventive Measures against Occupational Diseases

Prevention of human factors	Musculoskeletal disease assessment: 351 people Human factors education and training: 156 people Workplace environment review and interviews: 7 people
Maternity protection	Established breastfeeding (emergency nursing) rooms for employee use Maternity health protection in 2024: 1 person
Health Care	Return-to-work assessment after injury or illness: 1 people Personal protective equipment evaluation: 163 people
Overload Prevention	Issue a written statement prohibiting workplace violence Conduct unlawful acts prevention training for 97 people
Prevention of unlawful infringement	Overload assessment for 315 people High-risk identification interviews for 8 people Health seminars for 14 people Metabolic syndrome prevention seminars for 63 people

Health Control for Shift Workers (Overwork Prevention) GRI 403-3:2018

Besides prohibiting shift workers from working excessive extra hours, we plan and screen checkup items for the high-risk group of cerebrovascular and cardiovascular diseases, including ECG, myocarditis diagnosis, personal fatigue index, and Framingham Risk Score. We also implement administrative and health management on the high-risk group, including limiting the night shift frequency, active follow-up of medical attention and drug use condition, developing the habit of daily blood pressure measurement. We also provided them with health instructions. In 2024, arrangements were made to hold health talks for the red characters of the health checkup anomalies, in order to encourage employees to understand more about the hidden health problems and strengthen the motivation of health promotion.

Health Promotion GRI 403-6:2018

USI received the iSports Sports Enterprise Certification from the Sports Administration in 2022 (valid for three years) and was awarded, demonstrating the effectiveness of our long-term employee care.

We teamed up with a catering service provider to supply healthy meals formulated by dieticians for employees at NT$40 each, while the rest was funded by the Company. Other benefits included group travel and employee club activities and monthly healthcare consultation and health talk. Friendly workplace benefits include childcare allowance, breastfeeding (lactation) room, and others. Please visit the Health Promotion on our ESG section for details.

“Walking Activity”

USIG organized the 1st “Walking Activity” in 2023 to encourage employees to do exercise on their own. Three months of continuous walking not only improved the health quality, but also aroused the interest and importance of walking among employees.

In 2024, the 2th Walking Activity was successfully completed, with the number of participants increasing from 190 in 2023 to 356. The event was accompanied by tree-planting points. Each person who completed 6,000 steps per day would be awarded 1 corporate tree-planting point. When 1,000 points are accumulated, a tree will be planted in the name of the enterprise. A total of 24 trees were planted this time.

Results Presentation of USIG 2nd “Walking Activity”

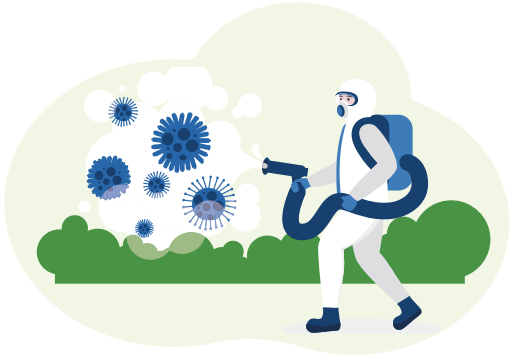
Community residents

To care about the disease prevention and risk control of residents in local communities, we continuously implement control over air, water, and waste pollution. We also plan and implement local environmental clean-up and epidemic control. Apart from donating epidemic control materials to local communities, schools, and fire teams, we assign employees to be volunteers to help local communities with environmental clean-up and epidemic control. During 2018-2024, we continuously sponsored the "Kaohsiung City Air Purification Zone Management Plan".

In the healthy workplace environment, aside from drawing up the Dengue Fever Prevention Plan, we assign special dengue fever management personnel and request all units to implement in-house environmental checks every week to eliminate stagnant water through the “check-empty-clean-brush” cycle. We release fish in specific fountains to effectively eliminate vector mosquito breeding. We post related publicity materials and articles on the bulletin board to raise the employee’s awareness of epidemic prevention.

First Aid Education/Training and PPE Education/Training

We arrange for emergency first aid on an annual basis. In 2024, we planned respirator education/training and tightness tests for 143 persons. Please refer to Occupational Health and Safety/Health Promotion for details.



5.3 Talent Attraction and Retention GRI 2-25, 3-3, SDGs 4, 5, 8

Impact Topics

Difficulty in talents recruitment.

2024 Achievements

1. Total employee turnover 4.9% (excluding retirement)
2. Provided well-designed group insurance plans and contributed pension by law to protect the later life of employees
3. Annual employee health checkup
4. Implement reward differentiation
5. Hold labor-management meetings periodically

2025 Goals

1. Turnover (excluding retirement) of all employees: <5%.
2. Unfailing two-way communication with employees
3. Local talent recruitment increasing local job opportunities and benefiting local communities
4. Constant campus cultivation with opportunities for industry-academia collaboration and internships

Medium- & Long-Term Goals

1. Constantly provide complete learning resources
2. Enhancement of talent inventory and the evaluation system
3. Integration of workforce rotation and promotion mechanisms
4. Implementation of the overall performance and talent development system

Workforce Structure GRI 2-7, 2-8

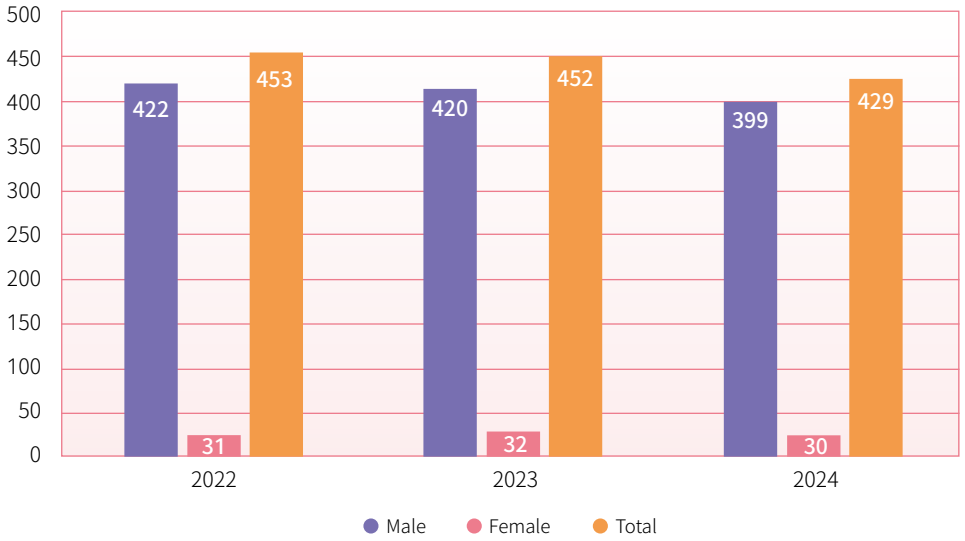
2024 Personnel Data

Number of employees	429 persons; Male 399 persons (approx. 93%); Female 30 persons (approx. 7%). The information is accurate up to December 31, 2024.
Average age	43.2 years old
Average service length	13.8 years
Summary	1. All USI employees are from Taiwan, mainly distributed in the Taipei and Kaohsiung regions. 2. Except for employees of different business attributes, such as advisors (consultants) and experts with whom a fixed-term employment contract is signed, we sign non-fixed-term employment contractors with all full-time employees. 3. We hired 3 persons with disabilities in 2024, accounting for approximately 0.7% of all employees. 4. About 86.2% were college and university graduates. 5. Proportion of female managers in managerial positions: 0.9%.

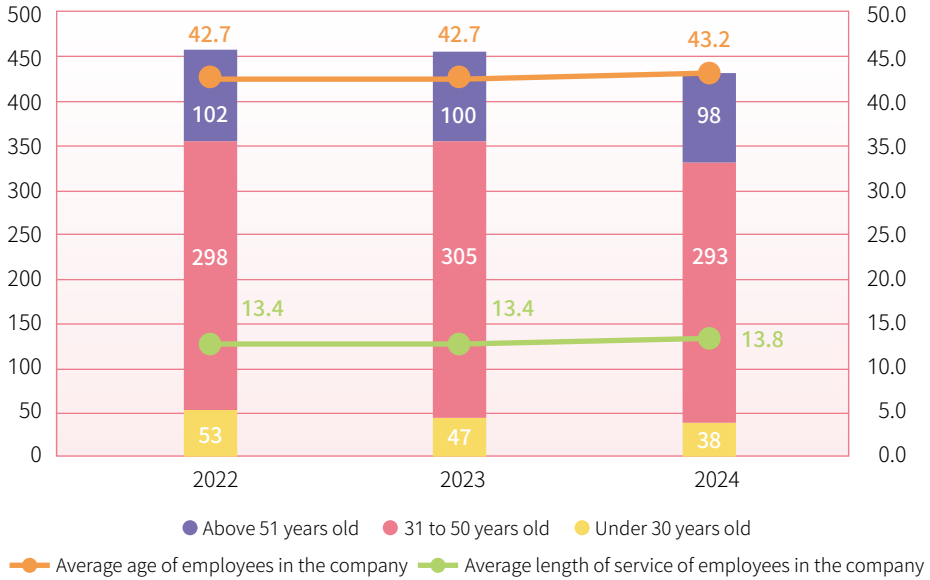
Note1: Due to the characteristics of the petrochemical industry, male employees are more than female employees.
Note2: Personnel data were obtained from the human resources system. Employees include 426 persons on a non-fixed-term contract and 3 on a fixed-term contract.
Note3: Currently, the number of mentally and physically challenged persons employed by the Company does not meet the legal quota (4 persons). Company has paid regular subsidies for the difference, and will continue to select appropriate candidates to make up the difference.
Note4: Managerial positions defined as Level 8 or above.

