



4

Foster an Inclusive Society

- 4.1 Talent Attraction and Retention 85
- 4.2 Talent Development 94
- 4.3 Occupational Safety and Health 98
- 4.4 Social Engagement 108

4.1 Talent Attraction and Retention GRI 2-7,GRI 3-3,GRI 401 (401-1,401-2,401-3)

- **Material Topics:** Talent attraction and retention
- **Rationale:** Quality human assets are one of the key success factors for a company. Utilizing talent appropriately and providing a reassuring work environment allows employees to fully demonstrate their expertise and achieve their potential are the company's sustainability goals. Therefore, TTC is dedicated to creating a harmonious and stable work environment by offering various benefits, ensuring that employees can thrive without worries and grow alongside the company. If employees cannot work with peace of mind, not only will the company's performance suffer, but it also leads to a high employee turnover rate, adversely affecting the overall operational efficiency.
- **Impact Scope:** Boundary of Impact: Employees, investors, and partners.
- **Sustainability Principles & SDGs Alignment:** Fostering an Inclusive Society/SDGs 8: Decent Work and Economic Growth



- The management approach and components:

Policy Purpose	By offering various benefits, we ensure employees enjoy their workplace and can work with peace of mind.
Policy	A Great Place to Work
Commitment	Establishing comprehensive welfare measures to create a joyful and harmonious work environment. This promotes employee stability and reduces turnover.
Goals	2023 Goal (including temporary contract and retired employees): Turnover rate ≤7.5%
	Short-Term Goal for 2025: Turnover rate ≤7.5%
	Mid/Long-Term Goal for 2030: Turnover rate ≤7.0%
Management Plan	Employee benefits include bonuses, leaves, insurance, meals, transportation, and entertainment.
Negative Impact Remedies and Preventive Measures:	A shortage of manpower due to difficulty in employee recruitment: To stabilize the workforce and retain outstanding talents, apart from adjusting the pay for employees according to the consumer price index and personal performance of the employees every year, we participate in a compensation survey of the petrochemical industry to estimate pay standards in the market to make appropriate adjustments and planning. We also consider giving a special promotion to employees with outstanding performance to ensure that our pay is competitive with the market.
Grievance Mechanism	Corporate Union Communication Channel, Employee Complaint Hotline, Employee Suggestion Box

Status and description for goal achievement

Management Plan	2022 Goals	2022 Achievements	Descriptions
Turnover Rate (including fixed-term contract employees and retired employees)	≤ 7.5%	10.75%	In 2022, the company made policy-based layoffs in the Curved Surface Printing Unit, with 7 people handling severance or retirement and actual retirement of 19 people. If the above 26 people are deducted, the turnover rate is 5.57%.

Workforce Structure GRI 2-8

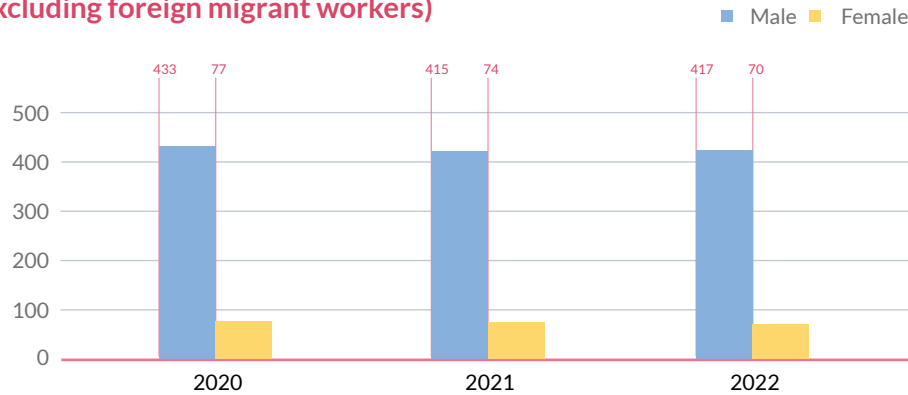
In 2022, the total number of employees at TTC was 502, of which 432 were male (accounting for 86.1%) and 70 were female (accounting for 13.9%). Due to the characteristics of the petrochemical industry, the proportion of male employees is higher than that of female employees. Furthermore, senior management at TTC is primarily recruited locally from Taiwan.

- In 2022, the number of local employees hired in Taiwan was 355 (70.7% of the total), spread across the Taipei headquarters, Toufen plant, Linyuan plant, and Qianzhen plant. Of these, 483 were on indefinite contracts (96.2% of total), 3 on fixed-term contracts (0.06% of total), and 15 were foreign migrant workers (2.98% of total). All the foreign workers, who were male, were employed on fixed-term contracts at the Toufen plant. In China, the company employed 132 local staff. 131 of these employees were on full-time indefinite contracts and worked at the Zhongshan plant. Only 1 was on a fixed-term contract, based in the Tianjin plant.

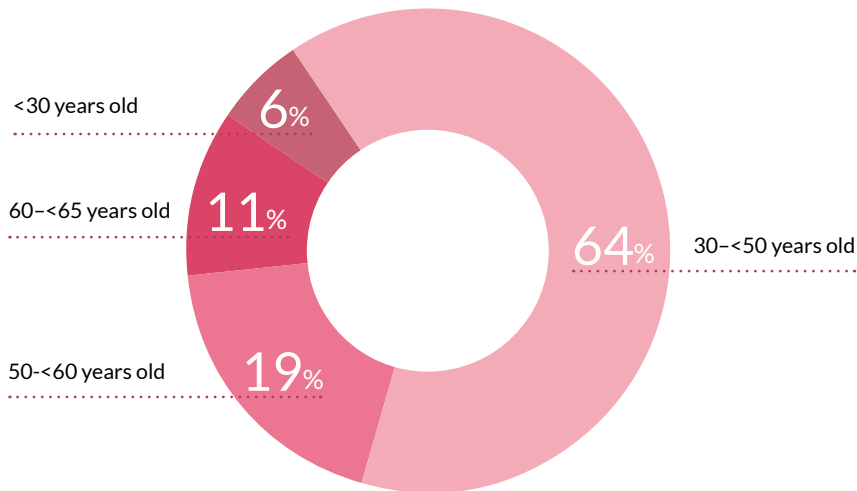
Employee Type Overview Table for the Last Three Years

Type		2020		2021		2022	
		Numbers of person	Percentage	Numbers of person	Percentage	Numbers of person	Percentage
Non-fixed-term contract employees	Male	432	85%	414	85%	416	82.8%
	Female	74	15%	72	15%	67	13.3%
Fixed-term contract employees	Male	19	86%	19	90%	16	3.2%
	Female	3	14%	2	10%	3	0.6%
Total (No. of Employees)		528		507		502	

Employee Gender Distribution Over the Past Three Years (in number; excluding foreign migrant workers)



Age Distribution of Employees in 2022



Employees under 30 years of age constitute 5.95%. The age group of 30 to just under 50 years represents 64.27%. Employees from 50 years to just under 60 years constitute 19.09%. Notably, the proportion of employees who retired in the past five years (from 60 to under 65 years of age) is 10.67%. TTC has consistently maintained stability in its workforce structure over the years, focusing on recruiting and retaining outstanding

talents, while also implementing talent development programs. Conduct pre-employment training and internal job training for new employment in accordance with employee training regulations, to provide them with the skills required for their jobs, and we recruit excellent talents with a fair, open, and transparent recruitment system. In addition to maintaining diversity and equal opportunities, we do not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring.

- **Non-Employee Workers:** This mainly focuses on the count of contracted workers who impact production, operations, environment, and engineering maintenance. In Taiwan: 98 individuals. In China: 40 individuals.

Statistics on Non-Employee Workers (Contractual) in 2022

Nature of work involved	Linyuan Factory	Qianzhen Factory	Toufen Factory	Zhongshan Factory	Total
	Numbers of person	Numbers of person	Numbers of person	Numbers of person	
Container Transport	6	5	12		23
Finished Product Storage/ Container Loading for Shipment	16	9		8	33
Finished Product Packaging	8	11		11	30
Material Preparation/Mixing		7			7
Factory Cleaning	2	1		2	5
Construction and Maintenance	8			3	11
Environment maintenance				8	8
Equipment Inspection/ Dismantling and Assembly				6	6
Processing of Residual Materials	3				3
Assisting in Wastewater Treatment Operations		1		2	3
Incinerator	2				2
Civil/Insulation Engineering	7				7
Total	52	34	12	40	138
	Taiwan			China	
	98			40	

New Talent Intake

TTC's recruitment channels include newspapers, job websites, human resource management companies, educational institutions, and employment service centers. For vacancies within the factory premises, local community talents are given priority consideration, offering local employment opportunities as a way of giving back to the community. In 2022, 59% of new hires at Taiwan factory were local talents.

