



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.

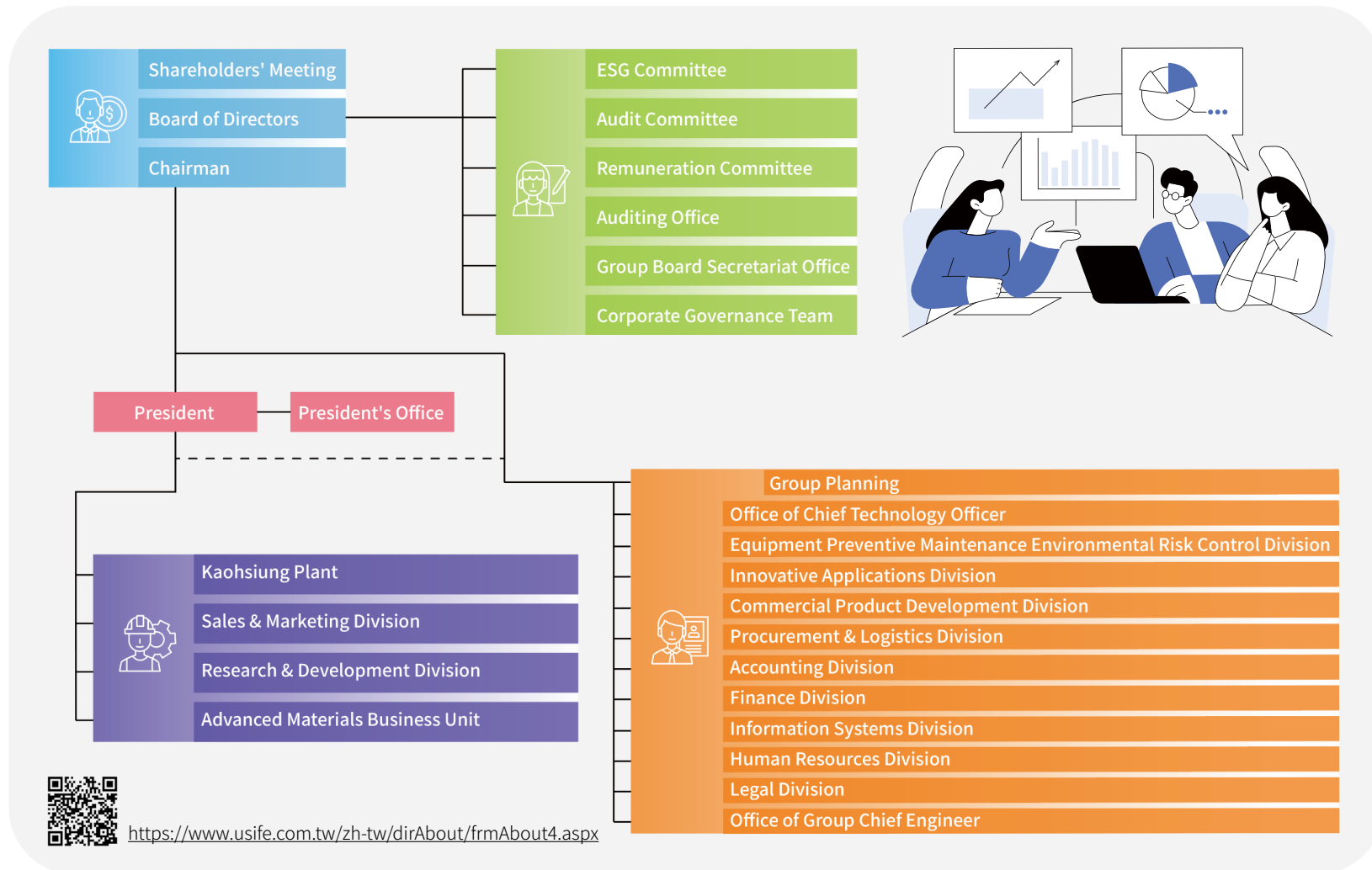
Material topics in this chapter

Economic performance



2.1 Corporate Governance

USI Management Organization Framework GRI 2-9, 2-11, 2-12, 2-19, 2-23, 2-24



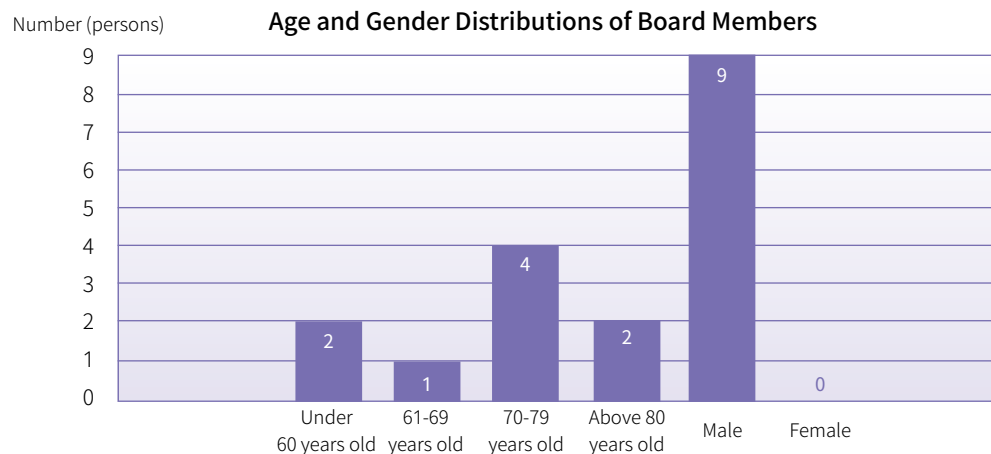
