

Chapter 1

Sustainable Operation



1.1 Sustainability Vision and Goals GRI 2-22

Group's Sustainable Operation Vision

The sustainable vision of USI Group is "Creating Sustainable Value and Cultivating a Sustainable Society." We aspire to leverage our core capabilities to continuously create and consolidate sustainable value, thereby contributing to societal sustainability.

Based on the sustainability vision, three core strategies have been developed: "R&D and Innovation," "Stable Management," and "Social Inclusion," aiming to co-create value with stakeholders.

We have extended these core strategies to develop 7 critical topics, all built upon the foundation of honest and reasonable partners.



USI Principles

As a member of USI Group, USI follows the group vision to develop three major sustainability principles: Unity Governance (U), Sustainable Development (S), and Innovative Technology (I). We periodically review material topic analysis results alongside corporate sustainability principles. Starting from core values and linking with The Sustainable Development Goals (SDGs), we formulate short-, medium-, and long-term strategies and goals. Each department sets Management by Objectives (MBO) items accordingly, which employees further deconstruct into Key Performance Indicators (KPIs) in the HR system to serve as the basis for performance appraisal, promotion, and salary increments.

The Sustainable Development Goals (SDGs)

Corporate sustainable development must stem from core values. Grounded in the philosophy of sustainable operation, USI identifies SDG correlations across three phases and integrates relevant targets into operational plans to align with the SDGs:

1

Understanding SDGs and Operational Development Discussions

Conduct SDG educational training, discuss operational impacts, and prioritize sustainable development goals.

2

Identifying Impacts and Opportunities

Link sustainable development goals with material topics; identify critical opportunities and resource allocations.

3

Responding to SDG Targets and Actions

Discuss feasibility of target settings; establish short-, medium-, and long-term plans, and discuss their inclusion in corporate operational plans.

Based on industry characteristics and corporate scale, USI has identified 12 United Nations Sustainable Development Goals, utilizing them to formulate a five-year operational plan. Each department sets Management by Objectives (MBO) items based on this plan, which employees deconstruct into Key Performance Indicators (KPIs) in the HR system to serve as benchmarks for performance appraisal, promotion, and compensation adjustments. For detailed implementation progress, please refer to Section 1.4 Material Topics Management and respective chapters.

The Sustainable Development Goals (SDGs)

Item	SDGs	Goal	Corresponding Chapter
1		Maintain a safe working environment in the plant and employee health, and reduce road injuries and deaths	5.1 Operational Safety Management 5.2 Occupational Health and Safety
2		Employee education, sponsorship of nearby schools, and the education foundation	5.4 Talent Cultivation and Development 5.5 Charity and Community Engagement
3		Equal pay for equal work	5.3 Talent Attraction and Retention
4		Water resource management: water-saving plans and a 0.5% annual decrease in unit water consumption	4.2 Water Resource Management
5		Continuously increase the utilization rate of highly energy-efficient products and invest in clean energy	4.5 Climate Change and Energy Management
6		Continuously increase revenue, ensure equal job opportunities, harmonious labor-management relations, protect labor rights, and promote a safe working environment	2.2 Economic Performance 5.2 Occupational Health and Safety 5.3 Talent Attraction and Retention
7		Annual research funding of no less than NT\$100 million, and 4 new product developments and improvements per year	3.1 Technology R&D
8		Product transportation and underground pipeline management	5.1 Operational Safety Management
9		Green procurement mechanism and supply chain management, raw material recovery rate, and establishing a safe and healthy workplace to ensure the health and sustainable development of the workforce	3.3 Supply Chain Management 4.6 Raw Material Management 5.2 Occupational Health and Safety
10		Group carbon reduction pathway, greenhouse gas inventory, product carbon footprint, and identification of climate-related risks and opportunities	4.5 Climate Change and Energy Management
11		Sustainable forest management: sponsor the reforestation of 5 hectares for 20 years	4.5 Climate Change and Energy Management
12		Regulatory compliance, implementation of human rights policies, and prohibition of bribery and corruption	2.4 Ethical Corporate Management and Legal Compliance
13		Encourage public welfare sponsorship and participation	5.5 Charity and Community Engagement

Five-Year Operational Plan

	Corporate Governance	Environmental, Health and Safety (EHS)
Short-term (1 year)	- Complete the second and third phases of solar power generation equipment installation, and continuously evaluate investments in solar power plants and geothermal power generation - Promote high-value production (High VA, Low MI) - Implement AI/intelligent management plans - Equipment energy saving, carbon reduction, and safety assessment, as well as replacement of old equipment - Certification and promotion of recycled materials	- Implement the "Five Zero Goals" to promote energy saving, carbon reduction, waste reduction, zero pollution, water saving, and water resource reuse projects - Promote 14 major items of the Process Safety Management system - Execute 7 major items of the underground pipeline maintenance and operation plan (Note 2) - Promote transportation safety audits and execute 8 evaluation items (Note 3) - Promote Operation Clean Sweep (OCS) and recovery management - Promote ISO 14021 system verification - Promote the audit and control of three wastes and the management of waste clearance contractors - Cooperate with the Group in introducing the carbon pricing system - Continue to conduct 4 major categories of EHS educational training (Note 5) - Continuously promote 6 major items of ISO management systems. - Promote 4 items of intelligent factory management - Add warehouse detection systems
Medium-term (3 years)	- Planning and investment in downstream development projects of the Gulei refining and chemical integration - CBC continuously develops low gel and low optical birefringence specifications for application in high unit price Optical lens systems - Continuously promote green power development and carbon reduction pathways - Implementation of AI/intelligent management - Planning and execution of circular economy plans - Continuously research and develop green/high-value products	- Continue short-term plans - Continuously promote energy-saving, carbon-reduction, and water-saving plans - Complete the integration of greenhouse gas inventories - Strengthen the audit and control of three wastes and the management of waste clearance contractors - Continue daily inspections to monitor underground pipeline safety and conduct regular inspections and maintenance - Promote the circular economy and raw material reuse planning - Promote 2 items of intelligent factory management
Long-term (5 years)	- Planning and investment in downstream development projects of the Gulei refining and chemical integration - Deeply cultivate Taiwan, continue local investments, and promote circular economy plans	- The 'Five Zero Goals' of 'zero pollution, zero emissions, zero accidents, zero occupational injuries, and zero failures' - Introduce AI technology for energy management - Plan and establish '2050 Carbon Neutrality' as a long-term goal in response to climate change - Continuously promote the circular economy and green energy development - Promote the 2030 carbon reduction goal of 27% (with 2017 as the baseline year) - Promote 1 item of intelligent factory management

Social Relations



- Sponsored the Alliance Cultural Foundation with NT\$3 million, and continuously deepened education and environmental protection activities in remote areas
- Continuously care for employees' health and physical and mental well-being, and provide a safe working environment
- Maintain harmonious labor-management relations and protect various labor rights
- Be a good neighbor and interact well with the community
- Strengthen supplier/contractor management policies and specific requirements

- Continuously sponsor various public welfare activities to optimize corporate image
- Strengthen industry-government-academia cooperation to cultivate excellent talent
- Enhance the service capacity and effectiveness of the education foundation
- Expand promotion and sponsor employee participation in public welfare activities
- Continuously promote energy saving and carbon reduction in the supply chain

- Perfect the supplier/contractor evaluation system
- Expand resources and energy for social participation to scale up social feedback

Note 1: Process Safety Management System: (1) PSI (Process Safety Information), (2) MOC, (3) PHA (Process Hazard Analysis), (4) MI (Mechanical Integrity), (5) SOP, (6) PSSR, (7) Train (Educational Training), (8) EP (Employee Participation), (9) CONT (Contractor Management), (10) HW (Hot Work Permit), (11) II (Incident Investigation), (12) ERP (Emergency Response Plan), (13) Audit (Compliance Audit), (14) Trade (Trade Secrets).