In 2022, TTC hired 49 new employees, representing 9.76% of the total workforce.

Gender Distribution Among New Employees Overview Table for the Last Three Years

Unit: Persons

Type	2020	2021	2022
Male	30	24	45
Female	1	3	4
Numbers of new hires	31	27	49
End-of-Year Employee Count	528	507	502
Annual Recruitment Rate	5.87%	5.32%	9.76%

Note 1: Includes both irregular contract employees and regular contract employees

Note 2: Annual Recruitment Rate = Number of New Hires/End-of-Year Employee Count

2022 Overview Table of New Hire Distribution by Region and Age

Unit: Persons

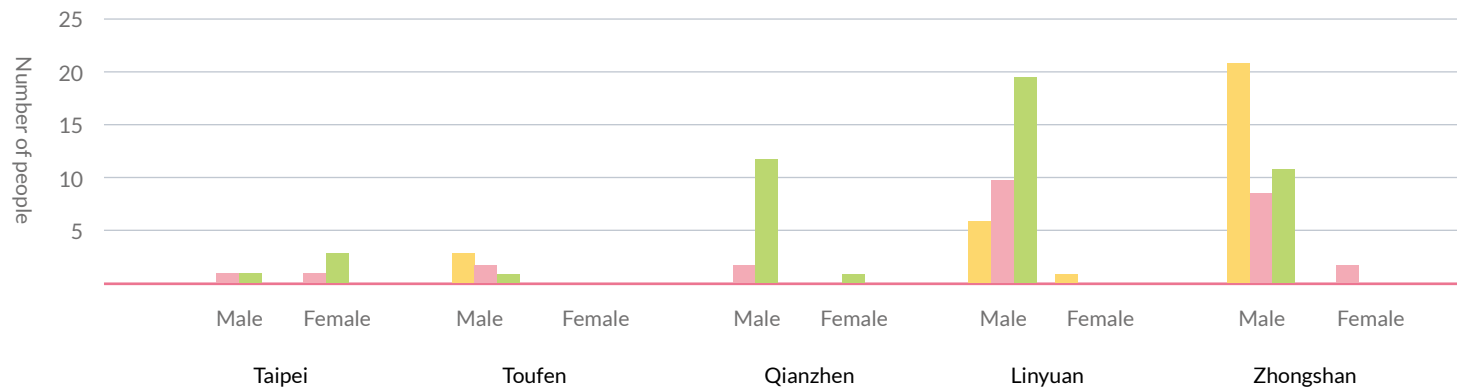
Regions		Taiwan		China	
Age Group	Gender	Male	Female	Male	Female
	<30 years old	4	2	4	0
	30-<50 years old	29	2	7	0
	≥ 50 years old	1	0	0	0
Year-end Total Number of Employees		370		132	
Annual Recruitment Rate		10%		8.33%	

Note 1: Includes both irregular contract employees and regular contract employees

Note 2: Annual Recruitment Rate = Number of New Hires/End-of-Year Employee Count

Age Distribution of New Employees Over the Past Three Years

2020 2021 2022 Unit: persons



2022 Overview Table of Local Hiring for New Employees

Locations	Taipei		Toufen Factory		Qianzhen Factory		Linyuan Factory		Zhongshan Factory		Subtotal		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Numbers of new hires	1	3	1	0	12	1	20	0	11	0	45	4	49
Number of employees hired locally	1	3	0	0	8	1	14	0	2	0	25	4	29
Percentage of new employees hired locally	100%	100%	0%	...	67%	100%	70%	...	18%	0%	56%	100%	59%

Note 1: Calculated based on the number of employees with indefinite contracts in the county or city where the factory is located.

Note 2: Due to the vast geographical expanse of China and the diverse origin of talents from various provinces, the percentage of local hires is relatively low.

Talent Turnover

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

In 2022, the number of employees who left TTC totaled 54, representing a turnover rate of 10.75%.



Turnover Rate Overview Table

Unit: Persons

Type	2020	2021	2022
Male	41	41	45
Female	5	8	9
Number of Departures	46	49	54
End-of-Year Employee Count	528	507	502
Annual Turnover Rate	8.71%	9.66%	10.75%

Note 1: Annual Turnover Rate = Number of Departures / Total Year-End Employee Count

Note 2: Includes employees with indefinite contracts, definite contracts, and retired employees.

2022 Overview Table of Departures by Region and Age

Unit: Persons

Regions		Taiwan		China	
Age Group	Gender	Male	Female	Male	Female
	<30 years old	1	2	3	0
	30-<50 years old	13	3	9	0
	≥ 50 years old	19	4	0	0
Total		42		12	
Year-end Total Number of Employees		370		132	
Annual Turnover Rate		11.35%		9.09%	

Note: 1. Annual Turnover Rate = Number of Departures / Year-End Total Employee Count

Employee compensation plan

Upholding the belief to share profits with employees, TTC attracts, retains, cultivates, and encourages all kinds of outstanding talents and have established a comprehensive and competitive employee remuneration plan. All new employees are paid better than the statutory minimum wage. Allowances vary according to the position and educational attainment of employees. The monthly performance bonuses and year-end bonus is distributed according to the employees' performance. Most importantly, the base salary is equal regardless of gender.

To stabilize the workforce and retain outstanding talents, apart from adjusting the pay for employees according to the consumer price index and personal performance of the employees every year, we participate in a compensation survey of the petrochemical industry to estimate pay standards in the market to make appropriate adjustments and planning. We also consider giving a special promotion to employees with outstanding performance to ensure that our pay is competitive with the market.

Salary of non-management full-time employees

The term "Full-time Employees Not Holding Managerial Positions" refers to the total number of all company employees (or regular employees) after subtracting those in managerial roles, employees of overseas branches, part-time employees, and those who qualify for exclusion from the statistics. This count includes both domestic and foreign employees.

Salary Statistics Table for Non-managerial Employees Over the Last Three Years

Item	2020	2021	2022	Differences Between 2022 and the Previous Year
Number of non-management full-time employees	394	373	354	-19
Average salary of non-officer full-time employees (NTD thousands)	1,225	1,366	1,100	-266
Median wage of non-management full-time employees (NTD thousands)	1,142	1,280	1,039	-241

Employee Benefits GRI 201-3

TTC places a strong emphasis on the safety and well-being of its employees. In addition to legally mandated labor insurance, the company offers a group insurance plan for its employees. The company also covers the additional premium for the group life insurance. All insurance premiums are borne by the company.

Foreign workers at our Toufen plant are provided with dormitory accommodations that are managed by dedicated personnel. These accommodations include facilities such as a basketball court and an entertainment room. Regarding meals, a catering company supplies three meals a day, ensuring that our workers can focus on their jobs with peace of mind. We are committed to respecting the individual differences of each employee. Consequently, there have been no incidents of discrimination at TTC.

TTC greatly values employee benefits. Employees of TTC are entitled to the following benefits as outlined in the table below:

TTC Employee Benefits Overview

Bonus	Year-end bonus, regular bonus and performance bonus
Leave	Maternity leaves, pregnancy checkup leaves, parental, menstrual, family care, pregnancy checkup accompaniment, and paternity leaves.
Insurance	Labor insurance, health insurance, accident insurance, life insurance, group insurance for employees/families, employee condolences, business travel group injury insurance for employees, pension contributions
Food	Employee canteens and meal allowances.
Transport	Employee parking spaces and travel allowances
Entertainment	Employee Trip
Allowances	Subsidies for on-the-job training, domestic/overseas further education
Other benefits	Wedding/childbirth/funeral subsidies, employee maternity subsidies, employee tour subsidy, citation for senior employees, bonuses for three major folk festivals, children education allowance, periodic health checkups and healthcare plan.

2022 Statistics Table for Parental Leave Usage and Return-to-Work

Parental Leave Usage Statistics	Total number of employees entitled to parental leave	Total number of employees who actually took parental leave	Total number of employees who returned to work after the end of their leave	Total number of employees who remained employed 12 months after returning from leave	Percentage of employees who returned to work and remained employed
Male	6	1	1	-	-
Female	0	0	0	-	-

TTC strictly adheres to all labor and human rights regulations, treating all employees fairly. We establish work rules in accordance with government legislation, outlining the relevant labor conditions. The company has never engaged in the employment of child labor or forced labor. We maintain diversity and equal remuneration for employees regardless of age or gender and provide reasonable opportunities for remuneration, promotion, and transfer based on work performance and potential.