Board of Directors

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](#))

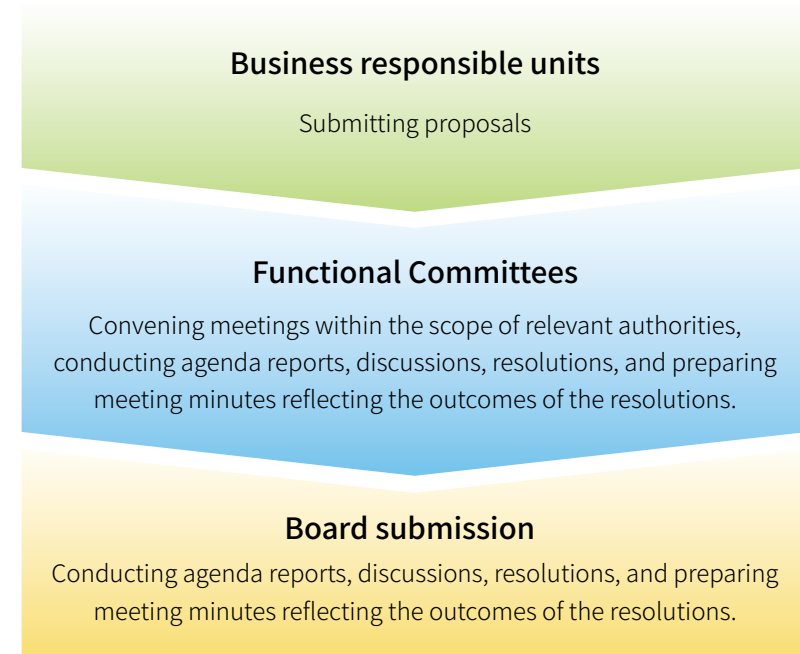
Composition of the Board of Directors:

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



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:



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		Individual board members		Audit Committee		Remuneration Committee		ESG Committee	
Aspect of Assessment	Score	Aspect of Assessment	Score	Aspect of Assessment	Score	Aspect of Assessment	Score	Aspect of Assessment	Score
Degree of participation in the Company's operations	4.75	Understanding of the Compa-ny's goals and tasks	4.85	Degree of participation in the Company's operations	4.94	Degree of participation in the Company's operations	4.88	Degree of participation in the Company's operations	4.85
Improvement in the quality of decision-making of the Board of Directors	5	Understanding of the Director's responsibilities	4.89	Understanding of the Audit Committee's roles and respon-sibilities	5	Understanding of the Remu-neration Committee's roles and responsibilities	4.95	Awareness of the responsibili-ties of the ESG Committee	4.80
Composition and structure of the Board of Directors	5	Degree of participation in the Company's operations	4.81	Improvement in the Audit Committee's decision-making quality	5	Improvement in the Remuner-ation Committee's deci-sion-making quality	5	Improvement in the ESG Committee's decision-making quality	4.80
Election and continuing educa-tion of the Directors	4.60	Management and communica-tion of the internal relations	4.72	Composition of the Audit Committee and selection of committee members	5	Composition and member selection of the Remuneration Committee	5	Composition of the ESG Committee and selection of committee members	4.80
Internal control	5	Expertise and continuing edu-cation of the Directors	4.81	Internal control	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.		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.	
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.		Internal control	4.81	The evaluation result of the Audit Com-mittee shows that the average scores of the five major dimensions are all above 4.9 points, an embodiment of 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 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

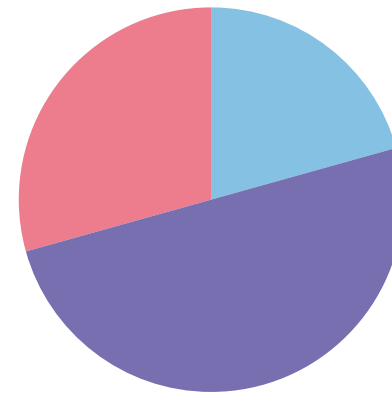
Until March 31, 2025, the date for suspension of share transfer for 2025 shareholders meeting, the shareholder structure of USI is primarily composed of individual and other legal entities. For shareholders with ownership stakes of 5% or more, or those among the top ten shareholders in terms of ownership 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



The Shareholder Structure of USI

● Individuals	49.93%
● Foreign institutions and foreigners	29.40%
● Other legal entities	20.67%

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

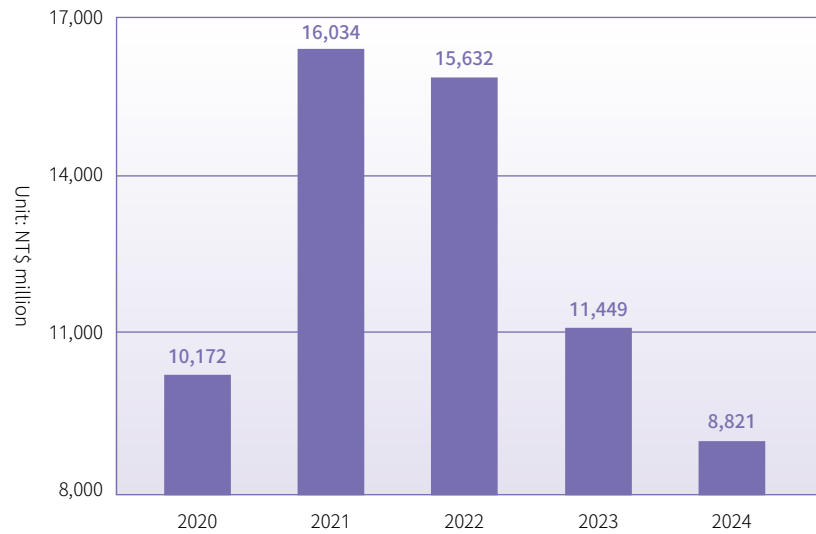
www.usife.com.tw/zh-tw/dirInvestor/frmlInvestor4.aspx