Note 2: Underground pipeline maintenance and operation plan: (1) Pipeline integrity assessment and management, (2) Pipeline operation management and monitoring system, (3) Pipeline patrol operations and supporting measures, (4) Pipeline maintenance and inspection, (5) Pipeline change and management, (6) Competency training and management for pipeline maintenance and operation personnel, (7) Establishment of a pipeline bundle joint defense organization and management plan, (8) Pipeline anomaly reporting mechanism and emergency response plan.

Note 3: Transportation safety audit: (1) Company profile, (2) Driver qualifications, (3) Safety policies and communication, (4) Work procedures and instructions, (5) Safety equipment, (6) Driver hiring, training, and control, (7) Vehicle device management and maintenance standards, (8) Transportation quality and environmental protection.

Note 4: Fire safety equipment inspection and maintenance: (1) Fire pump operation test, (2) Fire pump performance test, (3) Fire safety equipment inspection.

Note 5: EHS educational training: (1) New employee training, (2) Transferred employee training, (3) Employee on-the-job training, (4) Contractor training.

Note 6: ISO management systems: (1) ISO 9001, (2) ISO 14001, (3) ISO 14064, (4) ISO 14067, (5) ISO 45001, (6) ISO 50001.

Note 7: Intelligent factory management: Short-term - (1) Contractor facial recognition system, (2) Finished goods warehouse high-temperature ignition detection system, (3) Tank area white smoke and open flame detection system, (4) Canning area leakage detection system;



1.2 About USI

Corporate Profile

USI (Stock Code: 1304) was established on May 26, 1965, and built Taiwan's first Low Density Polyethylene plant. Its primary business covers the development, manufacture, and sales of Polyethylene (PE) resin pellets, with its factory located in Renwu District, Kaohsiung City.

Basic Information

GRI 2-1、2-6、2-7

Company Name	USI Corporation
Industry Category	Plastics Industry
Head Office	No. 330, Fengren Rd., Renwu Dist., Kaohsiung City
Taipei Headquarters	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City
Capital	Over NT\$11.89 billion (as of December 31, 2024)
Production Volume	201,310 metric tons (2025)
Primary Products	Ethylene Vinyl Acetate Copolymer (EVA) Low Density Polyethylene (LDPE) High Density Polyethylene (HDPE) Linear Low Density Polyethylene (LLDPE) Downstream manufacturers process polyethylene resin pellets into various everyday plastic items.
Number of Employees	410 people (as of December 31, 2025)

Note: The number of employees includes 408 permanent contract workers and 2 fixed-term contract workers.

Operational Locations

USI's vital operational sites are in Taiwan, comprising the Taipei Headquarters, the Guishan R&D Division, and the Kaohsiung Plant. The Taipei Headquarters manages product sales business; the Guishan R&D Division coordinates product research and development alongside technical services; the Kaohsiung Plant controls manufacturing. The Kaohsiung Plant contains three production zones: Manufacturing Department I produces LDPE and EVA products; Manufacturing Department II produces HDPE and LLDPE products; Manufacturing Department III produces cyclic block copolymers.



Taipei Headquarters



Guishan R&D Division



Kaohsiung Head Office



Value Chain Overview

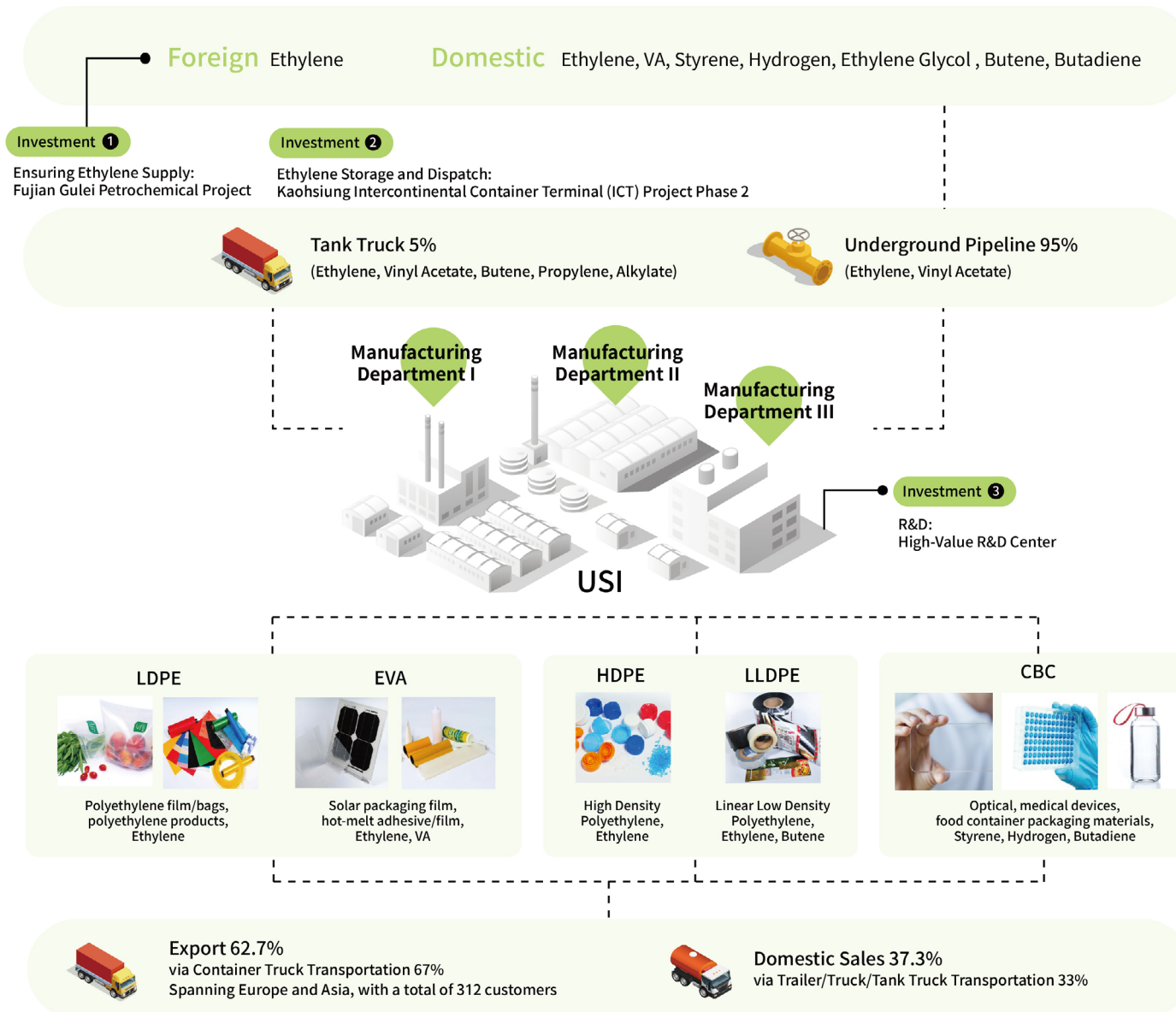
USI is an upstream manufacturer in the plastics industry, producing Polyethylene resin pellets supplied to downstream factories for injection, foaming, and filament drawing operations. These are applied in industrial markets such as solar packaging films, shoe materials, sheets, wires/cables, plastic bags, bottle caps, and hot-melt adhesives; see Product Information for details. Upstream vendors include raw material suppliers and material equipment/engineering contractors, with subcontracting partners collaborating on production and transport workflows.