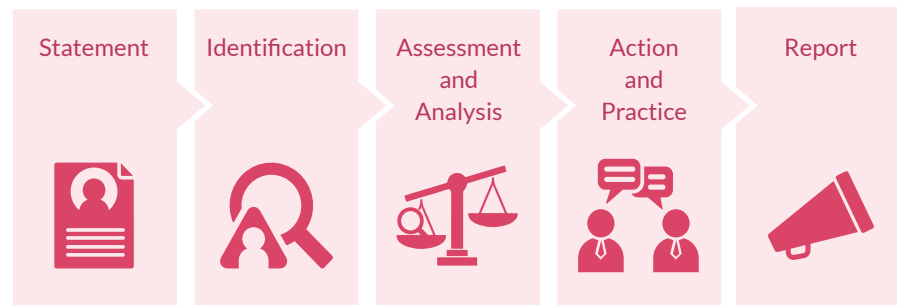
Human rights policy GRI 2-23

We establish the human rights policy applicable to TTC and USIG affiliates with respect to internationally accepted human rights standards that approved by the chairman of the company, such as the International Bill of Rights and the Declaration on Fundamental Principles and Rights at Work, in order to eliminate behavior prejudicing and violating human rights. Apart from providing employees with a reasonable and safe workplace environment, we ensure employees to enjoy reasonable and dignified treatments at TTC.

Identification and assessment of human rights risk

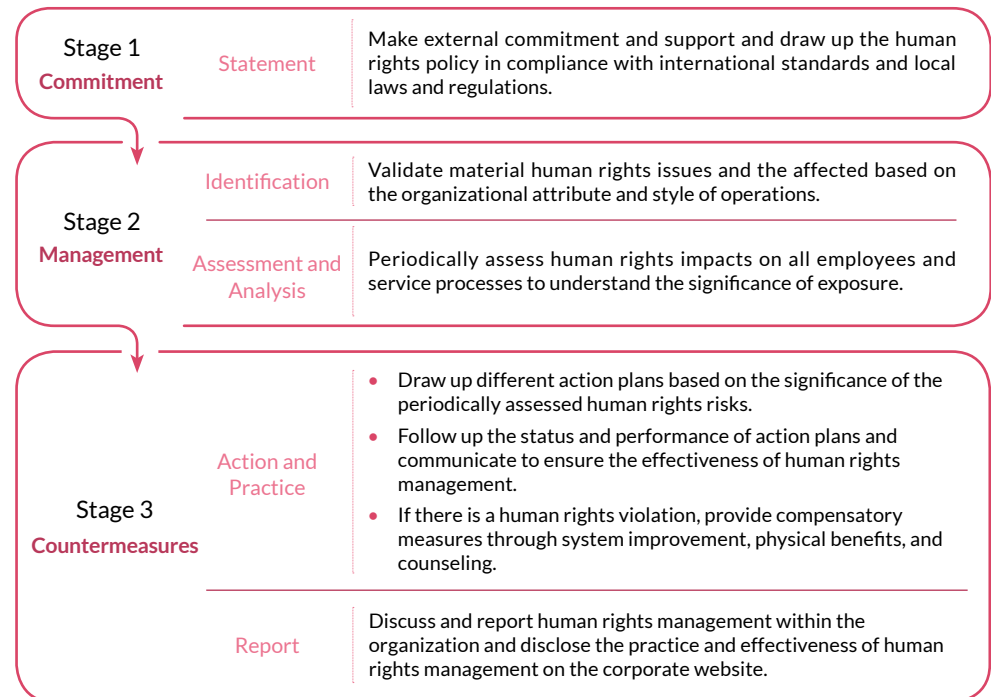
We identify human rights risks every year and perform compliance checks and assessment of concerned human rights issues. Based on the risk assessment results and defects found in internal and external audits, we adopt mitigation and corrective actions and make continual improvement to achieve the goal of risk management.

We establish the steps and processes for each stage of human rights management as the foundation for human rights maintenance and protection. They include:



Human rights issues involve different business departments and units. HRD runs due diligence of human rights and risk management on individual targets and human rights issues based on their different impacts.

Human rights due diligence process



Achievements in Human Rights Management 2022 GRI 2-24

This year, no significant non-compliance was reported. We will continue to arrange education and training on human rights. Please visit our corporate website for the details related to training for human rights. After identifying risks based on the approaches to implement the human rights policy, we included a total of 14 human rights issues in this year, including 8 issues of material concern, with risks covering “occupational safety management” (Please click [link](#) for more information). The implemented mitigation and impact compensation measures are as follows:

Mitigation and compensation measures of human rights management

Topic	Mitigation Measure	Compensation Measure
Occupational Safety Management	<ol style="list-style-type: none"> Continue to provide occupational safety and health education and training every year. Activate the occupational accident reporting and handling procedures Make timely job accommodation based on the physical and mental recovery state of employees. 	Actual impacts have been reported and handled according to the compensation measures and care and compensation have been given to employees.

We continuously concern ourselves with human rights protection and implement relevant training to raise the awareness of human rights protection and lower the likelihood of the relevant risks. In 2022, training sessions related to promoting human rights protection were conducted, with a total of 3,572 participants and an aggregate duration of 12,220 hours.

Grievance Mechanism GRI 2-25

We have established unfettered grievance channels for employees to report all internal problems to supervisors at all levels or the Human Resources Division. To maintain gender equality at work and provide employees and jobseekers with a work and service environment free of sexual harassment, we have established a dedicated mailbox and email for sexual harassment grievances. All information will be kept confidential during the investigation. Neither the name nor the data valid for identifying the complainant will be disclosed to ensure complainant protection.

Minimum Notice Periods for Operational Changes

Implemented in accordance with legal requirements, the company will provide notice in the event of the following operational changes

- Closure or transfer of operations;
- Financial losses or business contraction;
- Work suspension due to force majeure for more than one month;
- Changes in business nature necessitating workforce reduction and no suitable alternative roles available;
- Employees demonstrably not competent for their roles.

Notices will be issued based on the duration of employment

- For those employed for more than 3 months but less than 1 year, a 10-day advance notice will be provided.
- For those employed for over 1 year but less than 3 years, a 20-day advance notice will be given.
- For those employed for more than 3 years, a 30-day advance notice will be served.

Pension Contributions

TTC has established a set of retirement regulations for all full-time employees and contribute every month the employee pension reserves to the personal pension account at the Labor Insurance Bureau for each employee in accordance with the Labor Standards Act.

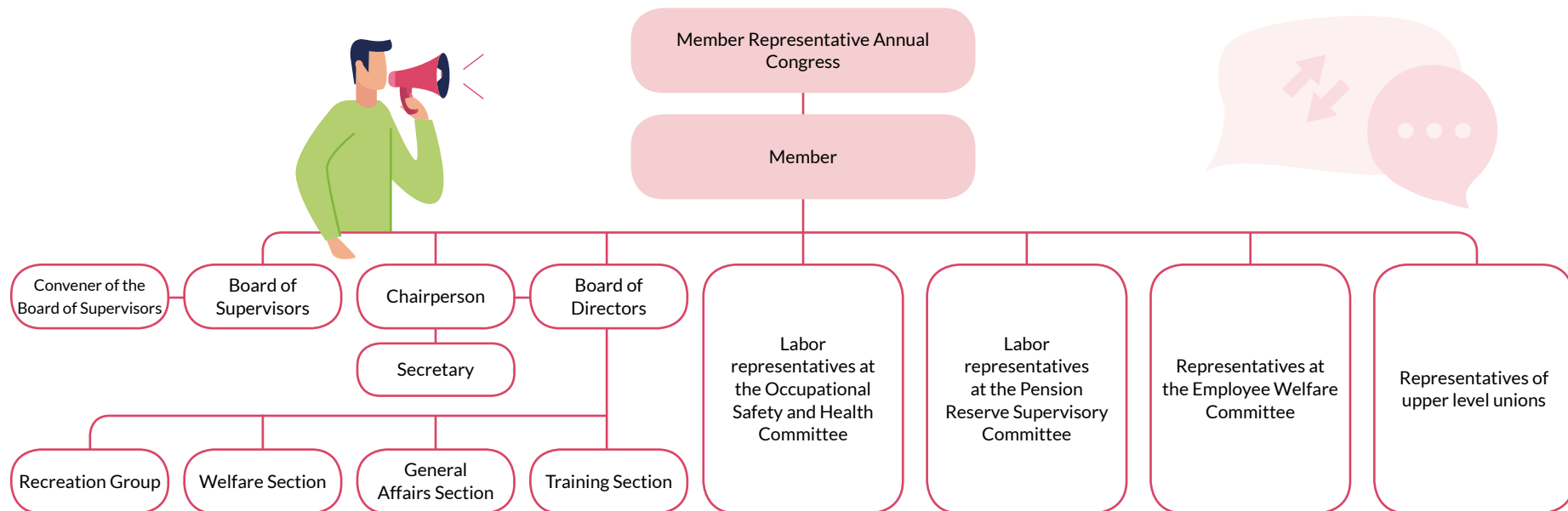
Item	Proportion of Contribution	Employee Participation in the Retirement Plan
Pension under the Labor Standards Act (old system)	Employer contribution: 12% of the employee's monthly wage, all of which have been regularly allocated in full.	100%
Pension under the Labor Pension Act	Employer: 6% of the monthly salary; Employee: 0-6% of the monthly salary. Currently, contributions are made as stipulated.	100%

Labor Union and Organization

TTC has established union organizations in its factories located in Toufen, Qianzhen, and Linyuan. However, there's no union in the Taipei head office or in the Zhongshan factory in China. Owing to the company's consistent and good communication with employees through the union and labor-management meetings, no specific collective agreement has been made between the two sides.