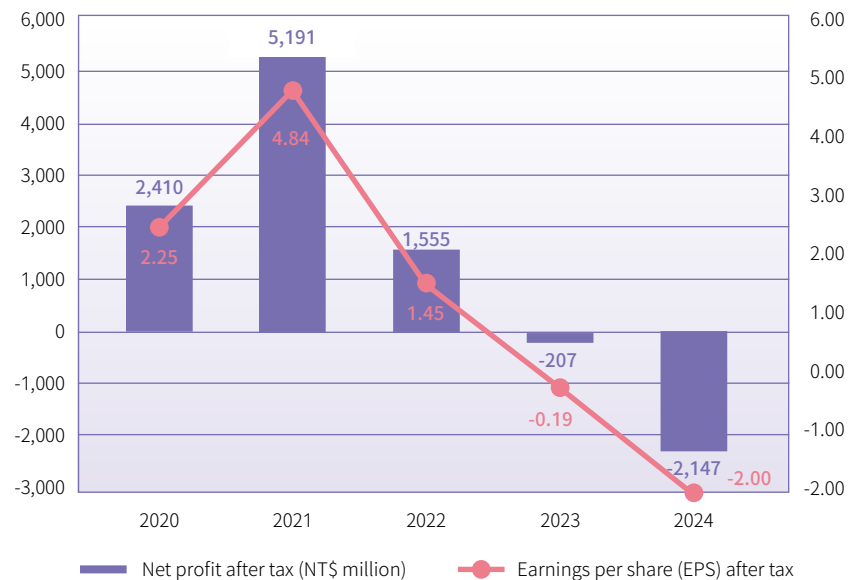
Financial statements over the years

www.usife.com.tw/zh-tw/dirInvestor/frmlInvestor2.aspx

Operating revenues



Net profit after tax



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 M³ ethylene tanks and associated systems. It is expected to be completed and commissioned in the second quarter of 2025.



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 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.

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.