	Male	Female
Non-fixed-term contract employees	398	28
Fixed-term contract employees	1	2
Full-time	399	30
Part-time	0	0

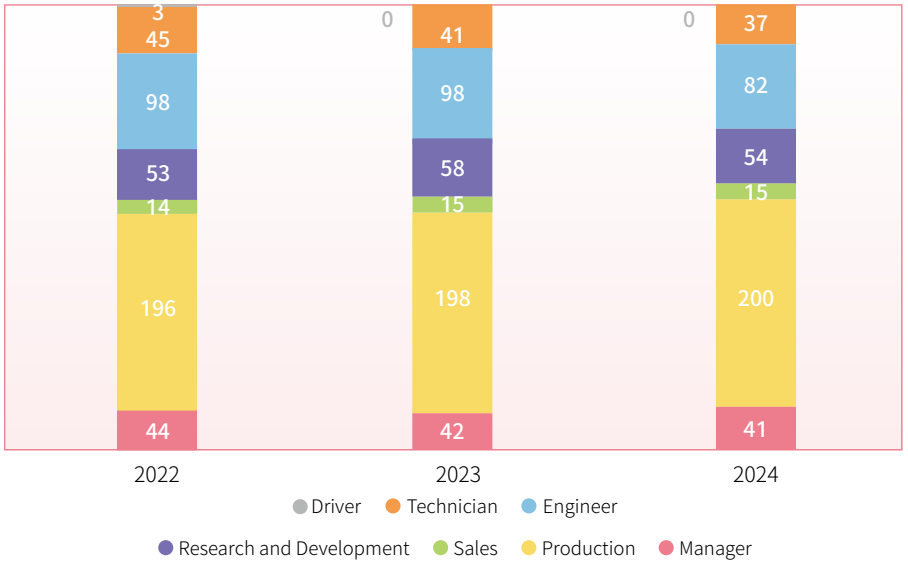
Number and Gender Distributions of Employees from 2022 to 2024



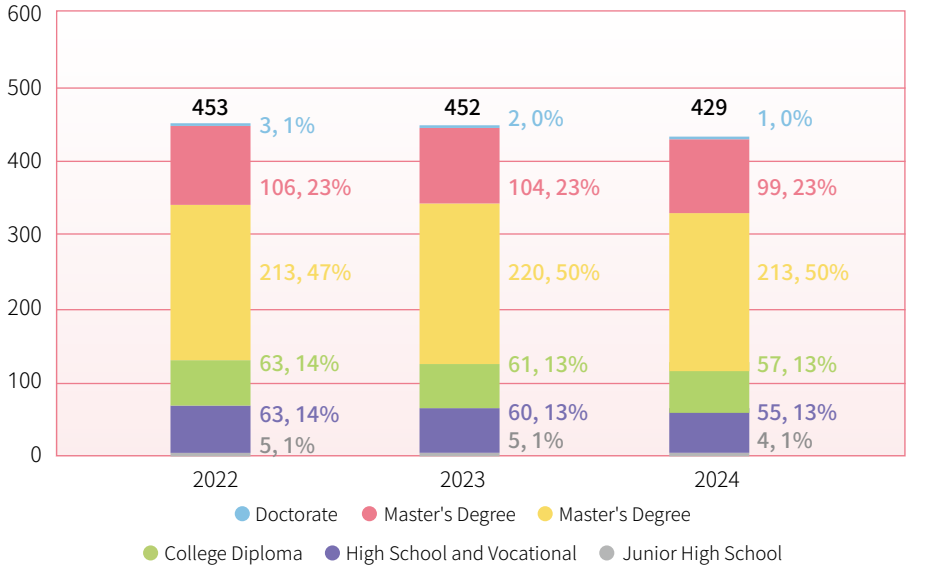
Distribution of Employee Ages from 2022 to 2024



Distribution of Employee Position from 2022 to 2024



Distribution of Employee Educational Background from 2022 to 2024



Note: There is an error in the 2023 report. The number of management positions should be 44 in 2022. (GRI 2-4)

Employee Turnover GRI 401-1, 404-3

Recruitment, Selection, and Evaluation

To stabilize human resources, we recruit excellent talents with a fair, open, transparent, and efficient recruitment system in order to build a strong organization. In addition to maintaining diversity and equal opportunities, we do not engage in discrimination based on race, social status, language, thought, religion, political party, native place, place of birth, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical/mental disabilities, horoscope, and blood type. In routine operations, we maintain workforce composition control and workforce structure balance and we analyze and improve employee turnover.

When new or existing positions need to be filled or the workforce needs to be expanded due to business needs, organizational planning or employee resignations, the workforce-requesting unit must complete the "Personnel Replenishment Request Form." After the request is approved, we will first recruit personnel from within the organization or transfer eligible candidates by announcing the openings over the intranet or by email. With the approval of their current supervisors, active employees interested in such openings may voluntarily submit their resume to the human resources unit. After further screening, the human resources unit will forward the resumes of eligible candidates to the supervisor of the requesting unit to provide multiple options to the unit and a better career development mechanism for employees. We also recruit employees from outside of the organization through newspapers, human resources websites, human resources consulting agents, schools and employment service stations. For job openings at the Kaohsiung Plant, we give priority to local citizens as a way of giving back to the local communities.

The local employment rate in 2024 was 81.35%, with 349 employees domiciled in Kaohsiung and Taipei out of a total of 429 employees. Except for senior management, such as vice presidents and senior officers, fixed-term contract employees, and employees arriving at USI in and after October every year who do not need performance evaluation, 100% of employees receive a performance evaluation at planned intervals.

In 2024, we hired 10 new employees (including 2 contract employees), accounting for about 2.3% of all employee. With reference to the retention rates and turnover trends of new employees in the Workforce F.B.I. (Function, Budget, Indicator) Report published by 104 Corporations in 2024 (for details please visit https://reurl.cc/Y4Kbgl), the new employee retention rate by industry type is compared as follows:

New Employee Retention Rate (traditional manufacturing industries)

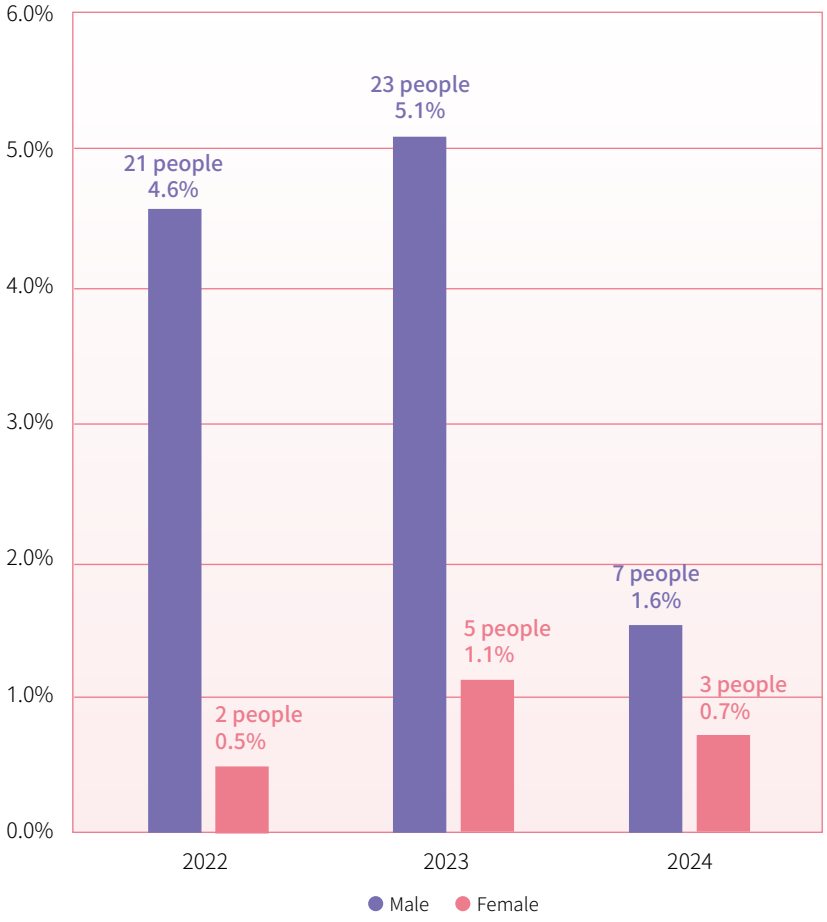
Duration	The Company	Workforce F.B.I. Report
1 month	90.00%	75.20%
3 months	90.00%	68.70%
6 months	80.00%	65.40%

Note: New employee retention rate refers to the rate of new employees continuing employment 1/3/6 months after arrival.

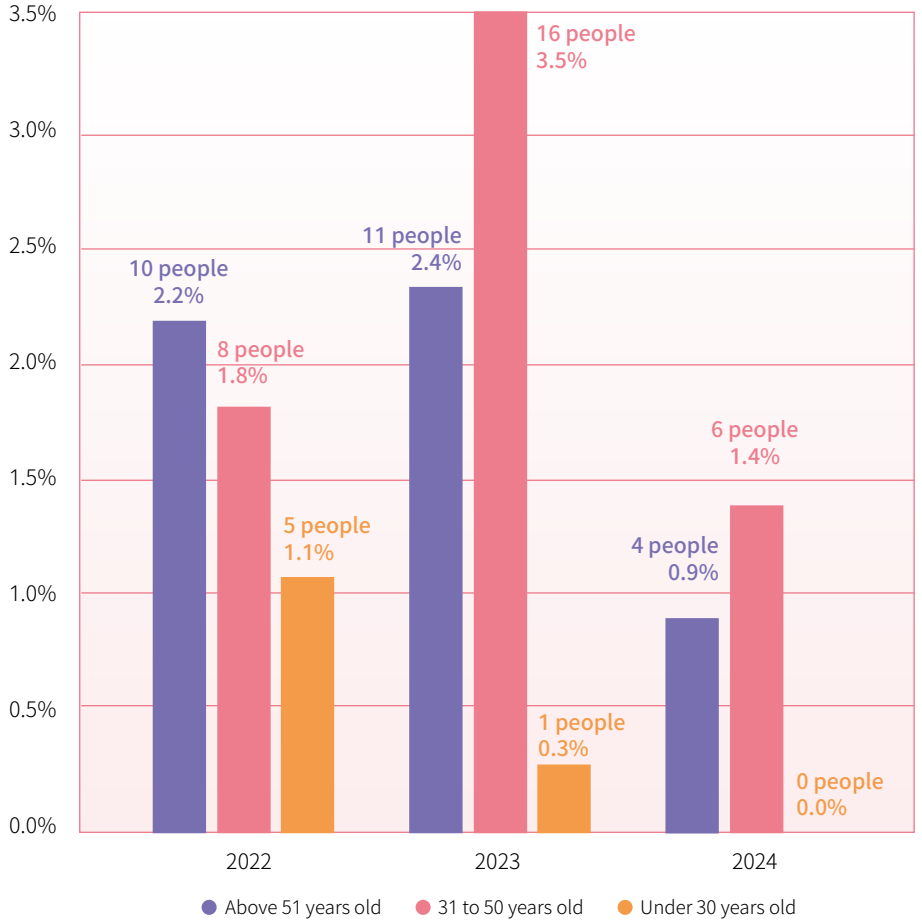
These results show that we enhance employee engagement by earning their high organizational commitment, enforcing their core value, and advancing new employee training.