Factory	Union Membership			Total Employees	Percentage of Union Members to Total Employees
	Male	Female	Total		
Linyuan Factory	145	7	152	174	87%
Qianzhen Factory	77	6	83	91	91%
Toufen Factory	52	11	63	78	81%

During the regular board meetings of the unions at various factories in Taiwan, relevant company executives attend and communicate directly with union leaders. Every year, member education training is held with enthusiastic participation from union members, aiming to foster mutual understanding and promote collaboration between management and labor. Furthermore, representatives elected by both management and labor constitute various committees such as the "Pension Supervisory Committee," the "Employee Welfare Committee," and the "Occupational Safety and Health Committee." Regular meetings are convened to provide Channels of communication between management and labor are maintained to safeguard workers' rights.





Every year, the union holds an annual member representative assembly. The image above captures moments from the 2022 union member representative assembly.



To foster collaboration between management and labor and enhance communication, the company collaborates with the union to conduct labor education activities each year. Above are the visual records of the related activities for 2022.

Employee Welfare Committee

TTC allocates 0.15% of its monthly sales revenue for the “Employee Welfare Committee” activity fund. This fund encompasses benefits such as employee trips, birthday, childbirth, marriage, and funeral subsidies, scholarships for employees' children, and annual festival bonuses. These welfare initiatives serve as a token of appreciation for the employees' daily hard work. Periodic travel events are organized, allowing employees to relieve work stress, promote physical health, and foster mutual exchanges, thereby boosting team cohesion.

In 2022, due to the impact of the COVID-19 pandemic and in efforts to prevent its spread, some of the activities originally planned by the Employee Welfare Committee were postponed.

Employee Assistance Program

TTC has established the Employee Assistance Program Service Center (EAPC), aiming to improve the life quality, health, and happiness of employees. We persistently promote EAPC services by organizing various social activities such as Mid-Autumn Festival and Christmas parties and providing employee consultation and counseling services with internal and external resources of the group's head office, to provide comprehensive care and assistance for employees in psychological adjustment, career management, health promotion, and life quality improvement.

Employee Feedback Survey Report

TTC conducted an employee feedback survey in 2021, entrusting the task to an independent third-party organization. The goal of the survey was to gain comprehensive insights into employees' perspectives on the company's management and operations, identify key retention indicators, and pinpoint areas for improvement, leading to specific talent development initiatives. The survey covered both employee satisfaction and commitment to the job. Aspects evaluated included management, compensation, colleagues, job duties, growth opportunities, corporate culture, and organizational commitment. The overall satisfaction score was 4.3 out of 6. The company plans to conduct this survey once every two years.

Item	TTC
Target	Survey of All Staff Members
Categories	Seven main aspects evaluated across 28 dimensions: leadership, compensation, colleagues, job responsibilities, development, corporate culture, and organizational commitment.
Number of Respondents	124 people
Recovery	71%
Overall Satisfaction Score	4.3 out of 6
Survey Results	TTC's overall employee satisfaction is PR60, which is commendable within the industry. However, satisfaction in the areas of colleague relationships and development was found to be lower. Plans include initiating courses to enhance team collaboration, delegating team tasks, establishing a fair and effective performance management system, and providing appropriate training opportunities. A percentile ranking of 65 indicates that the company's performance is above the industry average.
Improvement Initiatives	TTC has not identified any high-risk areas currently. The company will continue to listen to employee feedback and promote measures for continual improvement.

The ongoing improvement initiatives and projects for 2022 include

- To invigorate the organization, stimulate creativity, and encourage a mindset of continuous improvement, we aim to cultivate a high-performance organizational culture. This will enhance the group's competitiveness. New proposal improvement methods have been introduced. For suggestions related to production, quality, R&D, maintenance, energy conservation, water conservation, and environmental protection that result in material, time, or labor savings, and pass review and implementation, rewards and a maximum bonus of NT\$3,000 are granted.
- To fairly evaluate employee commitment to the organization, job competence, performance, and contribution, we have established a performance appraisal system. This will serve as the foundation for holistic performance management and talent development. The results will guide employee promotions, salary adjustments, year-end bonuses, and other HR activities.
- To enhance the HR management benefits of cross-company/department project collaboration within the group and improve organizational agility and competitiveness, relevant audit and performance evaluation procedures have been set up. Matrix management methods have been established, detailing the rights and responsibilities of members of the matrix organization.
- We have launched the USIG EMBA, collaborating with prestigious institutions like National Taiwan University to provide senior executives with specialized courses.
- The introduction of PSM training aims to equip factory engineers and senior staff with management skills and safety operation awareness, ensuring a safe working environment for all employees.

4.2 Talent Development

To enhance the overall competitiveness of our colleagues and facilitate employees in acquiring the knowledge, skills, and certifications required for their positions, TTC offers a diverse educational and training system. We systematically and comprehensively design training courses essential for career development, further extending into the realm of lifelong personal learning. We have set a goal of an average training duration of 20 hours per person by 2025 and 25 hours by 2030.

Item	2022 Goals	2022 Achievements	Achieved: Yes/No
Average Training Duration Goal	18.5 Hours	41.1 hours	Achieved

Career Development

In continuing education and training for employees, we survey the employee training needs, draw up the education and training plans based on the needs of respective unit, and plan related budgets for each plant at Q4 each year. We also establish the e-learning platform to provide a channel for self-learning, organize regular employee competency training, management training, keynote speeches, health talks, and various seminars to improve the professional or management skills. TTC's employees can also enjoy the independent learning channels via the training and learning platform provided by the Group's, to balance the work, life, as well as mental and spiritual development of employees.

To enhance the overall competitiveness of employees, we provide a comprehensive education and training system according to the company's development strategy and the performance goals of respective departments, which is based on four parts: in-service (on-the-job) training, competency training, e-learning and self-growth learning. Training courses are planned and designed comprehensively and systematically according to the development needs of employees and connect with the lifelong perspective of employees.

On-the-Job Training	Functional Training Internal/External Training	Digital Learning	Self-Driven Learning and Growth
<ul style="list-style-type: none"> • Managerial On-the-Job Training 	<ul style="list-style-type: none"> • General Management Knowledge • Hierarchical Training • Professional Functional Training • Talent Development • Employee's Self-Improvement 	<ul style="list-style-type: none"> • Certification Courses for New Employees • Pre-employment Training • Multimedia Learning Platforms • Language training • CWLC 	<ul style="list-style-type: none"> • Book Clubs and Seminars • Wellness and Holistic Health Lectures

Cultivation of Talents for Digital Transformation

TTC is a subsidiary of the USIG. To align with the group's organizational development needs, enhance workforce quality, and cultivate company management talents, the group has established a program for elite personnel cultivation. Outstanding talents who meet the criteria are first arranged for interviews by the group's HR department. After being informed of the training process and assessing their willingness, the HR unit notifies the employee to prepare for registration to participate in designated local universities' MBA or EMBA programs. If accepted, upon presentation of the admission notice, the company offers course fee subsidies and grants leave for study.

The digital wave arose following the technology innovation in recent years. Pushed by the pandemic, digital transformation has become a heat in all industries, and there is no exception to USI. Besides engaging in industry-academia collaboration with academic units, we all invited professional instructors to give instructions to constantly transform toward smart manufacturing.