View of the West Side of Gulei Petrochemical



Night View of Ethylene Cracking Plant

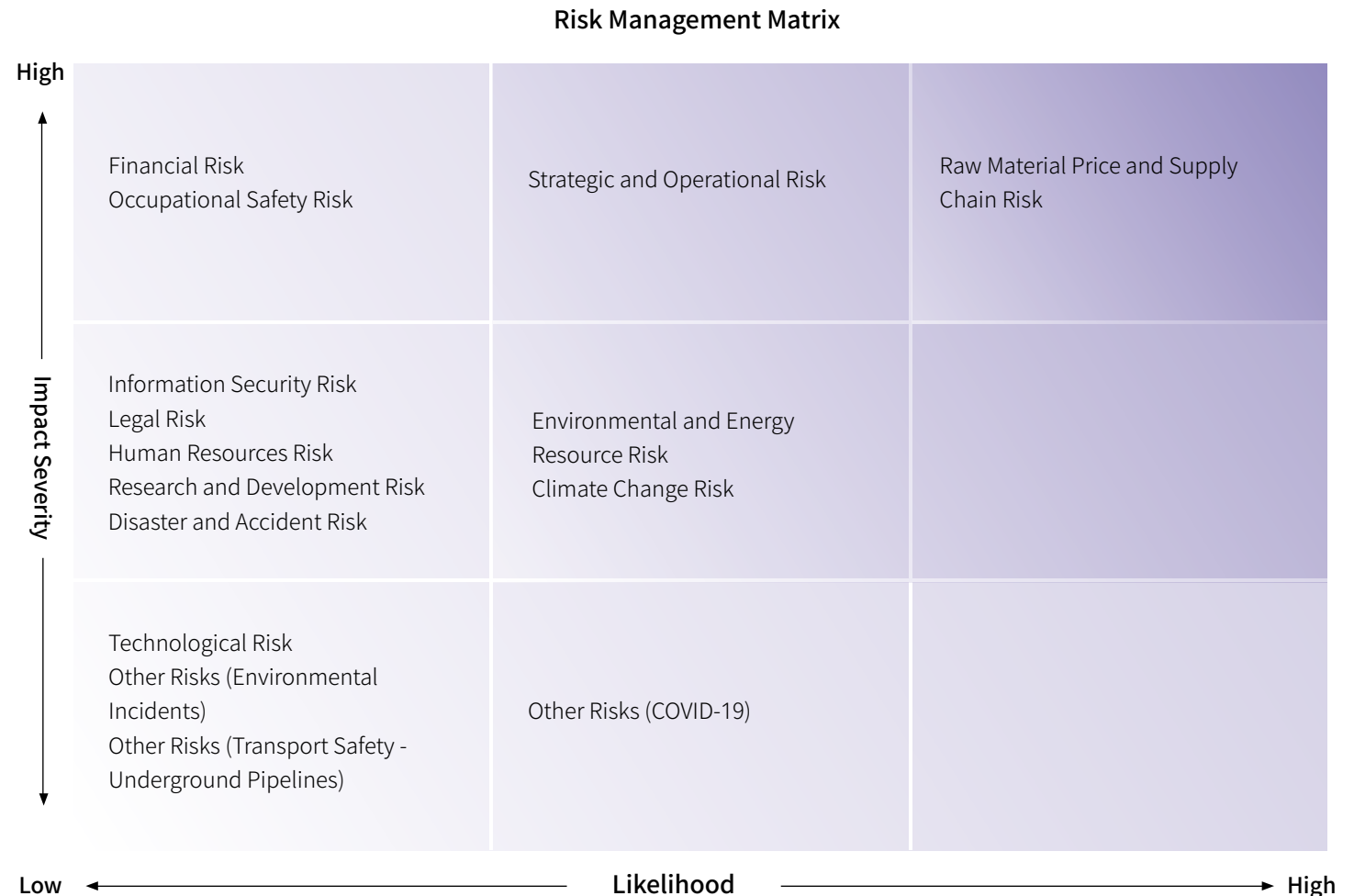


2.3 Risk Management GRI 2-13

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.



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

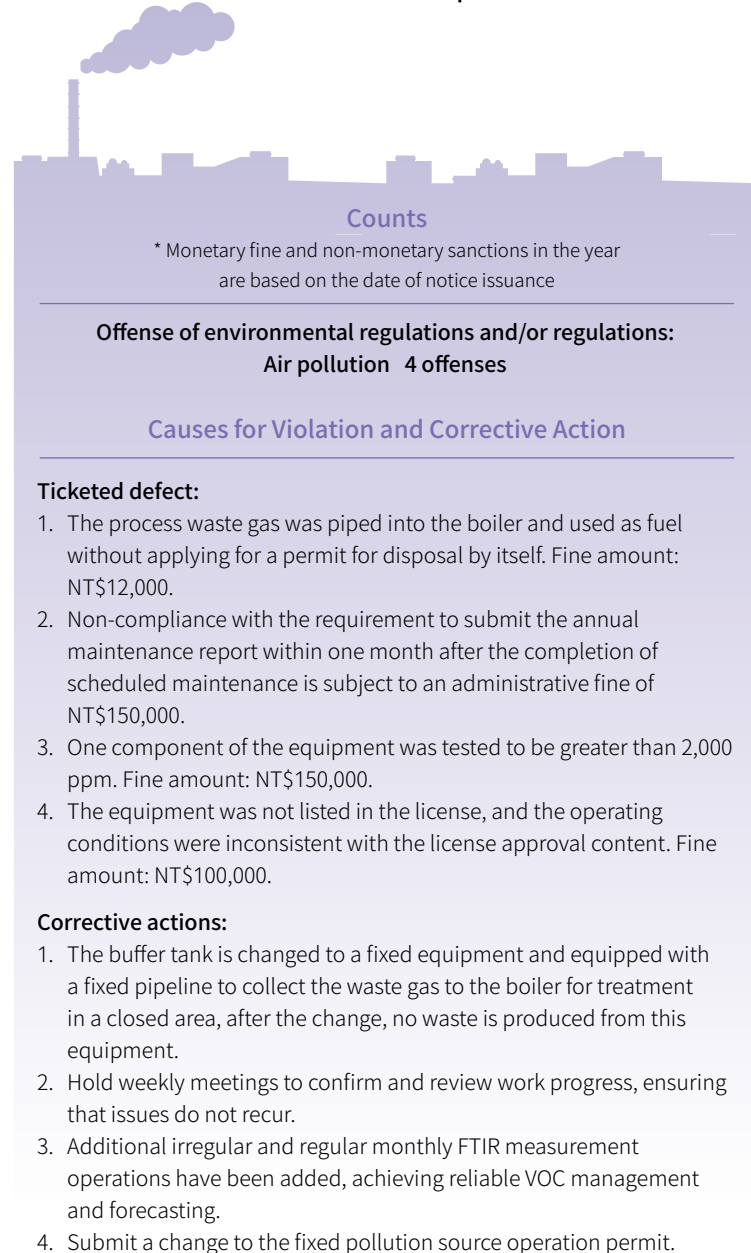
For employees to understand compliance-related topics, we publicize information and trends regarding the latest regulatory and statutory requirements through education/training activities for employees and departmental routine meetings for them to acquire information regarding new laws and regulations 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