The tables below show new employee hires by gender, age, and region:

Distribution of New Hire Rates by Gender from 2022 to 2024



Distribution of New Hire Rates by Age from 2022 to 2024



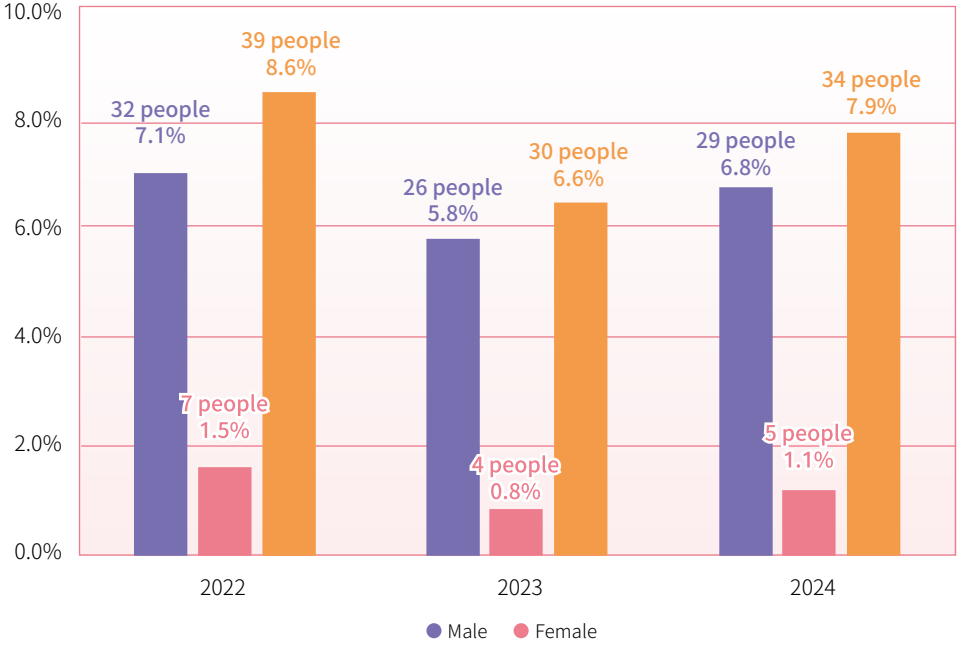
Note: New Employee Rate = Number of New Employees/End-of-Year Active Employees.

Turnover Rate

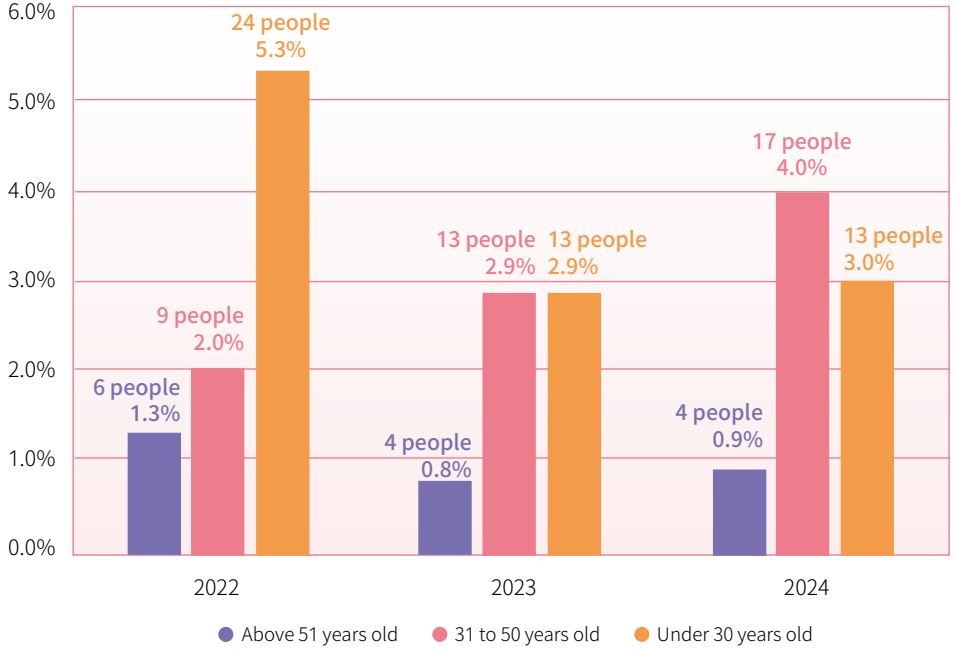
All employees are entitled to the voluntary termination of employment by law. Their labor conditions are subject to local laws and regulations, including the minimum wage, working hours, overtime pay, Labor Insurance, National Health Insurance, redundancy pay, and pensions. We also provide employees with group insurance and various employee benefits.

In 2024, USI had a total of 34 resignations, including 13 retirements and 1 resignation upon completion of contracts. Among them, there were 4 female employees. Both the number and rate of resignations showed an increase compared to 2023. With reference to the Workforce F.B.I. Report published by 104 Corporation in 2024 (please visit: https://reurl.cc/Y4Kbgl), relevant information categorized by industry during the latest year showed that the employee turnover rate (excluding retirements) in the "traditional manufacturing industry" was 17.3%. At USI, the rate of employee turnover was 4.9% (excluding retirements), far lower than that of the report and slightly lower than the expected rate at 5%. This suggests that our pay, rewards, benefits, and retirement policies are competitive to attract and retain talents and encourage employees to create performance and make continuous contributions, demonstrating the effectiveness of our care and work protection for employees. To keep the employee turnover rate (excluding retirement) below 5%, we periodically review our pay and reward policies and continuously offer employee benefits better than the regulatory requirements, periodical health checkups, and medical assistance to take care of both the mental and physical health of employees.

Turnover Rate by Gender from 2022 to 2024



Turnover Rate by Age from 2022 to 2024



Note: Employee Turnover Rate = Number of Employee Turnover/End-of-Year Active Employees

Human Rights Policy and Management Programs

Human Rights Policy GRI 2-23

The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection while upholding universal human rights values. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USIG in March 2018, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner.

"Identification and Management of Human Rights Risks" and "Human Rights Due Diligence Process" are detailed on the ESG website: Human Rights Policy and Management Programs

Human Rights Management Achievements in 2024 GRI 2-24

Based on the Company's "Human Rights Policy and Management Program", 14 human rights issues were identified through risk assessment during the year. Among them, 9 were classified as critical management items, including: "workplace inclusiveness", "forced labor", "excessive working hours", "sexual harassment", "unlawful workplace violations", "child labor", "personal data and privacy protection", "occupational safety management", and "employment and workplace discrimination". For the identified critical issues with potential risks, the Company has implemented risk mitigation and impact compensation measures, with a 100% implementation rate for impact compensation. The following mitigation and compensation measures have been implemented:

Issues	Workplace Inclusiveness
Mitigation Measures	1. In compliance with legal requirements, the Company hires persons with disabilities in sufficient numbers. 2. An accessible workplace environment has been created to support employees with disabilities. In addition to these inclusive policies, the Group has established and disclosed a workplace diversity policy. The standard document "Group Recruitment and Employment Management Measures" clearly stipulates that recruitment, selection, employment, assignment, and deployment shall not involve discriminatory treatment based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical/mental disabilities, astrological sign, or blood type. Furthermore, the Group actively promotes a diverse and inclusive workplace where foreign workers (including blue-collar, white-collar, and overseas students), indigenous peoples, and female employees are provided with equal employment opportunities and career development. Through talent development mechanisms based on suitability and strengths, the Company offers diversified training programs and competency development plans to foster inclusion and growth for diverse talents, enabling each employee to thrive in the most suitable position and grow together.
Compensation Measures	Where hiring targets have not been fully met, actions have been taken in accordance with competent authorities' regulations, and adjustments are made during the recruitment process to improve the diversity hiring ratio.
Implementation Percentage of Compensation Measures	100%
Achievement	The number of mentally and physically challenged persons employed by the Company does not meet the legal quota, and we have paid subsidies for the difference in accordance with the regulations.

There were no significant violations of the law this year. We will continue to conduct human rights-related education and training. For information on human rights training content, please refer to the Company's website (Human Rights Policy and Management Programs).

Note 1: Excessive working hours refer to actual overtime work exceeding 40 hours per month.

Human Rights Concerns and Practices

We provide a safe and healthy workplace environment and eliminate discrimination to ensure equal job opportunity and ensure there is no child labor or forced labor. We also help employees maintain mental and physical health and work-life balance. Please visit the ESG website for details regarding human rights protection training.

Human Rights Protection Training Practices

Human rights protection training includes orientation training, prevention of workplace violence, occupational safety training, and integrity and moral advocacy. In 2024, a total of 1,848 participants and 6,629.5 hours of training were held to promote human rights protection. Please refer to the ESG website for details: Human Rights Policy and Management Programs

Complaint System GRI 2-13, 2-25

The Company has set up a smooth complaint channel. Colleagues who have problems within the Company can complain to supervisors at all levels or the Human Resources Department through the complaint channel. To maintain gender equality at work and provide employees and job seekers with a work and service environment free of sexual harassment, we have established a dedicated mailbox and email for sexual harassment grievances. To protect the complainant, the complainant's name or other relevant information sufficient to identify the complainant will not be disclosed during the investigation. Please visit the ESG website for the details regarding grievance channels.

Employee Benefits GRI 401-2

Employee benefits are our focus. The Company's Articles of Association stipulate that if there are profits in a given year, employee compensation should be distributed, not less than 1% of that year's profits. All employees of the Company are entitled to share in the Company's operating results.

The Company has established and implemented the following employee compensation and benefits:

Employee compensation

The Company has a Remuneration Committee to review the compensation policy regularly. The rewards and punishments are linked to year-end bonuses to make the reward and punishment system clear and effective. Pay year-end bonuses according to the Company's profit, employee's individual performance, and the achievement rate of organizational goals. Every USI employee is entitled to the following benefits: GRI 401-2

Item	Content
Bonus	Year-end bonus and performance bonus
Vacation	Parental leave, physiological leave, family care leave, maternity leave, maternity examination leave, paternity examination and paternity leave without pay
Insurance	Labor insurance, health insurance, employee business travel safety insurance, employee/family group insurance, labor refund allowance
Food	Employee canteens and meal allowances
Transportation	Employee parking lots, transportation allowance
Entertainment	Employee gym, employee tours, and regular employee gatherings
Subsidy	On-the-Job Training for Employees and Subsidies for Domestic and Overseas Continuing Education
Other benefits	Wedding/childbirth/funeral subsidies, employee tour subsidy, citation for senior employees, bonuses for three major folk festivals, children education allowance, employee savings plan, periodic health checkups and healthcare plan

Equal Salary and Remuneration Policy

Upholding the belief to share profits with employees, we attract, retain, cultivate, and encourage all kinds of outstanding talents and have established a comprehensive and competitive employee remuneration plan. The pay for new employees is higher than the legal minimum wage. Allowances vary based on the position and academic achievements. Year-end bonuses are distributed based on the employee's annual performance. We do not engage in salary discrimination based on race, social status, language, thought, religion, political party, native place, place of birth, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical/mental disabilities, horoscope, and blood type.