Besides the application of technology, we understand that digital transformation needs a new way of thinking in employees and a change in the organizational culture. Hence, we have actively implemented data-driven and process improvement in the organization through talents cultivation. All employees can access the group's training and learning platform and participate in digital lectures to enhance their cognitive thinking. In 2022, there were a total of 189 participants, accumulating 411 training hours. We also held workshops and AI training courses for seed members to practice digital transformation in real work to enhance promotion.

In 2022, as part of the digital transformation advocacy, there was one digital lecture and four digital newsletters (digital podcasts).

<p>Digital Lecture</p> <ul style="list-style-type: none"> The Endgame of Digital Transformation The Counterattack of the Metaverse and Web3.0 	<p>Digital Podcasts (one per season)</p> <ul style="list-style-type: none"> 1st season Endgame of Digital Transformation 2nd season Cars: Horseless Carriages 3rd season What Does the Metaverse Have to Do with Me? 4th season Generative AI Will Change the World
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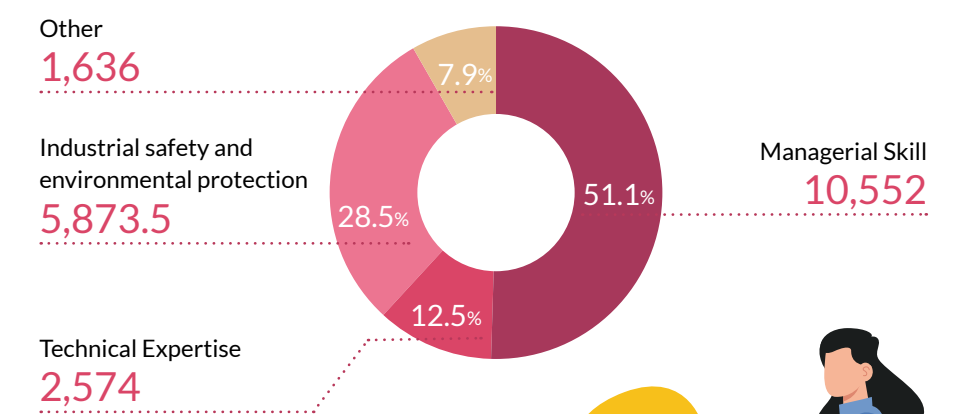
Performance Evaluation

TTC conducts employee performance evaluations annually in January. The evaluation covers non-regular contract employees who have been employed for at least three months. Evaluation criteria are based on 50% work performance and 50% individual competitiveness and efficiency. This performance evaluation is an essential reference for employee promotions, salary adjustments, and other HR operations. It assists managers and employees in career development planning, strengthening areas of inadequacy for employees, and offering incentives for those who exceed expectations. In 2022, 100% of TTC's employees at all operating locations participated in the evaluation, while regular contract employees were not included in the annual evaluation scope.

Diverse Training Programs and Achievements

In 2022, total employee training hours reached 20,636 hours, with an average of 41.1 hours per person, achieving the set target of 18.5 hours per individual. We sponsor employees with higher learning motivation and greater development potential to receive further education in universities at home and abroad and arrange duty adjustment to give them complete training and cultivate outstanding talents for the company.

Training Hours in 2022 Based on Course Type



2022 Overview Table of Training Hours by Location

Participation in Educational Training		Male	Female	Total
Supervisor	Average (hours/persons)	143.3	26.7	116.4
Direct Personnel	Average (hours/persons)	18.7	12.3	18.5
Indirect Personnel	Average (hours/persons)	93.3	29.2	76.0
Entire Company	Person	5,363	770	6,133
	Hours	18,310.5	2,325.5	20,636
	Number of Employees	432.0	70.0	502
	Average (hours/persons)	42.3	33.7	41.1

Note: 1. Direct personnel refers to workers, while indirect personnel pertain to staff members who are not in supervisory roles.

2. Due to varying departmental functional requirements, there might be disparities in training hours across genders.

3. A supervisor is defined as an individual of section chief level or above.

① On-the-Job Training

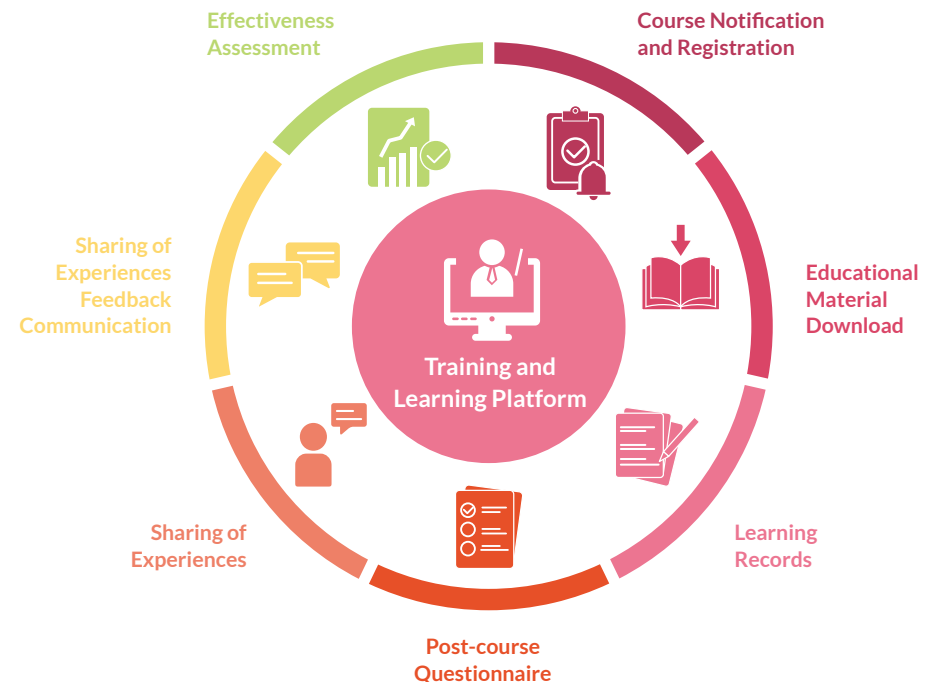
Each year, a diverse training plan is drafted. Various units submit additional training requests based on their needs. Training is conducted through various means such as in-house training, external courses, on-the-job instruction, and digital broadcasts. This training is provided by expert guidance from professional training institutions and selected in-house lecturers. The aim is to achieve certification, enhance knowledge and skills, acquire new management techniques, and understand occupational safety and environmental protection information.

Each unit within the factory area establishes necessary professional courses based on its function. As soon as an employee joins, they undergo mandatory training provided by supervisors and senior colleagues in a structured manner. This training involves reading technical manuals, lectures, on-site practical work, and a balanced approach to theory and practice, ensuring the transmission of technical knowledge and experience. Every unit continuously offers on-the-job instruction to its employees. Simultaneously, training is provided to employees who need certifications for their roles, enabling them to obtain specific project certifications.

② Internal Training

USIG’s HR department regularly organizes educational training courses. The diverse course content includes: Special lectures, humanities and intellectual seminars, health talks, IT training, reading groups, hierarchical training, outdoor learning activities, etc., offering holistic training opportunities. In addition to specialized training and outdoor learning activities, we offer comprehensive training opportunities.

Each factory regularly hosts technical seminars, facilitating inter-factory interdisciplinary learning and exchange. External speakers are occasionally invited or leveraged through electronic media. Beyond equipping factory colleagues with expertise in their primary fields, this also offers various insights into management, health, entertainment, humanities, and other multifaceted learning domains. To align with the digitization of training management, the company has established a “Training Management Platform”. This platform provides a diverse range of services including: training information, educational material downloads, online registration, glimpses into training events. Moreover, through the online feedback mechanism, course effectiveness is assessed from the participants' perspective, ensuring continuous enhancement and improvement of course quality.



③ External Training

Based on the business needs, supervisors will encourage subordinates to participate in external seminars and professional training courses to learn the latest professional technology and skills as well as management knowledge. Once employees complete their training, the Taipei headquarters gather feedback through the “Training and Learning Platform.” Simultaneously, factories collect feedback from trainees through surveys or reflective reports. This process helps to gather opinions from those who underwent external training, evaluate the effectiveness of such training, enhance the management of training materials and reflection reports, and broaden the sharing of outcomes from external training.

④ Digital Learning

To bolster the quality of physical courses and overcome the constraints of time and location associated with in-person sessions, the USIG has established the “Training and Learning Platform” for all group employees to access online courses.