Regarding strategic positioning, we proactively advance green energy transformation (investing in USI Green Energy Corporation and forging Chem Union Renewable Energy Corporation with petrochemical peers) and integrated upstream-downstream projects (Fujian Gulei Petrochemical Co.,Ltd.v). Additionally, we actively engage in exchanges with various trade associations and professional organizations, such as the Petrochemical Industry Association of Taiwan, the Chinese National Association of Industry and Commerce Taiwan, and the Chinese National Federation of Industries; see About USI - External Initiatives and Trade Associations for details.

Value Chain	Type	Number of Vendors
 Suppliers	Bulk raw material suppliers (Ethylene, Vinyl Chloride)	7
	Other raw material suppliers	68
	Engineering contractors	59
 Customers	Approximately 90% are manufacturers, 10% are distributors	352 companies; export 62.7%, domestic sales 37.3%
 Strategic Investments	Green energy and petrochemical industries	4
 Subcontractors	Collaborative production, transportation	2 collaborative production companies, 1 finished product transportation company, 1 pipeline transportation company

Note: There were no material updates in value chain vendors compared to the previous year.

Product Map



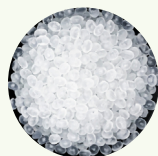
Product Introduction

GRI 2-6

Primary Products

Our company is a major domestic Polyethylene manufacturer. Committed to continuous refinement, we enhance product quality and quantity to supply superior products to numerous downstream processors, lifting the standards of processed goods and mutually expanding the market. Products are divided into four primary categories; see the official [Product Information website](#) for details:

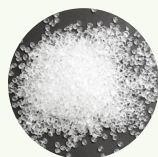
Overview of USI's Major Products and Trademarks



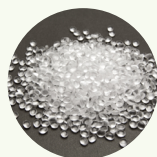
LDPE
Low Density Polyethylene
PAXOTHENE®



HDPE
High Density Polyethylene
UNITHENE®



EVA
Ethylene Vinyl Acetate Copolymer
EVATHENE®



LLDPE
Linear Low Density Polyethylene
LINATHENE®

High-Value Products



ViviOn™
Cyclic Block Copolymer (CBC)



Functional Coatings
All-Effect Thermal Insulation Coating



USIGREN™
Low-Carbon Eco-Friendly Materials



FREVA™ Fire Retardant Materials
Green Fire Retardant Materials & Eco-Friendly Flame Retardants

External Initiatives and Association Participation

GRI 2-28

USI actively participates in exchanges with professional bodies, boosting the specialized growth of technology and capability across fields via peer and cross-industry cooperation to collectively fulfill industrial sustainable development.

In 2025, USI participated in 13 organizations across trade associations and non-profit entities, including the Petrochemical Industry Association of Taiwan, the Chinese National Association of Industry and Commerce Taiwan, the Chinese National Federation of Industries, and the Taiwan Chemical Industry Association; see the link for details: <https://www.usife.com/zh-tw/dirAbout/firmAbout9>

Regarding response to external initiatives, USI became one of the 1,846 TCFD supporting companies worldwide in November 2020, joined the Chinese National Federation of Industries' "[Industry Carbon Neutrality Alliance](#)" in April 2022, signed the Taiwan Chemical Industry Association (TCIA) [Net-Zero Emissions Declaration](#) in August 2022, and secured a "B" Management level rating in the 2025 CDP Climate Change and Water Security assessments.

About USI Group

USI Group's affiliates incorporate multiple business entities across petrochemicals, electronics, warehousing, energy saving/environmental protection, investment, trading, management consulting, and public welfare; please refer to the official USI Group affiliate website for a thorough overview.

USI's public and listed subsidiaries—Asia Polymer Corporation (APC), China General Plastics Corporation (CGPC), Taita Chemical Company, Limited (TTC), and Acme Electronics Corporation (ACME)—all publish their own sustainability reports.

Consolidated Total Assets	NT\$63.3 billion (2025)
Consolidated Revenue	NT\$44.2 billion (2025)
Total Number of Employees	4,814 people (2026/3/16)

Note: For further specifics, please refer to the [Group Overview](#).

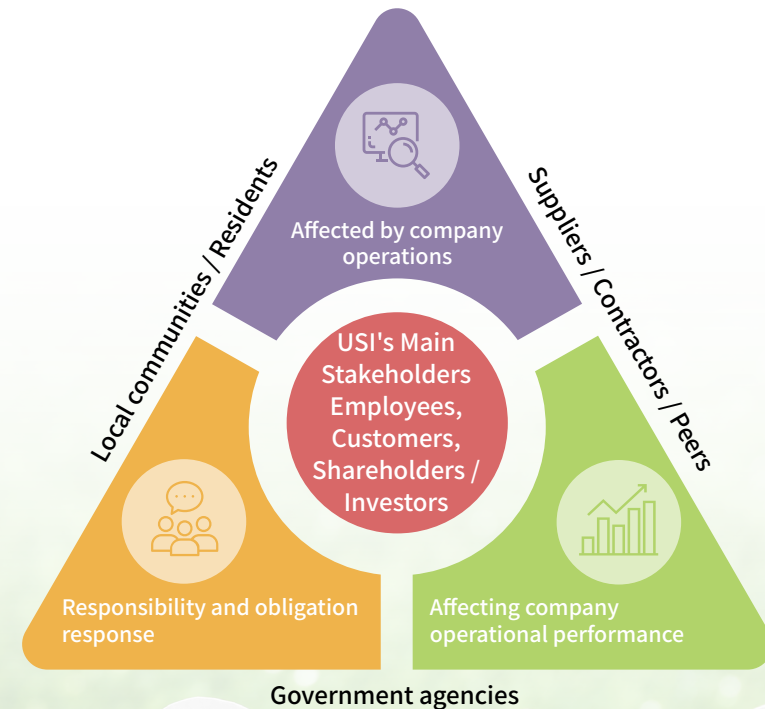
1.3 Stakeholder Engagement GRI 2-29

USI believes that in-depth communication with stakeholders is the foundation of sustainable corporate operations, and through comprehensive and effective communication, we can understand the issues of concern to stakeholders.

Therefore, we continue to establish communication channels, focus on responding to issues of concern to stakeholders, discuss the levels of impact in various meetings, incorporate them into short-, medium-, and long-term strategies such as the company's Five-Year Operational Plan and risk and opportunity management guidelines based on their materiality and impact, adjust the direction of sustainable operations, and report to the Board of Directors regularly.

Stakeholders and material topics are identified every two years. In 2024, based on the five principles of the AA1000 SES (2015) Stakeholder Engagement Standard: dependency, responsibility, influence, diverse perspectives, and tension, seven major communicating stakeholders were identified, including employees, customers, shareholders/investors, government agencies, suppliers/contractors, peers, and local communities/residents, adopting the identification results of 2024.