Due to the characteristics of the petrochemical industry, the proportion of wage for female and male employees is slightly different. To stabilize the workforce and retain outstanding talents, apart from adjusting the pay for employees according to the consumer price index and personal performance of the employees every year, we participate in a compensation survey of the petrochemical industry to estimate pay standards in the market to make appropriate adjustments and planning. We also give a special raise to employees with outstanding performance to ensure that our pay is competitive with the market. In 2024, according to the characteristics of the petrochemical industry, although there is a slight difference in the ratio of male to female, it still approaches 1 to 1, showing the achievement of gender equality.

	Middle to senior-level		General	
	Male	Female	Male	Female
Base Salary	1.16	1	0.9	1
Full Pay)	1.29	1	1.02	1

Note 1: The base salary for female employees is 1. The base salary in 2024 is the base salary of male and female employees. The calculation does not include contractual employees.
Note 2: Medium and senior management are employees of grades 8 or higher, while general employees are grades 7 and below.
Note 3: The base for female employees is 1. The full pay is calculated based on annual taxable income. The calculation does not include contractual employees.

Item	Content	2024	Difference from the previous year
1	Number of non-management full-time employees	428	-9
2	"Average Earnings" of non-management full-time employees (NT$ thousand)	1,038	-181
3	"Median Earnings" of non-management full-time employees (NT$ thousand)	958	-152

Note 1: Disclosure of information on the salary of non-management full-time employees: Market Observation Post System (MOPS) > Aggregate Report > Corporate Governance > Employee Benefits and Compensation Statistics > Information on the Salary of Non-management Full-time Employees

Health Care Benefits

Every year we arrange periodic health checkups for employees. The Taipei HQ is equipped with a gym, and Kaohsiung Plant has qualified nurses who offer lifestyle advice and medical assistance to the employees there. We provide menstruation leave and individual breastfeeding space for female employees and have cooperation with kindergartens and educational organizations to provide daycare services for employees. In addition, we periodically organize outdoor activities for employees to maintain a balance between work and life.

In 2024, a total of 9 employees applied for the childbirth funding. Employees in need of the parental leave may apply for the leave when their children are under 3 years of age. In 2024, a total of 25 employees were entitled to the leave. In 2024, 1 employee applied for unpaid parental leave for six months (July 2024 to December 2024); in 2023, 1 employee applied for unpaid parental leave for six months (August 2023 to January 2024). The employee was reinstated in February 2024, and was still on duty as of the end of 2024. We have designed perfect plans for employees to return to work after parental leave. When an employee returns after the unpaid parental leave, we will arrange reinstatement education/training for the employee to protect their right to work and ensure their smooth return to work. GRI 401-3

Item		Male	Female	Total
Year	Number of employees entitled to parental leave	22	3	25
	Number of employees took parental leave in the year	0	1	1
Return to work status	A) Total number of employees due to return to work after taking parental leave	1	-	1
	B) Total number of employees that did return to work after parental leave	1	-	1
	Return to work rate=B/A	100%	-	100%
Retention status	C) Total number of employees returning from parental leave in the prior reporting period	-	-	-
	D) Total number of employees retained 12 months after returning to work following a period of parental leave	-	-	-
	Retention rate= D/C	-	-	-

Employee Assistance Program (EAP)

USIG emphasizes the physical and mental health and overall well-being of its employees, and has carefully planned and introduced the “Employee Assistance Program” to provide comprehensive, warm and reliable support services.

In order to help employees cope with the stress and challenges they may face in their work and life, the Group has set up a professional counseling channel whereby employees can receive one-on-one professional counseling from qualified psychologists via telephone, email and Line. The program emphasizes the principle of confidentiality and helps employees to clarify problems, relieve stress, and enhance their coping skills and mental toughness, which in turn promotes workplace health and well-being and creates a friendly and caring work environment.

We are confident that this comprehensive support system will not only help employees achieve a work-life balance, but also stimulate their potential and enhance the cohesion and sustainable competitiveness of the entire organization.

Pension Contribution GRI 201-3

We have established a set of retirement regulations for all full-time employees and contribute every month the employee pension reserves to the personal pension account at the Labor Insurance Bureau for each employee in accordance with the Labor Standards Act. Please refer to the information of Note 21. Post-employment Benefits Program of the 2024 Individual Financial Statement for details regarding contribution.

Item	Proportion of Salary Contributed to Pension	Degree of Employees' Participation in Pension Plan
Pension under the Labor Standards Act (old system)	Employer contribution: 12% of the employee's monthly wage	100%
Pension under the Labor Pension Act	Employer contribution: 6% of the employee’s monthly wage Employee contribution: 0-6% of the employee’s monthly wage.	100%

Labor Union

We have a labor union and protect the right to collective bargaining and freedom of association of the employees. This fully demonstrates our determination to maintain labor rights and benefits. Every year, representatives elected by the employees attend the "labor-management-meeting" held periodically by the management to negotiate and discuss matters relating to labor conditions and employee welfare. In addition, relevant officers from management attend the "board meeting" and the "member representatives' annual congress" held by the union to listen to the voices and appeals of employees and engage in face-to-face communication with the member representatives in order to arrive at a consensus, promote labor-management cooperation and create a win-win situation for both parties through this process. Since the Company maintains good communication with employees through unions and labor-management meetings, no special collective agreements have been established between the two parties.

By the end of 2024, the labor union had a total of 342 members, including 12 female members and 330 male members. Except for employees of the Taipei HQ who are unable to join the union for the geographic reasons, and the unit chiefs and personnel staff of Kaohsiung Plant who are not allowed to join the union by law, all employees of Kaohsiung Plant are union members, with a 100% participation rate. In addition, representatives of labor and management have formed the “Pension Reserve Supervisory Committee," the “Employee Welfare Committee," and the “Occupational Safety and Health Committee.” These committees hold meetings at planned intervals to provide a channel for labor and management to communicate and thereby maintain labor rights and benefits.

Please refer to the ESG website for the organizational structure of the labor union: Talent Attraction and Retention GRI 102-41

Annual General Meeting of Members in 2024

Employee Welfare Committee

Each month we contribute 0.15% of the sales turnover to the fund for the Employee Welfare Committee (EWC) for employee tour subsidies, the preschool entertainment subsidy and study grants the children of employees to repay the devotion of employees. In 2024, a total of 209 employees applied for the preschool entertainment funding and study grants, and a total of 342 children received the funds, i.e., an average of 1.63 children/person, higher than the Taiwan's average at 1.11/person (according to USA CIA public information, 2024: https://reurl.cc/yQjb7q). This suggests that our employee welfare policy has brought influence to the domestic society. In terms of employee clubs, we have 11 employee clubs so far, including a badminton club, a mountain climbing club, a baseball club, a table tennis club, a tennis club and so on. The Company and the Employee Welfare Committee guide and sponsor them. Employees can relieve their work stress, promote their health with club activities, and thereby improve their organizational commitment.

Self-strengthening Activity
- Formosan Aboriginal Culture Village

Travel Activity 1

Travel Activity 2

Travel Activity 3

Mountain Climbing Club Activity

Bowling Club Activity

Baseball Club Activity

Basketball Club Activity

Concerns for Employee Benefits and Opinions

To strengthen employee care and meet the needs of employees, we continuously introduce various measures for employee welfare, employee reward, employee development, and employee communication:

Employee Satisfaction Survey

The Human Resources Division of the Group conducted an employee opinion survey for staff of the Group's companies in August 2023, covering eight aspects: supervisors, compensation, colleagues, job duties, development opportunities, corporate culture, sustainable operation, and organizational commitment. The response rate of USI reached 85%, representing a decrease of 4% from the previous survey. The overall satisfaction is 4.56 points (out of 6 points), an increase of 0.05 points from last time.

Performance evaluation

With respect to the "Employee Performance Evaluation Regulations" and "Employee Performance Supervision and Guidance Regulations," officers and employees establish the annual performance evaluation targets together for the periodic performance evaluation. We also supervise and guide employees failing to meet the Company's performance requirements and maintain persistent observation to maintain organizational competitiveness.

To distinguish employees with excellent performance from those requiring guidance, we implement the "Employee Performance Supervision/Guidance" program for employees graded C and below in the annual performance evaluation. We will also terminate the employment contract with those who fail the program.

Reward for improvement proposals

We constantly combine USIG's proposal reward scheme and the real-time reward scheme to establish the "Regulations for Rewarding Outstanding Performance and Improvement Proposals."

Year-end bonus differentiation

We integrate USIG's year-end bonus distribution to combine the year-end bonus with reward and punishment to reward the merits and punish the demerits.

The year-end bonus is distributed according to the "Employee Performance Evaluation Regulations." In the event of poor performance, disobedience to supervisor's command, or other significant circumstances, the year-end bonus may be suspended or reduced upon approval by the President.

Employee Satisfaction Survey

Subject	All staff
Aspects and questions	Eight aspects: supervisors, compensation, colleagues, job duties, development opportunities, corporate culture, sustainable operation, and organizational commitment, including 28 medium dimensions, totaling 60 questions.
Number of survey respondents	187 people
Response rate	85%
Responsible investigation unit	Human Resources Division of the Group
Survey frequency	Once every two years
Overall satisfaction	4.56 points (from the minimum of 1 point to the maximum of 6 points)
Survey results	Higher points for supervisors (4.75 points), sustainable operation (4.73 points), colleagues (4.70 points). Lower points for compensation (4.20 points), development opportunities (4.32 points), corporate culture (4.54 points).
Improvement programs	With regard to “compensation,” “development opportunities”, and “corporate culture”, which received relatively low satisfaction ratings in the 2023 survey, we have begun the following improvement measures in 2024, and expect to conduct another employee opinion survey in July 2025: 1. Develop key personnel and establish a succession echelon. 2. Review of the starting salary for new recruits and allowances for supervisory duties: Adjustments will be made with reference to the salary level of benchmark companies in the same industry and the internal average salary, taking into account the range of jurisdiction of the position, the scope of duties, and the functions of the organization, in order to enhance the internal fairness and external competitiveness of the compensation. 3. Management function training: Provide courses on “cross-team collaboration”, “key talent identification”, “talent development planning and design for departments”, and “communication and interpersonal relations”. 4. Continue to pay attention to the market competitiveness of our salary structure and actively strengthen welfare measures, such as the introduction of the EAP, to enhance the physical and mental health of employees and their overall satisfaction.