Certification Courses for New Employees

The Group's “Training and Learning Platform” offers new employees a series of general courses on the essential knowledge, attitudes, and skills required in the workplace. The platform also integrates features like learning records, online quizzes, feedback surveys, and course management to assist employees in self-directed learning and enhancing their job competencies. For factory employees, upon their arrival, the Human Resources and Occupational Safety and Health departments immediately conduct orientation training. The course content covers company overview, environment, organizational regulations, benefits system, job safety and health-related rules, and concepts related to quality management, environmental and occupational safety and health management, and product quality assurance, among other training topics.

Pre-employment Training

Each department in the factory has designed specialized pre-employment training courses for their units. Once new employees arrive, the HR department details the necessary courses and hours in the “Employee Work Instruction Record.” The respective departments then implement the training and document it.



Video-based Learning

Through a comprehensive class mechanism, this platform offers employees a diverse range of online courses. Features include learning certifications, material downloads, online quizzes, and feedback surveys. These tools enhance the effectiveness of learning. Furthermore, through a learning community, the platform listens to employee feedback and adds new courses based on demand.



Language Training

To foster an English-learning culture among all affiliated enterprises of the group and elevate employees' everyday and business English skills, while also motivating more employees to learn, the group's HR department continues to collaborate with English digital learning platforms, offering online English course subsidies.



4.3 Occupational Safety and Health GRI 3-3, GRI 403 (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9)

4.3.1 Occupational Safety and Health

- **Material Topics:** Occupational safety and health
- **Major reason:** A safe and healthy working environment is the primary labor requirement for workers. Thus, continuous efforts should be made to reduce safety and health risks, prevent and minimize occupational accidents, and consistently improve safety and health performance, underscoring our commitment to safety and health.
- **Impact range:** Government agencies, communities, and employees
Sustainability Principle aligned with SDGs: Shaping an Inclusive Society/ SDGs 3: Health and Well-being
- **Management approaches**



Policy Purpose	Continuously reduce safety and health risks, prevent and minimize occupational accidents, and promote employee health.
Goals	Goal for 2022: Zero disability injuries
	Short-term Goal for 2023: Zero disability injuries
	Medium to Long-term Goal for 2030: Zero disability injuries
Management Plan	Add or update equipment to reduce pollutant emissions to reduce the OSH-related risks
Evaluation of the management	Measure the "Number of injuries resulted in disability" every year and present an assessment report to the management during the annual management review meeting. This allows for a review of the past year's performance and the formulation of improvement measures, as well as an evaluation of the effectiveness of those measures.
Assessment Mechanism	Continuously implement the ISO 45001 OH&S management system for a systematic management.
Assessment result	Number of disabling injuries in the last three years
Negative Impact Remedies and Preventive Measures	Inadequate implementation of Process Safety Management (PSM) leading to accidents: Our company has integrated the PSM system, employing a systematic approach to prevent unforeseen incidents.
Grievance Mechanism	Details can be found in Section 3.1.2 under the ESH Grievance Channels

Goal Description and Achievement Status

Management Plan	2022 Goals	2022 Achievements	Explanation (including reasons for non-achievement)
Review and Tracking of Disability Injury Case Management	Number of disabling injuries: 0	Number of disabling injuries: 0	The goal has been achieved.

In 2022, the total number of disabling injuries in TTC's Taipei office and all factories was 0, achieving the goal.

TTC will adopt the following approaches to continually reduce occupational health and safety risks, aiming to achieve the set objectives:

Aligning with global trends, the company integrates the environmental management system with the occupational health and safety system. We have established a policy for occupational health, safety, and environment, detailed in Chapter 3 under Environmental Protection. The strategies for executing this policy include:

- Implementing PSM and the ISO 45001 standards. Through the institutionalized PDCA (Plan-Do-Check-Act) management cycle, we are committed to risk management, continuous improvements in safety, health, and environmental protection, disaster prevention, and giving priority to the mental and physical wellbeing of our employees.
- TTC's factories in Linyuan, Qianzhen, and Toufen have passed the ISO 45001 standard verification. While the Zhongshan factory has not been verified, it operates based on company regulations and policy mandates. Both internal and external audits involve all employees and contractors. In 2022, 502 employees and 113 contractors were covered by the Occupational Health and Safety Management System, representing 100% coverage.
- By adopting the best available techniques and management practices, we are committed to organization, waste reduction in processes, pollution prevention, and ensuring the health and safety of our employees, contractors, and neighboring communities.
- We emphasize continuous training, communication, and consultation with employees, encouraging everyone's participation. We also enhance communication with contractors and clients, ensuring they are fully informed of our occupational safety, health, and environmental policies.

Occupational Safety and Health Risk and Opportunity Assessment and Control Procedures

To prevent hazards from operations, activities, services, or facilities that might compromise the safety and health of personnel or result in financial losses to the company, early actions are taken to address opportunities for improving occupational health and safety performance. Post-risk assessment, the chosen control methods include (a) elimination, (b) substitution, (c) engineering controls and job reorganization, (d) managerial controls including training/signs/warnings/management controls, and (e) personal protective equipment. Controls are chosen based on a priority sequence from (a) to (e), identifying the most optimal method, and reducing risks to acceptable levels.

TTC has established a comprehensive occupational safety risk assessment process. All evaluators undergo risk assessment training, ensuring their competency and understanding. Assessment methods involve internal staff (including contractors) or external stakeholders. They can submit their findings to their respective supervisors. The executive team collates, reviews, and tracks the proposed improvements. Furthermore, by establishing internal and external communication procedures, employees are involved in incident investigations, hazard risk assessments, and decision-making on control measures. This ensures all relevant employees, contractors, suppliers, and stakeholders are timely informed about the company's occupational health, safety, environmental policies, and system requirements.

Performance Statistics for Hazard Identification and Risk Assessment

In 2022, a total of 17 measures were derived from the identification of unacceptable occupational health and safety risks.

Risk Level	Risks and Opportunities	Planned Actions
Risk Level 1	Unacceptable Risk	Plan for Improvement
Risk Level 2		
Risk Level 3		
Risk Level 4		
Risk Level 5-12	Tolerable risks, consider opportunities for improvement	Choose to improve

Performance Statistics Table for Occupational Health and Safety Over the Last Three Years

Item	2020	2021	2022
F.R.	0	0	0
S.R.	0	0	0
F.S.I.	0	0	0
TRIR	0	0	0

Note 1: Disabling injury frequency rate (F.R.) = Injury frequency × 10⁶ /total hours worked

Note 2: Disabling injury severity rate (S.R.) = Injury days lost × 10⁶/total hours worked

Note 3: Frequency severity index (F.S.I.) = √[(F.R×S.R.)/1000]

Note 4: Total Recordable Incident Rate (TRIR) = Number of injuries x 200,000/Total work hours



Employee Occupational Safety Performance Statistics

Given that “zero industrial accident” is TTC’s objective for occupational accident management, disability injury is one key indicator for evaluating occupational safety and health within an organization. As a result, each plant assigns personnel to regularly conduct various safety inspections and establishes an evaluation method for the performance of inspection personnel. Any inspection deficiencies are incorporated into the environmental and safety management platform for tracking and management, ensuring improvements are made and preventing recurrence.

In 2022, TTC had no safety incidents, achieving the goal of zero recordable injuries

As of December 31, 2022, the accumulated total work hours without recordable injuries for each plant are as follows:

Factory	Linyuan	Qianzhen	Toufen	Zhongshan
Total Accumulated Work Hours Without Recordable Injuries for Employees	1,403,078	2,317,911	1,047,474	2,076,333

Note 1: Work hours lost due to commuting accidents are not included in the recordable injury statistics.

Note 2: For contractors, the accumulated total work hours without recordable injuries in 2022 were 199,903 hours.

TTC's absentee rate in 2022 was **0.731%**

Note Absentee Rate = (Total Absent Days) / (Total Work Days) x 100%. The total number of absent days is based on the actual count by the Human Resources Department in 2022 (e.g., sick leaves and public injury leaves are used as the basis for counting absent days). The total work days refer to the actual working days in 2022.

Process Safety Management Performance

Process Safety Management Performance in 2022

Total Count of Process Safety Incidents (PSIC)	0
Process Safety Total Incident Rate (PSTIR)	0
Process Safety Incident Severity Rate (PSISR)	0

Note 1: Employees are only permanent employees. The total hours worked in 2022 was 1,094,611 hours.