In addition to obtaining stakeholder feedback through multiple channels, a sustainability section has been set up on the website to enhance communication.



Stakeholder Communication Channels and Topics of Concern

Stakeholder identities, topics of concern, communication channels, and response methods are reported to the Board of Directors annually.

Stakeholders	Topics of Concern	Communication Channels and Frequency	Engagement Results	Annual Implementation Status	USI's Response
Employees					
Employees are the cornerstone of the company's development and partners in sustainable development. We recruit excellent employees, provide a safe and healthy working environment, retain and cultivate talent, and continuously care for employee needs. Contact Window: Mr. Chen, Personnel Section (07)735-9998 #2261	- Operational performance - Employee benefits - Workplace health and safety - Labor-management relations - Talent recruitment and retention	- Newcomer interviews (interviews with managers of all levels) - Performance interviews (regular) - Labor-management meeting (quarterly) - Union board of directors and supervisors meeting (quarterly) - Union member representative assembly (annually) - Employee Welfare Committee (semi-annually) - Occupational Safety and Health Committee (quarterly) - EHS / Energy Management Committee (quarterly) - Labor Pension Supervisory Committee (semi-annually) - Group employee satisfaction survey (annually) - Professional psychological counseling services (anytime, anywhere) - Employee health checkup (once/year)	- Adjust compensation and reward systems - Generous year-end bonus distribution - Enhance employee health care	- Conducted a satisfaction survey for 368 employees, with a 73% response rate for staff and 23% for operators (operators participated for the first time). - Employee Assistance Program (EAP) [USI Good Mood Hotline] employee care: a total of 78 usages across the Group from March to December 2025. [USI Good Lecture Hall] - contents included employee physical and mental health/ well-being, totaling 562 attendees. - Annual health checkups held, with 425 participants in 2025, an examination rate of 99.2%. On-site physician consultations once a month, with 43 employees receiving physician interviews. Educational training held for high-risk diseases.	Regarding the survey results of various dimensions, the two items with the lowest satisfaction were compensation and development. We will implement the following improvement measures and continue to optimize: - Focus on the market competitiveness of the salary structure, refer to the salary levels of benchmark enterprises, strengthen factors such as job evaluation, professional skills, and work performance to optimize the salary structure and system, and enhance the internal fairness and external competitiveness of compensation. - Introduce the Employee Assistance Program (EAP) to enhance the physical and mental health of colleagues. - Strengthen the training quality system, promote skill reinvention, and facilitate the mutual development of talent and the organization. - Cultivate key talents, build a succession pipeline, and optimize performance management and promotion mechanisms. - Explicitly promote the company's vision, mission, and values in major company events, meetings at all levels, and training courses, and specifically implement them in various rules, regulations, and company policies.

Stakeholders	Topics of Concern	Communication Channels and Frequency	Engagement Results	Annual Implementation Status	USI's Response
Customers					
Customers are the main source of the company's revenue. USI focuses on innovative technologies, is committed to providing customers with the best service quality, and strives to create win-win situations with customers. Contact Window: Mr. Shen, Sales Division (02)8751-6888 #3213	- Technology R&D - Customer privacy - Transportation safety management - Industrial and public safety - Customer satisfaction	- Customer satisfaction survey (semi-annually) - Participation in trade shows (at least once a year) - Sales representative visits (at least once a year) "Contact Us" on the company website (irregular) - Phone and e-mail contact (irregular)	Communicate with customers through various channels, continuously providing high-quality products and services.	- Provided 41 instances of customer technical services. - Completed 9 representative development and improvement projects. 32 customer complaint cases, all replied to and resolved. - Customer satisfaction surveys conducted twice a year, with "satisfied" and "very satisfied" accounting for over 90%.	Summary of customer communication responses: Application of fishing net life extension] Customers are concerned about the aging and damage of fishing nets due to long-term sun exposure. Our R&D team provided a high-performance weather-resistant solution through the KTR699 project. Laboratory UV aging resistance tests confirmed that it can significantly improve material durability and extend service life, achieving the benefit of "source reduction" and concretely implementing the circular economy.
Government agencies					
Government policies and environmental protection-related regulations have a profound impact on USI. USI operates professionally with a solid and steady spirit. Contact Window: Mr. Lee, Industrial Safety Section (07)735-9998#2311 Mr. Hsieh, Environmental Protection Section (07)735-9998#2314	- Market image - Regulatory compliance - Greenhouse gas emissions - Air pollution control - Waste management - Water resource management	- Participation in regulatory awareness sessions or public hearings (irregular) - Participation in symposiums or seminars (irregular) - Official documents, material information (published according to regulations) - Market Observation Post System (published according to regulations)	- Labor working environment safety - Contractor operations - Hazardous equipment and substance management - Operator safety	- Labor Inspection Office audits (5 sessions). - Process understanding and on-site inspection of peroxide use and storage areas, thermal oil boiler surveys, and explosion-proof area management checks. - Contractor operation checks, and promotion of the Labor Occupational Accident Insurance and Protection Act. - Audits by the 2nd Squadron of the Hazardous Materials Management Division of the Fire Bureau, the 4th Battalion, the Renwu Branch, the Economic Development Bureau, and the Public Works Bureau (12 sessions). - Fire safety equipment checks, site characteristic surveys, and Type 2 fire safety inspections.	- No deficiencies in industrial safety-related checks: - Surveys of process site storage areas, public hazardous materials checks, and explosion-proof area management checks all complied with relevant legal regulations. - Contractor operations all complied with legal regulations, and relevant regulatory promotions were conducted. - No deficiencies in fire safety-related checks. - On-site audit recommendations were all followed and implemented.

Stakeholders	Topics of Concern	Communication Channels and Frequency	Engagement Results	Annual Implementation Status	USI's Response
Shareholders / Investors					
Every shareholder is an important capital asset to the company. USI continuously pursues excellence to create maximum profit for shareholders. Contact Window: Spokesperson, Vice President Wu (02)2627-4745 Shareholder Services Dept., Ms. Hung/Ms. Wu (02)2650-3773	- Major local investments - Technology R&D - Operational performance - Customer privacy - Supplier management	- Hold general shareholders' meeting (annually) - Investor conferences (at least four times a year) - Market Observation Post System (published according to regulations) - Spokesperson contact information (irregular) - Issue annual report (annually) - Issue Sustainability Report, TCFD Report (annually) - Issue financial reports (quarterly) "Investor Services" on the company website (irregular) "USI Group Joint Shareholder Services Network" on the company website (irregular) "Audit Committee Email" on the company website (irregular)	- Company operational status - Financial information	- Held the shareholders' meeting on May 29. - Held investor conferences on 3/25, 5/20, 8/26, and 11/25. - Distributed cash dividends.	Explained the company overview, market trends, operational review, and outlook at investor conferences/ shareholders' meetings.
Suppliers / Contractors					
Integrity management is USI's corporate culture. USI carefully screens suppliers and contractors, provides customers with excellent products, and guarantees a safe working environment for employees. Contact Window: Procurement I Department, Mr. Chen (02)8751-6888 #3771 Procurement I Department, Mr. Lee (02)8751-6888 #3786	- Operational performance - Major local investments - Market image - Regulatory compliance - Procurement practices - Supply chain carbon reduction	- Procurement procedures (executed as needed) - Supplier questionnaire survey (annually / when adding new vendors) - Contract performance review meeting (held as needed) - Face-to-face review meetings (held by product category) - Procurement personnel visits (irregular) - Market research (weekly) - Contractor joint operation protocol organization meetings (irregular)	Communicated compliance with labor and human rights, health and safety, environment, and ethics standards. Supplier evaluation results: all passed.	- To implement USI's integrity management policy and understand supplier needs, the following communication and reply measures were executed: - Supplier evaluation results, 1 time/year. - Completed on-site audits of two suppliers, checking their human rights policies, integrity and ethics codes, and labor safety sections, all of which were compliant.	- Completed the Supply Chain Low-carbon Transition Coaching Program, accumulating a carbon reduction of 13,113 metric tons of CO₂e over the past two years. - Signed the Ministry of Economic Affairs' Supply Chain Low-carbon Transition Coaching Program to jointly promote the goal of reducing carbon by 10,000 tons in 2025.