5.4 Talent Cultivation and Development

2024 Achievements

1. Average hours of training per employee for the year: 27.5 hours
2. Total hours of training for the year: 11,800.5 hours, employee participation rate is 100%.
3. Average training fee per person for the year: approx. NT$959
4. On-site workers acquired a total of 29 required professional certificates.

2025 Goals

1. Annual training for indirect labor: 8+hours.
2. Implement a level-specific management competence training mechanism.
3. Enforce annual circulating courses.
4. Continue to enhance talent inventory and the evaluation system.

Medium- & Long-Term Goals

1. Integration of workforce rotation and promotion mechanisms
2. Strengthen overall performance and the talent development system.
3. Eliminate interruption in talent succession for corporate sustainable development.

Diversified and Complete Employee Development Framework

Through work planning and performance management, we establish the "Overall Performance and Talent Development System" for business units to optimize their key missions to and for departments to fully demonstrate their functions so as to enforce talent cultivation and succession planning.

Education and Training

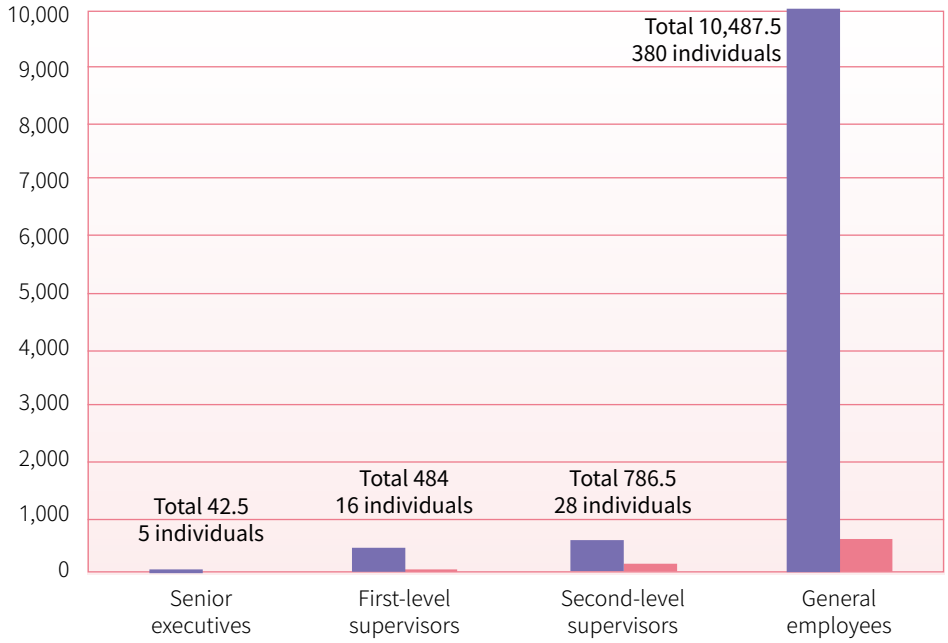
In 2024, we provided employee training for a total of 11,800.5 hours (including training courses participated by employees and organized by the Group). The average training length was 27.5 hours/person, with a training expense of about NT$410,000. Approximately 100% of employees participated in the training. As most male supervisors were from production departments, they needed longer HSE license training than female supervisors. We are committed to building a continuous and rich learning environment to systematically provide employees of different jobs with a series of general and special education courses and management courses. Apart from hiring external experts as instructors, we also cultivate internal instructors to pass on USI's important knowledge and technology. In 2024, the Group organized the "Problem Analysis and Resolution Workshop" and "Internal Instructor Training", which not only provided employees with comprehensive education and training, but also enabled them to better leveraged their positions. The workshop facilitated cross-departmental exchanges and enhanced employees' ability to learn problem analysis and resolution tools through logical and systematic thinking about the current situation. The internal instructor training enabled them to use OJT teaching and cultivation techniques to enhance the professional functions at the plant.




In addition, we provide multidimensional learning channels and resources, including on-the-job training, job guidance, mentoring, job rotation, onsite instruction, and e-learning. For employees with high learning intentions and developmental potential, we finance them to pursue continuing education in domestic universities and adjust their duties for training, in order to cultivate business successors. GRI 404-1

Hours of Education of USI in 2024

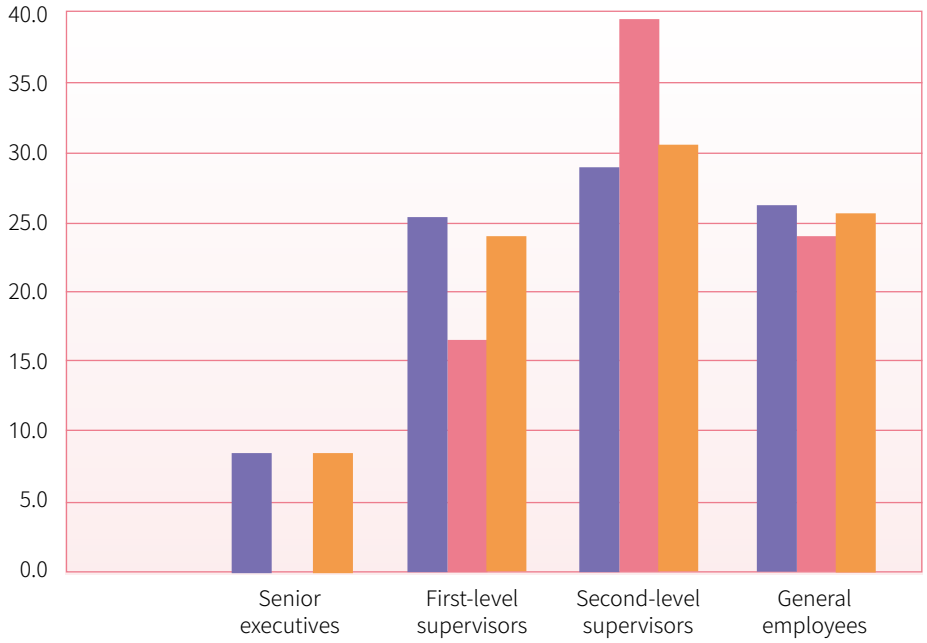
(unit: hours)



	Senior executives	First-level supervisors	Second-level supervisors	General employees
Male	42.5	451.5	667.5	9,801
Female	0	32.5	119	686.5

Average Hours of Training Per Employee of USI in 2024

(unit: hours/person)

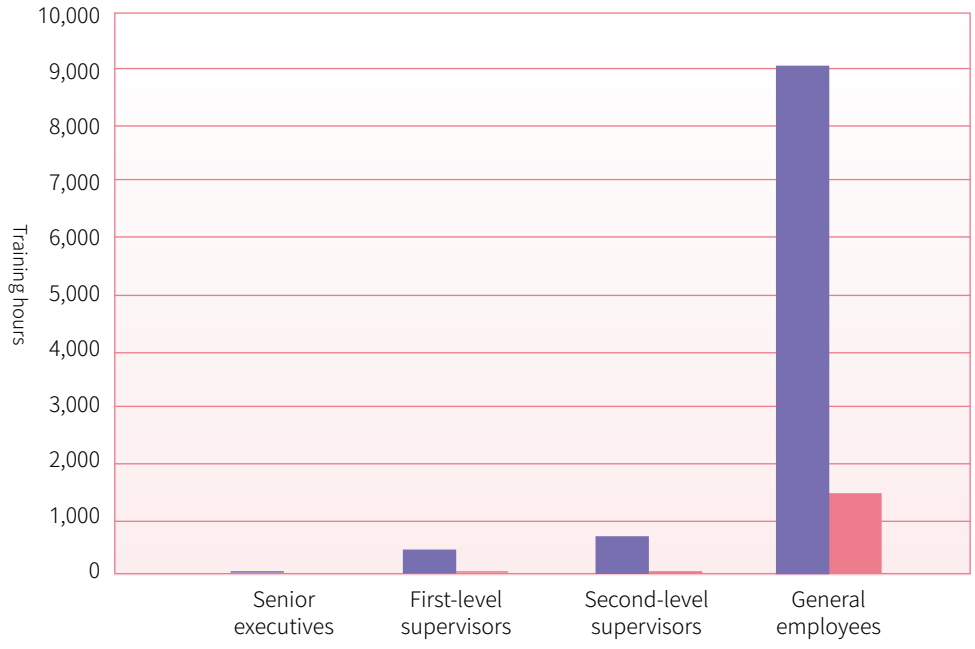


	Senior executives	First-level supervisors	Second-level supervisors	General employees
Average hours for males	8.5	25.1	29.0	26.3
Average hours for females	0.0	16.3	39.7	24.5
Overall average	8.5	24.2	30.3	26.2

Note: Senior officers are employees of grades 13 and higher; tier-one officers are employees of grades 10-12; tier-two officers are employees of grades 8-9; and general employees are employees of grades 7 and below.

As shown in the distributions of internal training and external training, we offer well-planned internal and external training resources to employees. Apart from hiring external professional instructors to give classes in the facility, employees can also apply for training at external professional training organizations through the online application system.

Distributions of Internal/External Training of USI in 2024



	Senior executives	First-level supervisors	Second-level supervisors	General employees
Internal training hours	42.5	478	749.5	9,020.5
External training hours	0	6	37	1,467

Programs for upgrading employee skills: GRI 404-2

1. Regardless of age, employees relating to production are validated in accordance with the "Employee Training and Competence" (OP-KHI-720-01) and obtain the in-house certificate of qualification.

Employees are to re-validate every three years to ensure their competence meets the demand of work.

2. Regardless of age, equipment personnel are sent to training in accordance with the Occupational Safety and Health Act to obtain government licenses. Employees also receive recurrent training every three years to ensure the validity of certificates.

The above measures can ensure the professional competence for re-employment in the future.

Transition assistance programs to support employees on retirement or terminating employment

1. We arrange suitable employees for succession planning with officers or senior technicians and mechanics qualified for retirement for job training or handover to reduce the physical and mental workload of these employees and facilitate their planning for later life.
2. In compliance with the law, retirement funds are allocated and employees are encouraged to save, ensuring the livelihood of retired employees. Every year, regular retirement gatherings are held, and retired employees are invited to participate in company trips to take care of their physical and mental health.
3. In line with government initiatives, retired employees are hired on a regular contract basis, providing flexibility for both employers and employees, and establishing a retirement talent database to pass on experience and activate their human resources.
4. We also help reigning or laying off employees applying for the relevant subsidies or give them the redundancy (severance) payment for them to maintain daily living during the transition. We also refer them to the government employment or training agencies to help them return to workplace as quickly as possible.