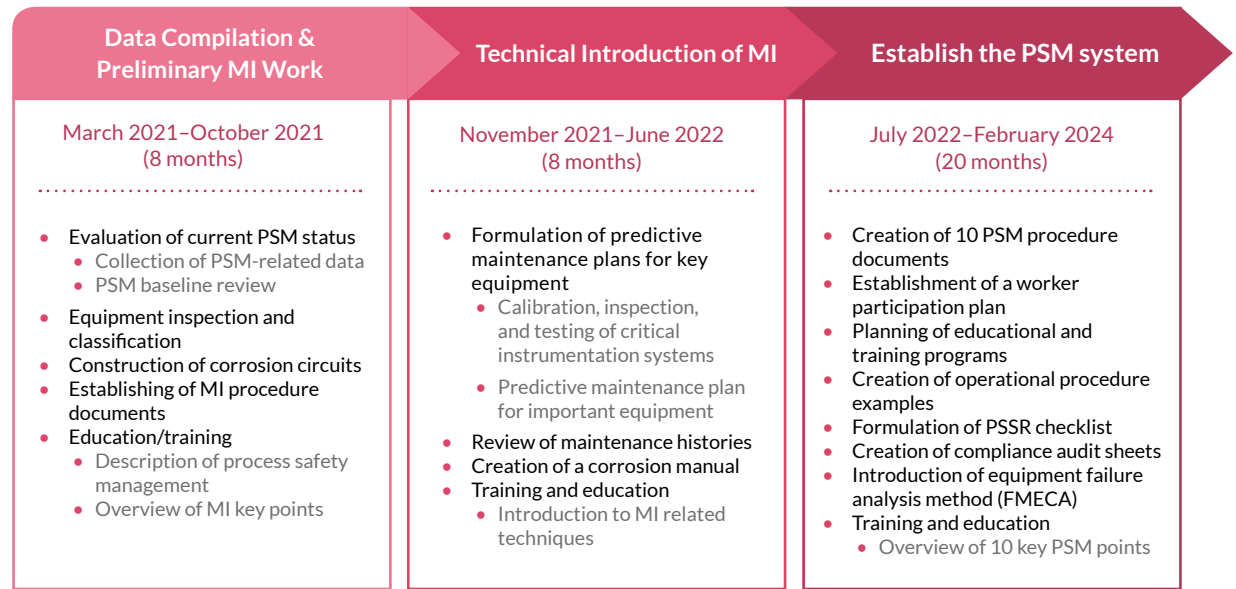
Note 2: PSTIR = The cumulative (annual) count of incidents x 200,000/total hours worked by workers
 Note 3: Frequency severity index (F.S.I.) = $\sqrt{[F.R \times S.R.]/1000}$

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

Implementing the Process Safety Management (PSM) System

TTC's Linyuan, Qianzhen, and Toufen plants began implementing the PSM (Process Safety Management) system in 2021. Through planning, execution, inspection, and improvement, they have progressively promoted the PSM system to strengthen process operational safety. The goal is to establish and implement a safety culture and system at the factory, spanning from top management to employees and from equipment to personnel.

The overall plan is led by TTC's President, who takes the lead and collaborates with all colleagues in introducing and executing PSM. External consultants and their teams have been hired to assist in the PSM guidance in a manner that combines academia and industry. This assistance covers the establishment of systems, technical methods, etc., managed through a project-based approach and introduced in three phases:



Type	Progress for Each Item
PSM Data Checklist to be Established	The 14 main categories have been subdivided into 171 items. The entire factory is compiling data and uploading it to the PSM electronic platform. Tracking progress is done monthly.
PSM Procedure Documents	Creation has been completed based on the 14 main categories.
MOC Electronic Platform for Process Improvement	An electronic platform has been established. Currently, the system is being optimized for future systematic management.
CMMS	1. Hardware has been set up. 2. Discussions are underway regarding software system development.
Reactivity Hazard Analysis	Currently, external academic units have been commissioned for experimental analysis.
Pipeline ISO Diagram Creation	The goal is to create about 3,000 diagrams. At present, 758 have been created.
Equipment-related Inspection	Non-destructive testing and vibration analysis are being conducted based on corrosion loops
PM Planning and Material Specification Creation	Currently, about 2,000 units have been planned, with planning ongoing.
Compliance Audit	In 2022, one group audit and two internal audits were completed.
Aging Management	Discussions regarding system development are currently ongoing with the group's IT department.

Care for Employee Health

Before entering the factory, new recruits are required to undergo health check-ups at medical institutions recognized and approved by government agencies. Every year, regular employees undergo health check-ups conducted by accredited major hospitals to ensure their well-being. Results, when necessary, are reported to the competent authorities for record. As of 2022, the health check-up participation rate across all factories reached 100%.

Upon completion of the health check-ups, employees receive a health report detailing their medical data over the past three years. This allows them to understand the fluctuations in various test results during this period. Additionally, we maintain an archive of each employee's annual health reports, which they can access for personal review. Employees engaged in tasks that pose particular health risks are required to undergo specialized health examinations. We have established a health management database and conduct tiered health management based on regulations. Depending on the examination results, health level, and physician's recommendations, employees with abnormal findings receive health education, follow-up examinations, treatments, or are managed by adjusting their job assignments to safer environments.

Overview Table of Job Types Requiring Special Health Check-ups Across Factories

Factory Area	Types of Jobs Requiring Special Health Examinations
Linyuan Factory	Operations involving noise, dimethylformamide, and laboratory work with potassium dichromate
Qianzhen Factory	Operations involving noise, ionizing radiation, and laboratory work with benzene
Toufen Factory	Operations involving noise and dust exposure
Zhongshan Factory	Noise operation



While the rate of unsatisfactory health examination results can be directly or indirectly related to factors such as age progression and individual lifestyle habits, we still place an emphasis on the promotion of employee health, especially for those with higher unsatisfactory rates. To this end, we draft an annual health promotion plan and implement various health promotion initiatives as follows:

- After each health examination, we invite hospital physicians to host an examination result briefing. This allows employees to understand their current health status, communicate face-to-face with the doctor, and receive suggestions regarding their post-examination health condition.
- For general health examination anomalies, individual employees receive health education. In 2022, our occupational health and medical staff provided health education sessions a total of 208 times.
- To ensure employees have the opportunity for physical and mental relaxation, factory welfare committees and unions organize tiered recreational trips annually. This ensures that all employees have a chance to participate, promoting overall well-being.



Prevention management of Work-Related Ill Health

Type	Hazard Factors	Potential Occupational Illness	Preventive and Management Measures
Physical	Noise	Occupational hearing loss	Establish a hearing protection plan, provide education and training, and supply protective equipment
	Work under Sunshine	Heatstroke, heat exhaustion	Install indoor cooling systems, air conditioning, fans, provide water dispensers, schedule work and rest periods
Chemical	Organic solvents	Live and key damage, dermatitis	Limit exposure time, set up local exhaust ventilation systems, supply protective equipment
	Dust	Respiratory irritation, occupational asthma	
Ergonomic	Heavy objects	HIVD	Develop a human-centered hazard prevention plan, limit duration of use, use machinery to replace manual work where possible, advocate for the correct working posture
	Poor posture	Neck and shoulder pain	
Social, physiological	Overwork	Cardiovascular diseases	Establish a plan to prevent illnesses caused by abnormal workloads, control working hours, advocate for the improvement of bad habits, promote correct posture
	Psychological stress	Occupational psychiatric disorders	Implement a prevention and management plan against unlawful infringements in the workplace, station doctors and nurses in the factory for consultation and counseling

Analysis of Work-Related Ill Health

TTC is dedicated to occupational safety and health. Based on the Occupational Safety and Health Act, the company has taken preventive measures for operations with health hazards.

Yearly Activities/Measures	Employees		Contractors	
	Male	Female	Male	Female
Number of cases of recordable work-related ill health	0	0	0	0
Number of fatalities as a result of work-related ill health	0	0	0	0

Health promotion

Beyond its commitment to business management, TTC places significant emphasis on the physical and mental well-being of its employees. Regular events, such as group travel and participation in charitable activities, are organized across all plants. Employees are encouraged to participate actively. Additionally, stationed doctors and nurses offer free medical consultations and health guidance on-site, helping employees understand potential physical or psychological health issues and promoting health management awareness and initiative.



OHS Organization and Operations



TTC's Linyuan, Qianzhen and Toufen Plant have established labor unions and the "Occupational Safety and Health Committee (OSHC)" have also established in accordance with the "Regulations for Occupational Safety and Health Management," with labor representatives elected or appointed by the union. The committee meets with management every quarter to discuss ESH topics on behalf of employees.

The Zhongshan plant has a dedicated Health and Safety Department responsible for the daily management of occupational health and safety. They hold monthly environmental safety meetings to review issues related to occupational safety management.

In terms of occupational safety committee representation, labor representatives account for 35% in the Qianzhen plant, while other plants have a representation of 33%. In 2022, there were a total of 124 proposals. Except for the Linyuan plant, where 3 items are still pending construction planning, all other items have been completed.