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 COPOLYMER 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 submitted 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.

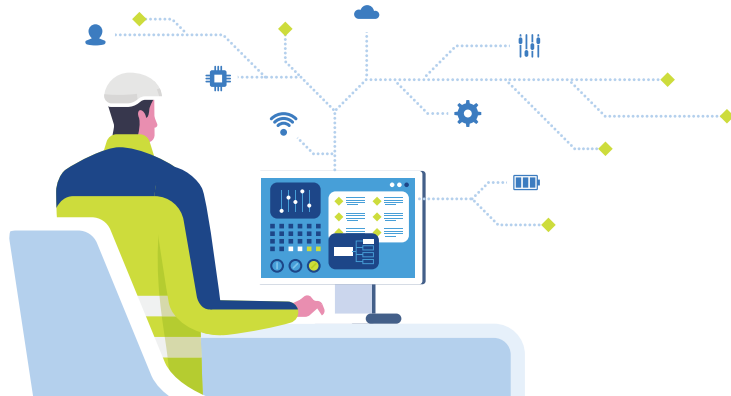
Medium- & Long-Term Goals

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.



Provide comprehensive data transformation to digital transformation empowerment services.

DCS+ Digital Transformation Empowerment Services.

Data Engineering

Assist users in formulating data engineering improvement recommendations through data diagnostic tools and consulting analysis services.



Provide comprehensive data diagnostic tools (DREA).



Propose corresponding data engineering solutions based on the DREA diagnostic tool.

Data Fusion

Break down data silos and provide users with comprehensive data integration benefits.



Solve the problem of managing multiple data sources.



Provide a visual integration interface.

AI Model Application

Provide a user-friendly platform for AI models.



Provide basic AI models that are easy to integrate and manage.



Integrate all AI models, generate new insights, enable new AI applications between AI, and eventually become Business Intelligence (BI).

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.