5.5 Charity and Community Engagement

Community Care

USI cares for the education of the vulnerable, education in remote townships, and environmental education through the USI Education Foundation, upholding the spirit of "taking from society, giving back to society".

Moreover, we spare no effort in expressing our care for the communities, local groups, and schools in the vicinity of the Kaohsiung Plant to maintain and develop positive relationships with these neighbors. With the general affairs section being the contact, a team of eight employees maintain sound interaction with local communities to develop good friendship.

During the pandemic, we provided epidemic control materials to local communities, schools, and fire units from time to time. In the past three years, we have given back to local communities an amount over NT$1.7 million.

Community support	Community development associations, education and culture, volunteer police and firefighters, community groups, local folk festivities, emergency relief, and air quality purification zone.
Job opportunities	Where appropriate, we hire local residents for job openings and encourage contractors to hire local residents.
Community involvement	Community activities, group representatives, environmental protection groups, religious activities.

Industry-Academia Collaboration

In response to declining student numbers in recent years, schools are developing more sophisticated and unique education approaches and programs to provide students with a high-quality and comprehensive learning environment. In the context of the population and education trends in Renwu and Dashe districts, Kaohsiung Plant and other 13 other plants (including Formosa Plastics Renwu, the Chang Chun Group, the Dashe Industrial Park Enterprises Association, etc.) of Renda Industrial Park and Renwu Senior High School have established an industry-academia collaboration model to cultivate a talent pool for the future and for local schools to develop dynamic learning models and strengthen their ability to attract more top students through their linkages with enterprises.

It is hoped that through this tripartite cooperation mode, students can develop appropriately in learning, pursue excellence, and guarantee future employment. Enterprises can integrate into the local development of good neighborly relations, recruit high-quality manpower; Thus, it can promote local prosperity, shorten the gap between urban and rural areas, activate regional economy, reduce the phenomenon of population emigration, and create a win-win situation for enterprises, schools and local governments.

"Kaohsiung Renda Petrochemical Talent Stream" Cooperation Program

Period	August 1, 2024 to July 31, 2029 (a total of three sessions for five years)
Partner School	Kaohsiung Municipal Renwu Senior High School
Subject	Students with household registrations in Renwu, Dashe, Dashu, Niaosong, and Nanzi districts near Renda Industrial Park, 30 tenth graders a year.
Internship	1. In addition to the regular high school curriculum, we collaborate with universities to jointly design specialized courses, including Chemical Engineering, Electrical Engineering, Information Technology, Foreign Languages, Environmental Engineering, Biotechnology, and other professional courses. 2. Special class students utilize semester breaks or summer vacations to visit various factories in the Dashe Industrial Zone, allowing them to become familiar with the industry and employment environment.
Vacancy	10 students each year, totaling 90 for three graduation classes in five years
Scholarships and grants	Three graduation classes in five years: NT$1.08 million, subsidization for the hourly pay for professional courses in three years: NT$556,000. USI sharing for three graduation classes in five years based on the program MOU: NT$164,000.
Preferential hiring	1. USI will recommend one student from the top-ten graduating students studying at the relevant departments recognized by businesses at the Ren Da Industrial Park to be the trainee of an USI supplier. 2. Students who choose to further their studies will be priority candidates for hiring by companies in the Ren Da Industrial Park Service Center as long as they pursue studies in relevant disciplines.
Highlights	1. 60% of the 2024 graduates of Renda Petrochemical Program were admitted to national universities, a remarkable achievement. 2. We continued to arrange the 4th International Petrochemical Program (2024~2029), and completed the contract renewal ceremony on May 16, 2024. 3. The program and the industry cooperation course shaping the school's mandatory course: Focusing on green energy and circular economy, the course is organized by local manufacturers to develop hands-on teaching regarding green energy and propose the concept of sustainable development of circular economy.

USI Education Foundation

USI Educational Foundation was funded with donations from USI Corporation, Asia Polymer Corporation, China General Plastics Corporation, Taiwan VCM Corporation, and Taita Chemical Company, Ltd. This enables the USI Educational Foundation to devote more resources to public service projects such as education in remote villages and environmental sustainability, in order to give back to the society.

Major sponsorships in 2024

Scholarships and grants

- Scholarships and grants
- Artificial Intelligence Scholarships

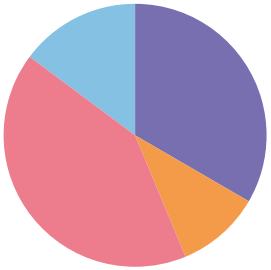
Sponsoring educational and philanthropic activities

- Toufen Junior High School Music Program
- Beach Cleanup Activity at Longfong Fishing Port
- Non-Profit Events of Medical and Health Education

Donation to non-profit organizations

- The Alliance Cultural Foundation
- Taitung Junyi Experimental High School
- Teach for Taiwan Foundation
- BOYO Social Welfare Foundation

In 2024, USI donated NT$3 million to the USI Education Foundation . Through the foundation, approximately NT$9.72 million was contributed to various public welfare initiatives, including NT$3.25 million in scholarships and grants; NT$1 million to the Alliance Cultural Foundation; and NT$4 million to Taitung Junyi Experimental High School. Additional public welfare sponsorships totaled approximately NT$1.47 million.



2024 USI Education Foundation Sponsorship Expenditures

Scholarships	325 million
The Alliance Cultural Foundation	100 million
Taitung Junyi Experimental High School	400 million
Other various public welfare sponsorships	147 million

Scholarships and Grants

We offer scholarships to students with outstanding performance and specializing in disciplines relating to chemical engineering, materials science, chemistry, and applied chemistry of 15 public and private universities to promote education and talent cultivation in related fields, encourage university students of related disciplines to study hard and cultivate outstanding industrial talents for society. This year marks the 13th year of establishing scholarships, with a cumulative award of NT$23 million and over 330 students being recipients.

In 2024, a total of NT$3 million was awarded, distributed among 30 students from 18 departments in 11 public and private universities. Among them, there were 3 doctoral students, 12 master's students, and 15 undergraduate students, with 20 students coming from economically disadvantaged backgrounds. To encourage the awardees, an award ceremony and recognition luncheon were held on December 6, 2024 at the Grand Mayfull Hotel Taipei. The Group's heads were also invited to participate in the ceremony and interacted with the awardees, encouraging them to continue learning and giving back to the society by making a positive impact on the society in the future. The ceremony invited Chairman Stanley Yen of The Alliance Cultural Foundation shared his life experiences and wisdom, encouraging the awardees to gain the power to enrich their own lives, and to "be angels in the lives of their own and others".

Dr. Liu, Han-Tai, Chief Technology Officer of USI, shared his career path and inspired the scholarship recipients

Stanley Yen from The Alliance Cultural Foundation inspired the scholarship recipients.

The 2024 Scholarship Award Ceremony and Recognition Luncheon

Artificial Intelligence Scholarships

In order to encourage domestic outstanding graduate students to participate in the research and development and application of various artificial intelligence (AI) fields, to reduce the gap between production and education, and to cultivate chemical industry talents with AI expertise. The Foundation has established this program to award master's and doctoral students whose research themes focus on AI applications, such as intelligent production systems, process control, and energy and cost savings. A trial program has been implemented since 2022 for a duration of five years. Each semester, a scholarship of NT$50,000 is awarded, subject to regular review, with a maximum of four consecutive semesters of sponsorship. So far, 5 students have received the award.

AI Scholarship Presentation Ceremony

The Alliance Cultural Foundation

To further support education in remote areas and promote sustainable development in eastern Taiwan, the Alliance Cultural Foundation and Taitung Junyi Experimental High School have been the foundation's long-term sponsored partners. This year marks the 15th anniversary of the ACF. As its development in eastern Taiwan enters the integration phase, the foundation has laid out the "Hualien-Taitung Sustainable Blueprint", focusing on three key pillars: cultivating local talent for sustainable development, transforming Junyi School into a hub for educational reform, and leveraging the Paul Chiang Art Center to elevate Hualien and Taitung to international prominence.

Since 2014, the Alliance Cultural Foundation has been supporting the construction of the “Paul Chiang Art Center”, with the aim of creating a place where visitors can get closer to art and experience the beauty of nature and architecture. After thousands of days of construction, the park is scheduled to open in the spring of 2025. The Alliance Cultural Foundation will assist in the planning and management of exhibitions in the park, as well as bringing more people closer to this art center through various art and aesthetic education programs. It is expected that in the near future, with the talents nurtured by the Junyi School and the promotion of Paul Chiang, together with the efforts and resource integration of the Alliance Cultural Foundation, the park will become an important platform for international art exchanges and an exemplary place to promote sustainable tourism in Hualien and Taitung.

Paul Chiang Art Promotion - Cross-sector Collaboration _Searching for Light

2024 Shuangbin Common Good Community

Taitung Junyi Experimental High School

Taitung has a population of only about 200,000, accounting for 1% of Taiwan's population. Due to the fact that as many as 55% of the county's elementary schools have fewer than 60 students, educational resources in these areas are scarce and scattered. Therefore, a change in Hualien and Taitung must start from education. The most important mission of Junyi School is to nurture young people with the ability and characteristics to “behave, live, and do”. To “behave” is a part of “character education”, which includes not only a sense of responsibility and moral ethics, but also empathy, a sense of justice, the ability to think independently, and team work. Teachers need to nurture children to develop a character-based outlook on life and civic qualities. The practice of cross-disciplinary learning in arts and culture and various disciplines at Junyi School enables children to find and utilize their own strengths, helps them to know themselves and find their way in the fast-changing times, as well as enrich their spiritual lives.

Junyi Junior High School Exploration Education _Watershed Course

Junyi Junior High School Creative Group _Green Energy Architecture and Community Re-engineering

Junyi School_Innovative Overseas Study Program

Toufen Junior High School Music Program

By integrating with the Harvest 365 Music Program of the Harvest 365 Foundation (Harvest 365), The Alliance Cultural Foundation collaborated with Toufen Junior High School to introduce the Toufen Junior High School Music Education Program in September 2021.

Toufen Junior High School Harmony Choir


Toufen Junior High School Harmony Choir

Beach Cleanup Activity at Longfong Fishing Port

In support for the marine environmental protection policy of the Miaoli Environmental Protection Bureau, China General Plastics Corporation (CGPC), a USIG subsidiary, adopted 500m coast of Long Fong Fishing Port in Zhunan Town in 2017. Through the beach cleaning activities, it hopes to raise the awareness of employees about environmental protection, understand the harm of plastic and marine garbage to the environment and aquatic organisms, and pay attention to the issue of ecological crisis caused by marine garbage, in order to further reduce the use of disposable plastic products, and ensure the proper classification of garbage and recycling, so as to bring changes to the environment.