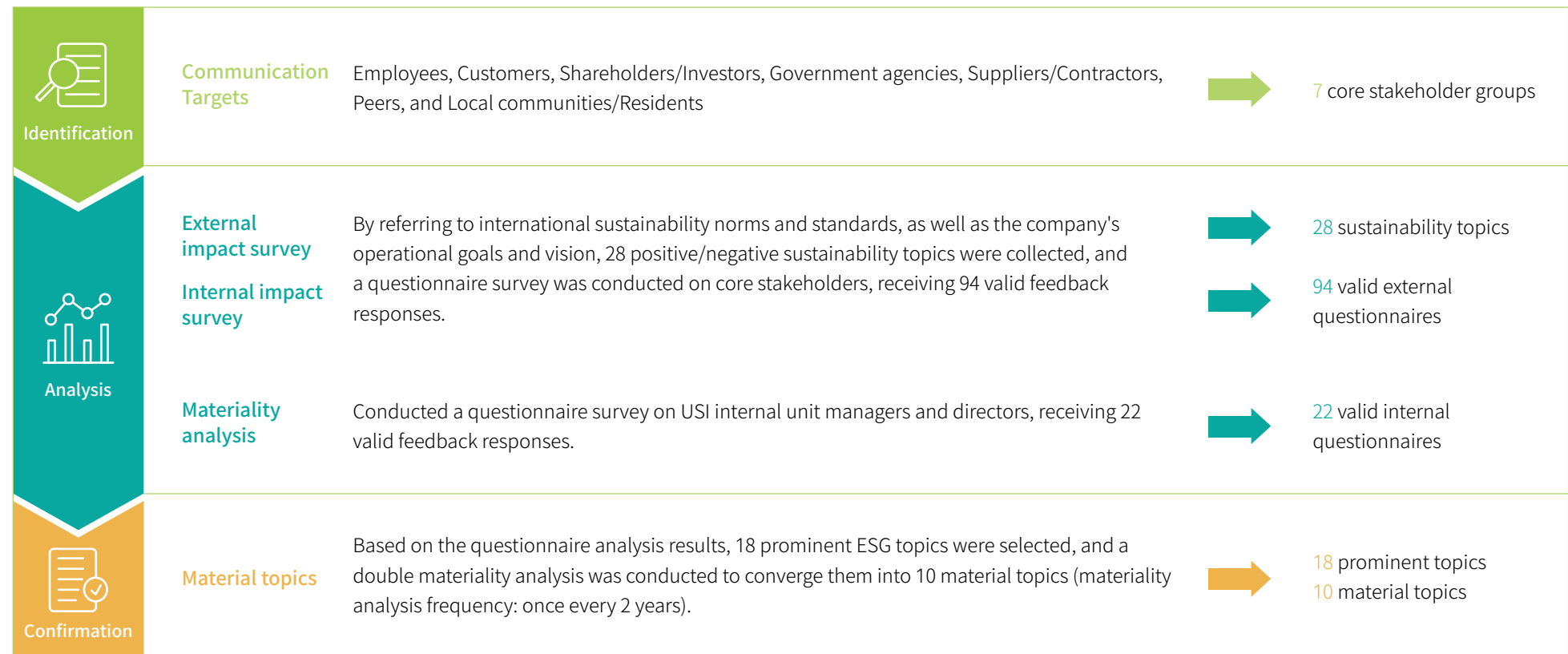
Stakeholders	Topics of Concern	Communication Channels and Frequency	Engagement Results	Annual Implementation Status	USI's Response
Peers					
Peers are not only competitors but also partners. By jointly addressing industry challenges, we promote technological innovation and best practices, and jointly drive the sustainable development of the industry. Contact Window Technology Dept., Mr. Chao (07)735-9998 #2241	- Carbon reduction innovation technology exchange - Transition investment cooperation - Policy and regulatory discussion - Energy transition strategy	- Technical exchange meetings (irregular) - Petrochemical Industry Association meetings (irregular) - Government agency peer policy promotion / opinion consultation meetings (irregular) - Green power promotion strategy discussions (irregular)	- Target setting for voluntary reduction plans - Carbon reduction and low-carbon production - Carbon fee, power saving, green energy - Greenhouse gas emission control action plans - Formed a joint offshore wind power purchasing company	10/15 Petrochemical Industry Association "Petrochemical Industry Greenhouse Gas Reduction Performance Meeting". 10/16 Industrial Development Administration "Traditional Industry Key Player Consultation Meeting - Discussion on Refined Strategies for the Petrochemical Industry's Net Zero Emission Pathway (Draft)". 11/3 Industrial Development Administration "Traditional Industry Working Group Meeting - Petrochemical Industry". 11/10 Chinese National Federation of Industries "Industry Opinion Consultation Meeting on Energy Users Conducting Energy Saving Diagnostics and Setting Plans (Petrochemical, Chemical, Plastics, Gas Plants)".	Regarding the 2030 net-zero emission pathway and refined strategies for the petrochemical industry, peers shared implementation experiences and results. In 2025, USI executed a total of 4 energy-saving and carbon-reduction plans, reducing carbon by 1,922 metric tons of CO₂e. We also added solar power installations for self-consumption and purchased green electricity, striving to achieve the goal of a 27% carbon reduction by 2030 compared to 2017.
Local communities / Residents					
Local residents are important partners growing together with USI, and social inclusion is a core strategy of USI. Contact Window: General Affairs Section, Mr. Hsueh (07)735-9998 #2262 Personnel Section, Mr. Chen (07)735-9998 #2261	- Air pollution control - Local community participation and social welfare - Greenhouse gas emissions - Underground pipeline maintenance	"Contact Us" on the company website (irregular) - Visits to local groups (at least three times a year) - Participation in community activities (irregular) - Visits or phone contact (irregular)	- Provide learning resources to local schools and cultivate excellent talent - Strengthen activities to give back and be a good neighbor - Implement the underground pipeline maintenance and operation plan	- Continuously adopted the air purification zone at Renwu Special Education School and participated in school activities. - Visited nearby neighborhoods and schools, and sponsored community activities. - Conducted self-organized underground pipeline drills, and held joint tabletop exercises and live drills with various pipeline bundle manufacturers. Also participated in the Economic Development Bureau's evacuation drill for sensitive receptors.	- In response to pollution and industrial safety issues concerned by nearby residents, we continuously implement various measures such as zero pollution and zero industrial safety incidents. - Donated a total of 30 buckets of bleach to 3 elementary schools and kindergartens. - Sponsored the Alliance Cultural Foundation with NT\$3 million.