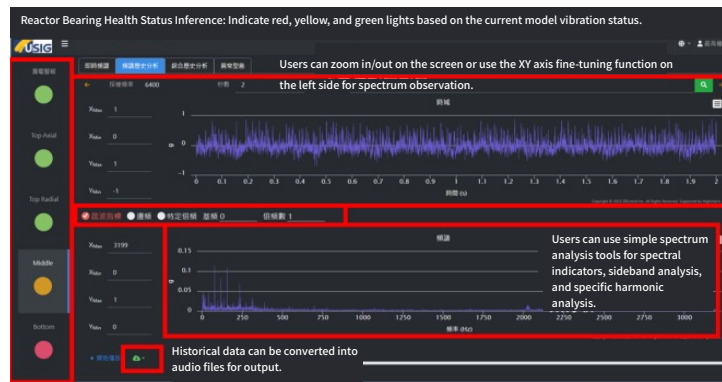
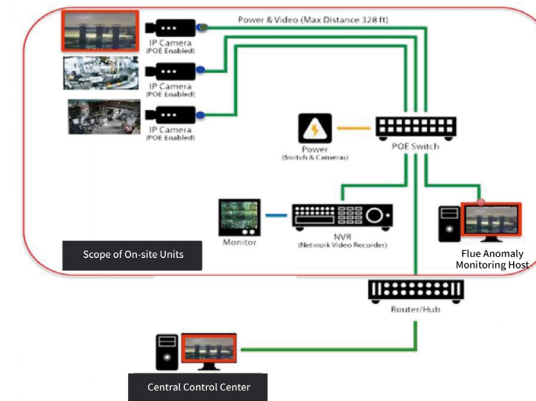


Diagram: Visualization of Operational Status System

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.



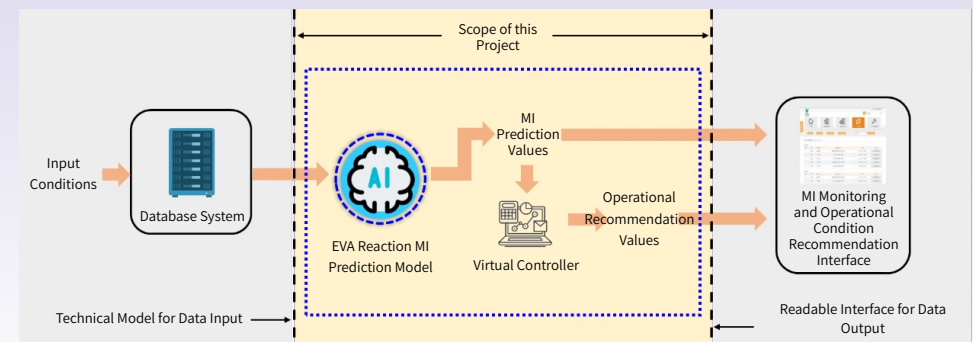
Chimney Smoke Detection System

Reduce Defective Outputs with AI Quality Prediction

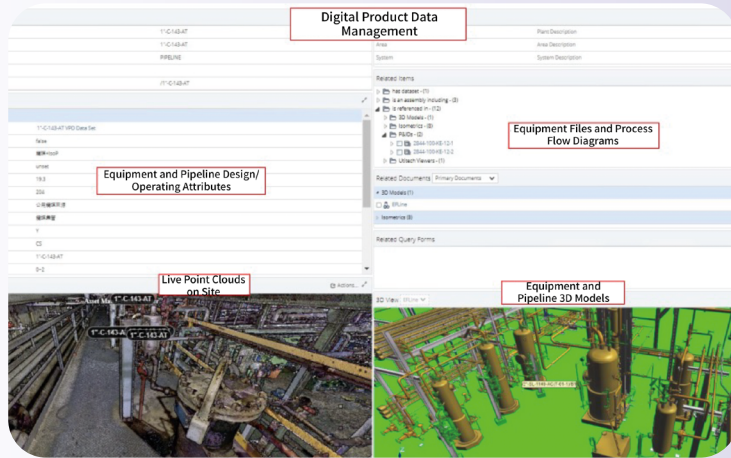
Through collaboration with the National Taiwan University and National Taiwan University of Science and Technology, we implemented the cyber-physical integration technology development industry-academia collaboration project to predict quality with AI.

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.



1



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.

3



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

- Carbon emission reporting
- Carbon fee estimates
- The target is 5 Plants of MOE
- Scope 1 & 2

Stage 2 2025

- 5 Plants of MOE are operational
- Expand to all Taiwan plants

Stage 3 2026

- 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.