This year, CGPC also joined hands with Taita Chemical's Toufen Plant to organize a beach cleanup event on September 21, 2024 to maintain the cleanliness of the marine environment. This is the seventh beach clean-up event organized by CGPC, led by Lin, Han-Fu, Vice Chairman, and Hu, Chi-Hong, General Manager, with more than 200 colleagues participating in the event to protect our beaches and oceans.


Beach Cleanup Photo


Beach Cleanup Photo

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Non-Profit Events of Medical and Health Education

Due to the convenience of the National Health Insurance, people do not need to worry about medical expenses when seeing the doctor. The general public entitled to the National Health Insurance can receive complete medical care without concerns. However, the humanistic services that the student medical service teams bring to the remote areas are the core values of medical education and medical practitioners. In addition to providing medical resources and knowledge that are lacking in the local area, and giving people spiritual care and companionship, it is even more important for medical practitioners to guide the student medical team members to integrate what they have learned from the classroom, and find a sense of mission in the process of pure, non-commercial medical service.

To encourage medical universities to organize medical service teams, reach out to remote areas with lack of medical resources, facilitate medical services, promote health education, and provide free clinics for local residents, the Foundation has sponsored part of the activities' expenses for 5 medical and health education camps in 2024. The participation count for the 5 camps has exceeded 500, serving more than 2,600 people.

School	Club	Location	Number of Participants	Number of Services
Taipei Medical University	Social Medical Service Team I	Dacheng Township and other 4 townships in Changhua	110	300+
	Green Cross Medical Service Team	Shuilin Township and Yuanzhang Township in Yunlin	120	400+
	Mountain Social Medical Service Group	Ren'ai Township and Puli Township in Nantou	70	400+
	Feng Hsing Medical Youth Service Team	Penghu	220	1,000+
China Medical University	Oral Health Education and Promotion Service Team	Manzhou Township in Pingtung	30	500+

Social Medical Service Team I of Taipei Medical University _Clinic staff conducted initial consultations with residents

Feng Hsing Social Healthcare and Medical Knowledge Promotion Service Team of Taipei Medical University_Doctor's consultation

Green Cross Medical Service Team of Taipei Medical University _Volunteer Clinic Station

Chapter 6

Appendix

6.1 GRI Content Index

USI Corporation has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31 , 2024 using GRI 1 (GRI 1: Foundation 2021)

GRI 2: General Disclosures 2021					
Item			Section	Page	Remarks
The organization and its reporting practices	2-1	Organizational details	1.2 Company Profile	12	
	2-2	Entities included in the organization's sustainability reporting	0.2 About this report	4	
	2-3	Reporting period, frequency and contact point	0.2 About this report	4、5	
	2-4	Restatements of information	4.5 Climate change and energy management, 5.2 Occupational safety and health, 5.3 Talent attraction and retention	93、110、117	
	2-5	External assurance	0.2 About this report	4、148	
Activities and workers	2-6	Activities, value chain and other business relationships	1.2 Company Profile, 1.4 Material topics management, 3.3 Supply chain management, 3.4 Sales and customer services	12、14、21、60、65-67	
	2-7	Employees	1.2 Company Profile, 5.3 Talent attraction and retention	12、116-120	
	2-8	Workers who are not employees	5.2 Occupational safety and health, 5.3 Talent attraction and retention	103、116-120	
Governance	2-9	Governance structure and composition	2.1 Corporate Governance	27-28	
	2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance	28、29、33	
	2-11	Chair of the highest governance body	2.1 Corporate Governance	27、29	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Corporate Governance	28-30	
	2-13	Delegation of responsibility for managing impacts	2.3 Risk Management, 5.3 Talent attraction and retention	41-42、122	
	2-14	Role of the highest governance body in sustainability reporting	0.2 About this report, 1.4 Material topics management, 2.1 Corporate Governance	3、19-25、33-34	
	2-15	Conflicts of interest	2.1 Corporate Governance	29	
	2-16	Communication of critical concerns	2.1 Corporate Governance, 2.4 Ethical corporate management and legal compliance	28、44	

GRI 2: General Disclosures 2021					
Item			Section	Page	Remarks
Governance	2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance, 2.4 Ethical corporate management and legal compliance	31、44	
	2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance	30	
	2-19	Remuneration policies	2.1 Corporate Governance	32	
	2-20	Process of determining remuneration	2.1 Corporate Governance	32	
	2-21	Annual total compensation ratio	2.1 Corporate Governance	32	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	1.1 Sustainable development visions and goals	10-11	
	2-23	Policy commitments	0.1 Message from the Chairman, 2.1 Corporate Governance, 5.3 Talent attraction and retention	3、27、120	
	2-24	Embedding policy commitments	2.1 Corporate Governance, 5.3 Talent attraction and retention	27、120	
	2-25	Processes to remediate negative impacts	1.4 Material topics management, 2.2 Economic performance, 2.3 Risk Management, 2.5 Smart management, 3.1 Technology R&D, 3.2 Product quality, 3.3 Supply chain management, 4.2 Water resource management, 4.3 Air pollution control, 4.4 Waste management, 4.5 Climate change and energy management, 4.6 Raw material management, 5.2 Occupational safety and health, 5.3 Talent attraction and retention	22、36、43、46 51、57、60 72、77、80、83 97、102、115	
	2-26	Mechanisms for seeking advice and raising concerns	2.3 Risk Management	43	
	2-27	Legal compliance	2.4 Ethical corporate management and legal compliance	44、45	
	2-28	Membership of associations	1.2 Company Profile	14	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder engagement	15-18	
	2-30	Collective bargaining agreements	5.3 Talent attraction and retention	124	Since the Company maintains good communication with employees through unions and labor-management meetings, no special collective agreements have been established between the two parties.

GRI 3 Material Topics 2021						
Material Topics	Management approach and disclosures			Section	Page	Remarks
—	GRI 3: Material Topics 2021	3-1	Process of determining material topics	1.4 Material topics management	19	
		3-2	List of material topics	1.4 Material topics management	19	
		3-3	Management of material topics	1.4 Material topics management	19	
Category: Governance						
Economic performance	GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	2.2 Economic performance	37	
		201-2	Financial implications and other risks and opportunities due to climate change	4.5 Climate change and energy management	87	
		201-3	Defined benefit plan obligations and other retirement plans	5.3 Talent attraction and retention	124	
		201-4	Financial assistance received from government			No
Smart management	Non-GRI Standards topic, USI specific topics USI 203					
Technology R&D	Non-GRI Standards topic, USI specific topics USI 201					
Product quality	Non-GRI Standards topic, USI specific topics USI 202					
Supply chain management	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.3 Supply chain management	62、63	
		308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Supply chain management	62	
	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.3 Supply chain management	62	
		414-2	Negative social impacts in the supply chain and actions taken	3.3 Supply chain management	62	
Category: Environmental						
Water resource management	GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.2 Water resource management	72、74、75	
		303-2	Management of water discharge-related impacts	4.2 Water resource management	75	
		303-3	Water withdrawal	4.2 Water resource management	72、73	
		303-4	Water discharge	4.2 Water resource management	72、73、75	
		303-5	Water consumption	4.2 Water resource management	72、73	

GRI 3 Material Topics 2021						
Material Topics		Management approach and disclosures		Section	Page	Remarks
Air pollution control	GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	4.5 Climate change and energy management	94	
		305-2	Energy indirect (Scope 2) greenhouse gas (GHG) emissions	4.5 Climate change and energy management	94	
		305-3	Other indirect (Scope 3) GHG emissions	4.5 Climate change and energy management	94	
		305-4	Greenhouse gas (GHG) emissions intensity	4.5 Climate change and energy management	95	
		305-5	Reduction of GHG emissions	4.5 Climate change and energy management	96	
		305-6	Emissions of ozone-depleting substances (ODS)	N/A	-	
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.4 Air pollution control	79	
Waste management	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Waste management	81	
		306-2	Management of significant waste-related impacts	4.4 Waste management	81	
		306-3	Waste generated	4.4 Waste management	82	
		306-4	Waste diverted from disposal	4.4 Waste management	82	
		306-5	Waste directed to disposal	4.4 Waste management	82	
Climate change and energy management	GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.5 Climate change and energy management	93	
		302-2	Energy consumption outside of the organization	4.5 Climate change and energy management	94	
		302-3	Energy intensity	4.5 Climate change and energy management	93	
		302-4	Reduction of energy consumption	4.5 Climate change and energy management	96	
		302-5	Reductions in energy requirements of products and services	N/A	-	
Raw material management	GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.6 Raw material management	98	
		301-2	Recycled input materials used	4.6 Raw material management	98	
		301-3	Reclaimed products and their packaging materials	4.6 Raw material management	98	

GRI 3 Material Topics 2021						
Material Topics	Management approach and disclosures			Section	Page	Remarks
Category: Social						
Occupational safety and health	GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.2 Occupational safety and health	103、113、114	
		403-2	Hazard identification, risk assessment, and incident investigation	5.2 Occupational safety and health	105、111、114	
		403-3	Occupational health services	5.2 Occupational safety and health	113、114	
		403-4	Worker participation, consultation, and communication on occupational health and safety	5.2 Occupational safety and health	105	
		403-5	Worker training on occupational health and safety	5.2 Occupational safety and health	111、112	
		403-6	Promotion of worker health	5.2 Occupational safety and health	113、114	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Occupational safety and health	105、111、114	
		403-8	Workers covered by an occupational health and safety management system	5.2 Occupational safety and health	103	
		403-9	Work-related injuries	5.2 Occupational safety and health	105、109	
		403-10	Work-related illnesses	5.2 Occupational safety and health	113、114	
Talent attraction and retention	GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.3 Talent attraction and retention	118	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Talent attraction and retention	122	
		401-3	Parental leave	5.3 Talent attraction and retention	124	
	GRI 404: 2016 Training and Education	404-1	Average hours of training per year per employee	5.4 Talent cultivation and development	129	
		404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent cultivation and development	130	
		404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Talent attraction and retention	118	