1.4 Material Topic Management GRI 2-14、3-1、3-2

The Company follows the materiality identification process of the GRI Universal Standards 2021, constructing the three major steps of identification, analysis, and confirmation. Materiality analysis is conducted regularly [every two years] incorporating the concept of double materiality, analyzing the sustainability topics' "impact degree on company operations" and "impact degree on the economy, environment, and people (including human rights)".

The material topic identification process and results of the previous year were discussed by Group ESG experts, reported to the ESG Committee, and finally submitted to the Board of Directors for approval. This ensures that the direction of sustainable operations and reporting content align with the concerns and expectations of internal and external stakeholders.

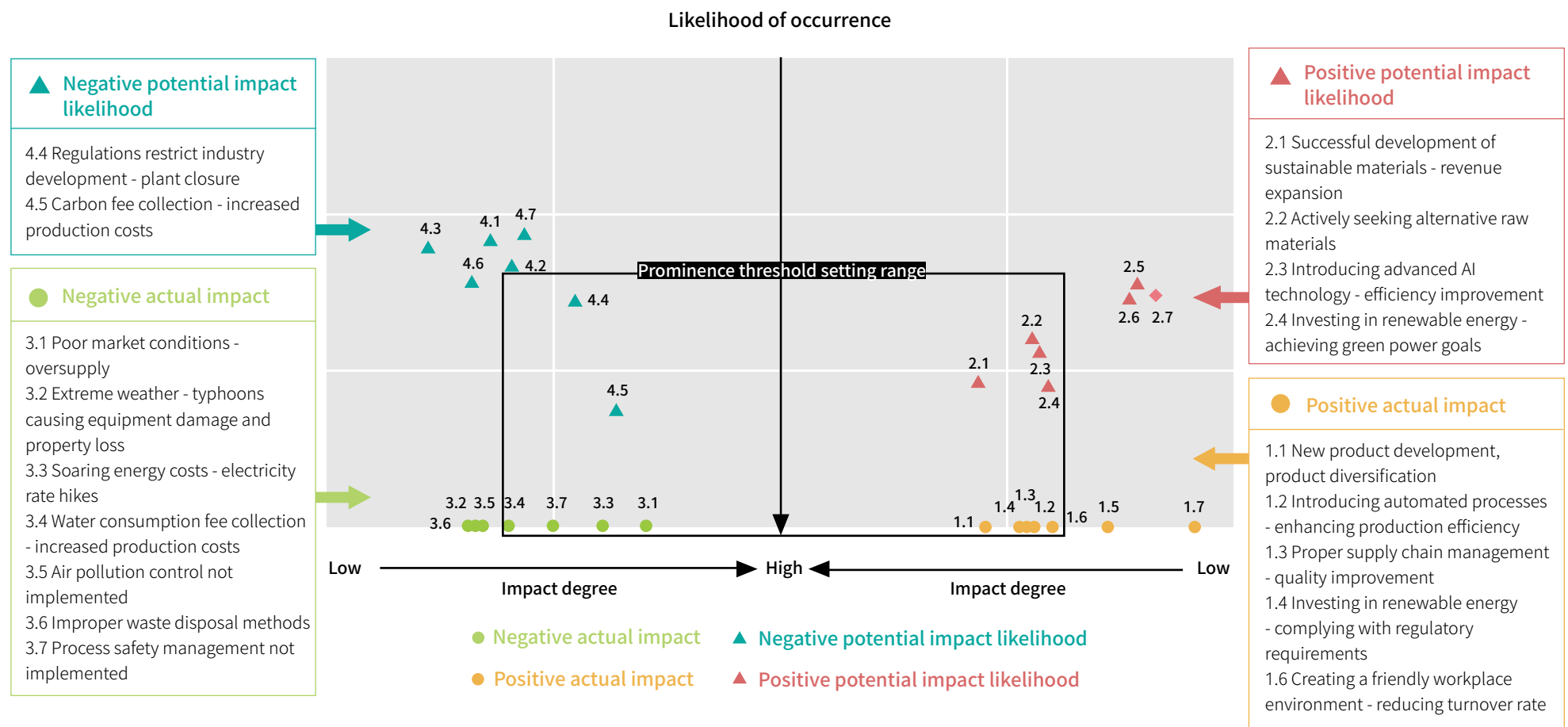
Material Topic Analysis and Identification - Process for Determining Material Topics



Note: By referring to international sustainability norms and standards (GRI Universal Standards, SASB, SDGs, TCFD) and the company's operational goals and vision, the working group compiled 28 positive/negative actual and potential sustainability topics. After recovering the questionnaires, scoring, and statistical analysis, 10 material topics were selected (evaluated every two years; the previous evaluation was in 2024).

To ensure the comprehensive coverage of ESG topics, we referred to the revised requirements of the GRI Universal Standards 2021, SASB chemical industry indicator topics, SDGs, and domestic and international industry sustainability topic trends. We utilized various communication channels to collect a total of 28 "items of stakeholder concern."

A matrix was plotted based on "impact degree" and "likelihood of occurrence." According to the opinions of the ESG working group, stakeholders, and internal and external experts, a prominence threshold was set (impact degree of 3.6 or above, likelihood of 3.5 or above), selecting 18 ESG topics as "prominent topics."



Material Topic Selection

The 18 prominent topics were classified into environmental, social, and governance aspects. A double materiality analysis was conducted based on the "impact degree on company operations" and the "impact degree on the economy, environment, and people (including human rights)," converging them into 10 material topics. The results were submitted to the Sustainability Development Committee for approval and reported to the Board of Directors.

E Environmental Aspect

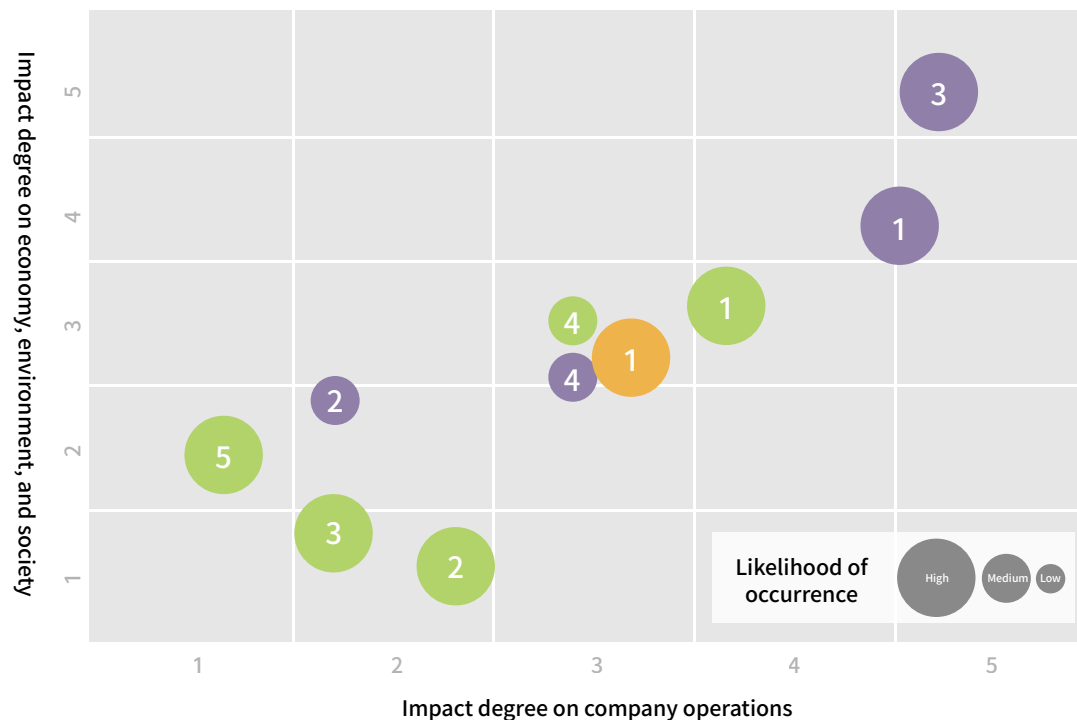
- 1 Climate Change and Energy Management
- 2 Water Resource Management
- 3 Air Pollution Control
- 4 Raw Material Management
- 5 Waste Management