6.2 Chemical Industry SASB Index

Item	Code	Accounting Metric	Indicator Description	Corresponding Section	Page
Greenhouse Gas Emissions	RT-CH-110a.1	Scope 1 emissions (21045 metric tons of CO_2e); percentage (99.7%) of Scope 1 emissions covered under emissions-limiting regulations	Quantitative	4.5 Climate change and energy management	94
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets: Setting a target of reducing carbon emissions by 27% by 2030 (with 2017 as the baseline year) and achieving carbon neutrality by 2050. In 2024, greenhouse gas emissions have already decreased by 17% compared to the baseline year.			
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx 19.33 metric tons per year (2) SOx 0 metric tons per year (3) Volatile organic compounds (VOCs): 51.6 metric tons per year (4) Hazardous air pollutants (HAPs): 18.6 metric tons per year	Quantitative	4.3 Air pollution control	79
Energy management	RT-CH-130a.1	(1) Total energy consumed (GJ): 1,062,358 (2) Percentage of grid electricity usage (%): 100 (3) Percentage of renewable energy usage (%): 0 (4) Total self-generated energy (GJ): 0	Quantitative	4.5 Climate change and energy management	92
Water management	RT-CH-140a.1	(1) Total water withdrawn: 938.423 ML (2) Total water consumed: 657.722 ML (3) Percentage of each in regions with high or extremely high baseline water stress and the proportion of (1) and (2): 0%	Quantitative	4.2 Water resource management	73
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations: 0 case		2.4 Ethical corporate management and legal compliance	44
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks		4.2 Water resource management	72
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated 94.03 metric tons/year, percentage recycled 0%	Quantitative	4.4 Waste management	81
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests		N/A	
Workforce Health & Safety	RT-CH-320a.1	(1) Total Recordable Incident Rate (TRIR): 0 (2) Fatality rate of 0% for a. direct employees 426 people and b. contract employees 3 people	Quantitative	5.2 Occupational safety and health	109
	RT-CH-320a.2	Description of efforts to assess, monitor and reduce exposure of employees and contract employees to long-term (chronic) health risks			
Product Design for Use-Phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency: NT$1.08 billion	Quantitative	3.1 Technology R&D	53

Item	Code	Accounting Metric	Indicator Description	Corresponding Section	Page
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances		N/A	
		Percentage of such products that have undergone a hazard assessment			
	RT-CH-410b.2	Discussion of strategy to manage chemicals of concern and develop alternatives with reduced human and/or environmental impact			
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)		N/A	
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Description	2.4 Ethical corporate management and legal compliance	44
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Total Count of Process Safety Incidents (PSIC): 0 Process Safety Total Incident Rate (PSTIR): 0% Process Safety Incident Severity Rate (PSISR): 0%	Quantitative	5.2 Occupational safety and health	108
	RT-CH-540a.2	Number of transport incidents is 0			

6.3 Sustainability Disclosure Metrics — Plastics Industry

Number	Indicator Description	Category	Annual Disclosure	Unit	Corresponding Section and Page
1	Total energy consumed, percentage grid electricity, percentage renewable, total self-generated energy	Quantitative	(1) 1,062,358 (2) 77.03% (3) 0% (4) 0	Gigajoules(GJ), percentage (%)	4.5 Climate change and energy management
2	Total water withdrawn and total water consumed	Quantitative	938.423 657.722	Thousand cubic meters ($1,000m^2$)	4.2 Water resource management
3	Amount of hazardous waste generated, percentage recycled	Quantitative	94.03 0%	Metric tons (t), percentage (%)	4.4 Waste management
4	Number of employees in and rate of occupational accidents	Quantitative	0/0%	Amount, ratio (%)	5.2 Occupational safety and health
5	Volume of major products by category	Quantitative	188,691	Metric tons	1.2 Company Profile

6.4 Implementation of climate-related information

<table>
<tr><th>Number</th><th>Item</th><th>Status of Implementation</th></tr>
<tr><td>1</td><td>Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunity.</td><td>The ESG Committee supervised by the Board is the highest governance body of climate change management chaired by independent directors, it reports the climate change implementation planning and performance to the Board every year. The Operations Management Meeting, chaired by the Board Chairman, is held monthly to report the planning and results of material energy conservation and carbon reduction plans.</td></tr>
<tr><td>2</td><td>Describe how the identified climate risk and opportunities affect the business, strategy and finances of the Company (short, medium and long term).</td><td>In 2023, a questionnaire survey was conducted among the ESG Committee and senior unit executives to assess the relevance of each risk to the Company's operations and the timing of its possible impact. 12 material climate issues (1 physical risk item, 5 transformation risk items, and 6 opportunity items) were identified.
Climate-related risk items are categorized into three time horizons based on the expected time of impact: short-term (< 3 years), medium-term (3–5 years), and long-term (> 5 years). Climate-related opportunities are categorized into five levels based on their potential impact on company development and technical feasibility, as detailed in the following table:
<table>
<tr><th>Type</th><th>Item</th><th>Duration</th></tr>
<tr><td>Physical risks</td><td>Aridity</td><td>Short-term (<3 years)</td></tr>
<tr><td rowspan="5">Transition risks</td><td>Government regulation or oversight - levy of water consumption charges</td><td>Short-term (<3 years)</td></tr>
<tr><td>Carbon Fee</td><td>Short-term (<3 years)</td></tr>
<tr><td>Renewable Energy Regulations - Large Consumers Clause Risks</td><td>Short-term (<3 years)</td></tr>
<tr><td>Low Carbon Technology Transition</td><td>Short-term (<3 years)</td></tr>
<tr><td>Rising Raw Material Prices</td><td>Short-term (<3 years)</td></tr>
</table>
<table>
<tr><th>Type</th><th>Item</th><th>Developmental</th><th>Technical Feasibility</th></tr>
<tr><td rowspan="6">Opportunities</td><td>High-efficiency production</td><td rowspan="6">Promising and aligned with existing company policy</td><td>Under expansion</td></tr>
<tr><td>Recycle–circular economy</td><td>Under expansion</td></tr>
<tr><td>Reduction of water use and water consumption</td><td>Mature</td></tr>
<tr><td>Use of low-carbon energy</td><td>Mature</td></tr>
<tr><td>Developing Low Carbon Goods and Services - Investing in Renewable Energy Markets</td><td>Under expansion</td></tr>
<tr><td>Development of new products and R&D and innovation of services - Research and Development of Low Carbon Energy Saving Products</td><td>Under expansion</td></tr>
</table>
</td></tr>
</table>

Number	Item	Status of Implementation
3	Describe the financial impact of extreme climate events and transformational action.	For the 12 major risk and opportunity items, evaluate the potential financial impacts and devise response strategies and management mechanisms. For details on potential financial impacts, please refer to Chapter 4.5 "Climate Change and Energy Management" in this report.
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Identify risks and opportunities based on the TCFD-recommended framework, communicate with all responsible units, and confirm by senior management every three years. Include them in the annual risk assessment. Personnel designated by the president reports the control measures and management performance to the Audit Committee and Board every year
5	If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameter, assumptions, analytical factors, and key financial impacts.	In response to the intensifying global climate change, the Company continues to adopt the TCFD framework to assess risks associated with extreme weather events and identify emerging business opportunities. Referring to the Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) and the National Center for Disaster Prevention and Relief Technology (NCDPRT), 3 physical risk issues are listed for the scenarios of RCP 8.5, estimating the temperature increase, rainfall, flooding, and drought in 2016-2035; and 9 transformation risks and 12 opportunity issues are listed based on the group's strategy, industry characteristics, and the nation's self-defined expected contribution target (INDC) and TCFD indicators, making a total of 24 potential risk and opportunity issues. These issues are analyzed to identify the impacts on operating costs, capital expenditures, revenues and R&D expenses.
6	If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage entity risk and transition risks.	Plans include: Equipment replacement, construction of renewables facilities, optimization of production scheduling, planning building aircon, energy management systems, extreme weather events contingency plans. Please refer to 4.5 Climate change and energy management of this report for the details.
7	If internal carbon pricing is used as a planning tool, the basis for setting the price.	USI introduced internal carbon pricing in 2024, and used shadow pricing to incorporate carbon costs into investment appraisals to enhance the execution opportunities of carbon reduction projects.
8	If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the sources and quantities of carbon reduction credits or renewable energy certificates (RECs) used for offsets should be described.	We set 2017 as the baseline year, with a 27% carbon reduction by 2030 and a carbon neutrality target by 2050. The data is based on the Scope 1 + Scope 2 emissions of the USI Kaohsiung plant. In 2023, greenhouse gas emissions have decreased by 17% compared to the baseline year (2017). The Group is also actively developing external renewable energy sites. By the end of 2024, the cumulative grid-connected capacity of the solar energy field has reached 8.6 MW, and will increase to 20MW in 2027. Every year we disclose the data of Scopes 1, 2 and 3 GHG emissions in the ESG report and review the achievement progress periodically. No REC has been used for carbon reduction so far.
9	GHG inventory and verification	Please refer to 4.5 Climate change and energy management for the details of GHG inventory.

6.5 Third-party Assurance Report GRI 2-25

Deloitte.

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

USI Corporation

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of USI Corporation ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), SASB Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, and observation to obtain evidence supporting limited assurance.

- 1 -

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Chuang, Pi-Yu.

Pi Yu Chuang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 8, 2025

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

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APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports - Plastics Industry
1.	Kaohsiung Plant: In 2024, the total energy consumption was 1,062,358 GJ, percentage of purchased electricity was 77.03%, the utilization rate (renewable energy/total energy) was 0%, and total self-generated and self-use energy was 0 GJ.	4.5 Climate Change and Energy Management/ Sustainability Disclosure Indicators - Plastics Industry	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Appendix 1-5, No. 1
2.	Kaohsiung Plant: In 2024, total water withdrawn was 938.423 thousand m^3, and total water consumption was 657.722 thousand m^3.	4.2 Water Management/ Sustainability Disclosure Indicators - Plastics Industry	Total water withdrawn and total water consumption	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Appendix 1-5, No. 2
3.	Kaohsiung Plant: In 2024, total general waste generated was 465.72 MT, and percentage recycled was 48.22%. Total hazardous waste generated was 94.03 MT, and percentage recycled was 0%.	4.4 Waste Management/ Sustainability Disclosure Indicators - Plastics Industry	Total general and hazardous waste generated, and percentage recycled	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Appendix 1-5, No. 3
4.	Kaohsiung Plant: In 2024, number of employees in occupational accidents was 0 person, and rate of occupational accidents was 0%.	5.2 Talent Attaction and Retention/ Sustainability Disclosure Indicators - Plastics Industry	Number of employees in and rate of occupational accidents	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Appendix 1-5, No. 4
5.	Kaohsiung Plant: In 2024, the air emissions was 19.33 MT of NOx, 0 MT of SOx, 51.3 MT of VOCs, and 18.6 MT of HAPs.	4.3 Air Pollution Control	Air emissions of NOx, SOx, VOCs, and HAPs.	SASB RT-CH-120a.1 Air Quality

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