S Social Aspect

- 1 Occupational Health and Safety

G Governance Aspect

- 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 identification in 2022, the changes are as shown in the table on the right.

Departments responsible for material topics propose execution plans and short-, medium-, and long-term goals, regularly reviewing performance.

The boundary of topics also incorporates the value chain concept, expanding the consideration of the impact scope of various material topics.

Status	Material Topic	Description
Added	Raw Material Management	None
Continuous tracking	- Talent Attraction and Retention - Product Quality	Although not selected as material topics this time, their progress will continue to be tracked.

Impact Description and Management Guidelines for Material Topics

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

	Material Topic	Importance Ranking	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topic	Value Chain Impact Scope				Corresponding Chapter
						Supply Chain	USI Operations	Product	Society	
Environmental Aspect	Climate Change and Energy Management	Material	Significance: Enhance capabilities to respond to climate change, reduce greenhouse gas emissions, formulate relevant energy-saving and carbon-reduction measures, and lower operating costs, increase process efficiency, and boost corporate competitiveness. Countermeasures: Establish an energy management system, reduce unit energy consumption of products, decrease greenhouse gas emissions, sponsor new afforestation, and develop green power.	Positive Impact: 1. Short-term actual impact: Profit from EVA solar products, investment in green power. 2. Short-term potential impact: Development of AI systems to reduce energy consumption. Negative Impact: Short- and medium-term actual impact: 1. Electricity rate hikes; electricity costs in 2025 increased by 10% compared to 2024, and are estimated to potentially increase by another 7% in 2026. 2. Power rationing affecting production. 3. Carbon fee: USI's Kaohsiung Plant meets the Ministry of Environment's "High Carbon Leakage Risk" standard, proposed a voluntary reduction plan, passed the review, and obtained a preferential carbon fee rate of NT\$100 per ton. This year, in accordance with the carbon fee collection regulations announced by the Ministry of Environment, the relevant carbon fee expenses (operating expenses) were estimated at NT\$24,370 thousand based on emissions.	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 Gas Emissions 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, recycle and reuse precious water resources through water-saving and emission reduction measures. Countermeasures: 1. Focus mainly on source process improvements, supplemented by end-of-pipe treatments, to enable water resource recycling and reuse. 2. Continually invest in emission reduction management, and execute water-saving measures and water resource recovery management. 3. Promote water efficiency management systems and flood prevention measures.	Positive Impact: Short-term actual impact: Improved water recovery efficiency, lowering production costs. Negative Impact: Short-, medium-, and long-term actual impact: 1. Production interruptions caused by water shortages and torrential rains. 2. Surcharges for water consumption fees during dry seasons, which increased by approximately NT\$540,000 from Nov 2023 to Apr 2024.	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: Continually undertake environmental improvement work, aiming to achieve "Zero Pollution, Zero Emissions." Countermeasures: 1. Focus mainly on source process improvements, supplemented by end-of-pipe treatments, to reduce pollution emissions. 2. Continually invest in environmental pollution control (prevention) management. 3. Comply with the High Kaoping total quantity control. 4. Since 2018, annually sponsor air purification zones and the afforestation of 5 hectares.	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 Topic	Importance Ranking	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topic	Value Chain Impact Scope				Corresponding Chapter
						Supply Chain	USI Operations	Product	Society	
Environmental Aspect	Raw Material Management	Material	Significance: Maintain a stable supply of raw materials, improve raw material recovery efficiency, and actively seek alternatives to fossil raw materials. Countermeasures: Actively manage raw material dispatch and inventory levels, apply for ISO 14021, and promote the recycling and reuse of production waste into plastic raw materials.	Positive Impact: Reduced consumption of non-renewable raw materials, launched recycled and reused products.	GRI 301: Materials 2016	●	●	●	○	4.6 Raw Material Management
	Waste Management	Material	Significance: Continually undertake environmental improvement work, aiming to achieve "Zero Pollution, Zero Emissions." Countermeasures: 1. Strengthen the waste management system and audit of recycling contractors. 2. Research and develop waste reduction projects.	Positive Impact: Resource circulation, reduced waste generation. Negative Potential Impact: Improper waste disposal causing environmental impact.	GRI 306: Effluents 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 Aspect	Occupational Health and Safety	Material	Significance: Properly care for employee health, prevent industrial accidents, enhance the protection of operator safety and health, and cultivate employees' emergency response and self-safety management capabilities. Countermeasures: 1. Strengthen personnel training to raise operational safety awareness. 2. Implement occupational safety and health management, and establish a safety culture. 3. Promote the process safety management system and enhance the safety prevention of process equipment.	Positive Actual Impact: Create a friendly workplace, reduce turnover and occupational injuries. Negative Potential Impact: Industrial safety accidents.	GRI 403: Occupational Health and Safety 2018 SDG 3 Good Health and Well-being SDG 4 Quality Education SDG 8 Decent Work and Economic Growth SDG 12 Responsible Consumption and Production RT-CH-320a.1, 320a.2 Workforce Health & Safety	○	●	○	○	5.2 Occupational Health and Safety
	Talent Attraction and Retention	Continuous Management	Significance: Talent is an irreplaceable core asset of the company. Maintaining stable and continuously growing human resources is the cornerstone of the company's steady operations. Countermeasures: 1. A fair, open, impartial, and efficient selection system. 2. Establish diverse and smooth promotion and communication channels. 3. A safe and healthy working environment. 4. Establish a comprehensive career development platform for employees.	Positive Impact: Recruitment of excellent talent. Negative Potential Impact: Difficulties in talent recruitment.	GRI 405: Diversity and Equal Opportunity 2016 SDG 4 Quality Education SDG 8 Decent Work and Economic Growth SDG 5 Gender Equality		●	○	○	5.3 Talent Attraction and Retention

● ● Direct impact ○ ○ Indirect impact

	Material Topic	Importance Ranking	Significance and Countermeasures	Impact Management	GRI/SASB/SDGs Corresponding Topic	Value Chain Impact Scope				Corresponding Chapter
						Supply Chain	USI Operations	Product	Society	
Governance Aspect	Technology R&D	Material	Significance: R&D innovation is one of the core strategies of the Group's sustainable development vision. Through continuous product improvement, customer needs research, and innovative product development, we lead USI to prosper together with the environment and sustain profitability. Countermeasures: Expand the R&D scale, integrate ESG concepts into the development and improvement of new products to reduce environmental impacts, and achieve sustainable operations through environmentally and socially responsible methods.	Positive actual impact: Continuously develop new products to increase revenue Negative potential impact: Technological innovation fails to meet customer needs	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 mutually beneficial sustainable development with supply chain partners Countermeasures: Establish supply chain sustainability risk assessment and prevention mechanisms to build a culture of sustainable supplier management	Positive actual impact: Strengthen supply chain management to improve raw material quality Negative potential impact: International situations, pandemics, and weather affecting timely supply	GRI 2-6 Activities, value chain and other business relationships GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016 SDG 17 Partnerships for the Goals	●	●	●	○	3.3 Supply Chain Management
	Economic Performance	Material	Significance: Sustainable corporate operations, strict compliance with regulations, pursuit of profitability while considering stakeholders' interests and the development of high value-added products Countermeasures: Integrate upstream, midstream, and downstream sectors to reduce main raw material and production costs, increase product added value, strengthen the development of high value-added and eco-friendly products, and undergo industrial transformation	Positive actual impact: Develop ESG to enhance investor willingness and drive industrial transformation Negative impact: Plastic reduction policies causing customer order transfers; regulations restricting 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, speed up analysis, optimize execution decisions, strengthen industrial safety protection, enhance USI's operational performance, and advance towards intelligent petrochemicals Countermeasures: Integrate resources across platforms, break down data silos, and utilize smart technologies to improve safety, quality, and efficiency	Positive actual impact: Develop AI systems for application in production and industrial safety; introduce automated processes to improve efficiency Negative potential impact: Manpower streamlining affecting 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 the Company's sustainable development; only a quality philosophy involving all employees can implement the cultivation of the Company's quality culture Countermeasures: Strengthen process improvements and inspection frequency, increase customer communication frequency, and continuously enhance product yield and service quality	Positive actual impact: Improve yield rates and develop high value-added products Negative potential impact: Quality fails to meet customer requirements	SDG 12 Responsible Consumption and Production	●	●	●	○	3.2 Product Quality

Indicators and Progress of Material Topics

Aspect	Material Topic	Sustainability Principle	Indicator	2025 Execution Progress	Short-term Target-2026	Medium-term Target-2028	Long-term Target-2030	Responsible Unit	Definition & Notes (Execution Plan)
Environmental Aspect	Climate Change and Energy Management	Sustainable Development	Greenhouse gas emissions (Scope 1+2)	Reduced by 25% compared to the baseline year ✓	Reduced by 15.5% compared to the baseline year	Reduce by 21.5% compared to the baseline year	Reduce by 27% compared to the baseline year	Environmental Protection Section, Mr. Hsieh (07)735-9998#2314	Due to the addition of production lines, greenhouse gas emissions may increase in the future.
	Water Resource Management	Sustainable Development	Water consumption intensity (MT/MT)	3.24 ✓	4	3.9	3.8	(07)735-9998 #2241 Technology Dept., Mr. Chao (07)735-9998 #2241	Whole-plant water recycling rate (excluding cooling tower internal circulation), commonly known as R2 water recycling rate
			Water recycling rate (R2)	91.4% ✓	90%	90%	93%		
	Air Pollution Control	Sustainable Development	Air pollutant emissions per unit of product	50% ✓	15%	20%	25%	Environmental Protection Section, Mr. Hsieh (07)735-9998#2314	1. Calculated based on VOCs emissions 2. Baseline year 2017 (same as the GHG reduction baseline year), with a unit emission of 0.3846 kg/MT 3. Emissions may increase due to the scheduled addition of production lines in 2026
	Waste Management	Sustainable Development	Proper waste disposal rate	100% ✓	100%	100%	100%	Environmental Protection Section, Mr. Hsieh (07)735-9998#2314	Obtain certification documents for proper waste disposal for waste treatment
Social Aspect	Raw Material Management	Sustainable Development	Raw material recycling rate	13.9% ✗	14.50%	14.60%	14.70%	Technology Dept., Mr. Chao (07)735-9998 #2241	
	Occupational Health and Safety	Sustainable Development	Disabling Injury Frequency Rate (FR) / Disabling Injury Severity Rate (SR) / Frequency-Severity Indicator (FSI)	0/0/0 ✓	0/0/0	0/0/0	0/0/0	Industrial Safety Section, Mr. Lee (07)735-9998#2311	- Promote safety and health management plans - Conduct EHS education/training and industrial safety advocacy - Contractor safety management - Permit management system - Regular EHS inspections and audits
	Talent Attraction and Retention	Unity Governance	Total employee turnover rate %	7 ✗	5%	5%	5%	Personnel Section, Mr. Chen (07)735-9998 #2261	The overall turnover remains within a reasonable range for the industry, with no major abnormal fluctuations. To narrow the gap with the target value, focus is placed on refining the recruitment and selection process and strengthening the suitability of talent allocation. We regularly review turnover data and will continue to use 5% as a medium- to long-term management goal to enhance talent stability and organizational sustainability resilience.

Aspect	Material Topic	Sustainability Principle	Indicator	2025 Execution Progress	Short-term Target-2026	Medium-term Target-2028	Long-term Target-2030	Responsible Unit	Definition & Notes (Execution Plan)
Governance Aspect	Economic Performance	Unity Governance	1. Earnings per share after tax 2. Return on Equity (ROE) 3. Annual total sales volume	1. -2.6 2. -14.57 3. 206,576 tons ❌	1. After-tax loss decreases by 1% compared to the previous year 2. ROE increases by 1% compared to the previous year 3. Annual total production achievement rate > 95%		1. Earnings per share after tax > 0 2. ROE increases by 1% compared to the previous year 3. Annual total production achievement rate > 95%	(02)2627-4745 Spokesperson, VP Wu (02)2627-4745	
	Technology R&D	Innovative Technology	Number of new products developed and improved	9 ✔️	4	5	5	R&D Division, Mr. Kuo (02)8751-6888 # 1819	
	Supply Chain Management	Sustainable Development	Signing achievement rate of new supplier commitment letters	100% ✔️	100%	100%	100%	Procurement I Department, Mr. Chen (02)8751-6888 #3771	Signing achievement rate of newly added suppliers each year
			Local procurement rate	VAM 81% Ethylene 96%; VAM 81% ✔️	All above 60%			Procurement I Department, Mr. Lee #3786	
	Smart Management	Innovative Technology	Number of AI projects	2 ✔️	2	2	2	Technology Dept., Mr. Chao (07)735-9998 #2241	
	Product Quality	Innovative Technology	1. Number of customer complaints 2. Product defect rate	1. Established customer complaints for Dept. I/II/III are 3/22/0 2. Product defect rates for Dept. I/II/III are 2.44%/5.55%/5.9% ❌	1. Established complaints per year for Dept. I/II/III not to exceed 3/6/3 2. Product defect rates for Dept. I/II/III below 1.8%/5%/8%	1. Established complaints per year for Dept. I/II/III not to exceed 5/4/3 2. Product defect rates for Dept. I/II/III below 1.8%/5%/8%		Sales Division, Mr. Shen (02)8751-6888 #3213	Report results and adjust targets annually at the management review meeting