Workplace Safety and Health Operations

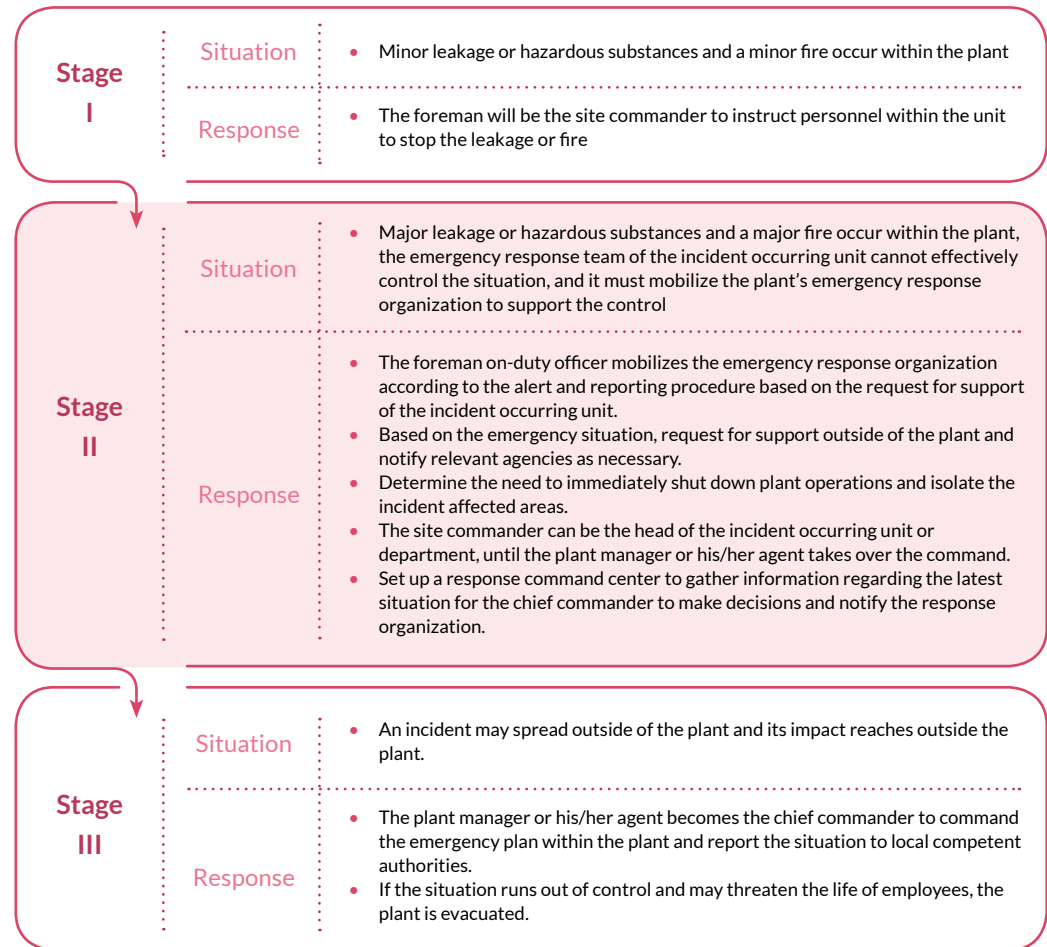


TTC's Linyuan and Qianzhen plants obtained OHSAS 18001 Occupational Health and Safety Management System certification in July 2001. By August 16, 2020, these plants, including the Toufen plant, successfully transitioned to the ISO 45001 standard. Each factory regularly designates personnel to conduct safety inspections and checks on a weekly basis. Additionally, the company has implemented the "Group Safety and Health Partner Regional Joint Defense" system. This system encourages affiliated enterprises within the group to supervise each other, share experiences, and conduct cross-audits. This approach further solidifies the implementation of safety and health management. In 2022, Qianzhen, Linyuan, and Toufen plants underwent a total of 8 ISO and group audits.

The Zhongshan plant has not yet adopted the ISO 45001 Environmental Health and Safety Management System. However, it still operates in accordance with relevant occupational safety regulations and the environmental and safety policies of TTC.

In response to the possibility of emergency procedures for raw materials (chemical) leakage, fire, explosions, and earthquakes. In addition, TTC has classified incidents into three levels and have planned different response stages. When the level of an incident rises, the stage of response also rises. The three stages of response are as follows. Each factory, in addition to participating in annual fire drills, also has a yearly emergency response drill plan. The goal is to continuously train staff to become familiar with the emergency handling procedures through regular drills.

The Three-stage Emergency Response Flowchart



In addition, plants across Taiwan collaborate with the Taiwan Responsible Care Association (TRCA), the Industrial Safety and Health Promotion Association, and the Pollution Prevention Coordination Group. Through mutual observation and learning in areas such as industrial safety, health, and environmental protection, they aim to enhance the safety and health protections of operational staff. They also annually hold regular emergency response, firefighting drills, and safety education training. In the fiscal year 2022, a total of 98 emergency response and fire drills, and education training sessions were conducted, benefitting 1,679 participants. This training nurtures employees' ability to respond to emergencies and self-manage their safety.

Photos Related to the Emergency Response Drills

Linyuan Factory



Linyuan Plant 2022 Emergency Response Exercise - AN & SM Monomer Pipeline Leak Fire Emergency Response Drill

Qianzhen Factory



Qianzhen Plant 2022 Emergency Response Exercise - Fire Safety Education Training

Toufen Factory



Toufen Plant 2022 Emergency Response Exercise - Ammonia Gas Leak Training

Zhongshan Factory



Zhongshan Plant 2022 Emergency Response Exercise - SM Pipeline Leak Incident Drill

HSE Education

Education, training, and publicity are the fundamentals for promoting HSE awareness to employees and contractors. By establishing relevant management regulations for each plant, TTC provides knowledge and skill training for different categories of employees and contractor personnel based on actual needs. For the fiscal year 2022, the total number of trainees reached 6,980, with a combined training duration of 24,799 hours.

Statistics Table for Environmental, Safety, and Health Training Hours for Different Personnel in 2022

Factory Type	Linyuan		Qianzhen		Toufen		Zhongshan	
	Person	Total hours	Person	Total hours	Person	Total hours	Person	Total hours
New employee training	17.0	1,982.0	12.0	440.0	1.0	3.0	7.0	182.0
On-the-job training	2,654.0	11,520.5	1,078.0	3,921.0	486.0	1,300.0	1,857.0	4,084.5
Contractor personnel	576.0	864.0	241.0	361.5	38.0	114.0	13.0	26.0
Total	3,247.0	14,366.5	1,331.0	4,722.5	525.0	1,417.0	1,877.0	4,292.5

Note: Employee on-the-job training courses include: management skills, professional techniques, industrial safety and environmental protection, and others.

Statistics Table for Hours of On-the-Job Employee Training Programs in 2022

Training Programs/ Total Duration	Linyuan Factory	Qianzhen Factory	Toufen Factory	Zhongshan Factory
Managerial skill	232.0	687.5	517.0	1,782.0
Technical expertise	1,454.0	6,895.5	244.0	1,038.5
Industrial safety and environmental protection	668.0	2,248.0	215.0	998.5
Other	300.0	1,689.5	102.0	102.0
Subtotal	2,654.0	11,520.5	1,078.0	3,921.0



Photos Related to Safety and Environmental Training

Linyuan Factory



HAZOP Hazard Analysis Practical Education and Process Safety Information (PSI) Training

Qianzhen Factory



Confined Space Operation Education Training and Traffic Safety Advocacy Education

Toufen Factory



Workplace Bullying Prevention Education and First Aid Training

Zhongshan Factory



Dual Prevention Training on Risk Identification and Hazard Exclusion, and Safety Education Training

Contractor Safety Management

TTC has set regulations for contractor management. These clearly stipulate that contractors must undergo safety education before entering the plant. They are informed about potential hazards to ensure a comprehensive understanding of the safety of the construction environment and safety measures. Only after this training are contractors allowed to work within the facility. Before commencing work, a safety check is implemented to guarantee the security of the work site, fulfilling the responsibility of occupational safety and health management. Random safety checks are conducted during operations. In case of any violation, the contractor is immediately asked to cease construction. They can only resume after necessary improvements are made. Additionally, meetings are held concerning contracted projects, emphasizing clear safety guidelines, precautions, and emergency response measures within the plant area. Through these meetings, bidirectional communication is facilitated to ensure the safety of all contracted operations, thereby reducing the occurrence of accidents.

In 2022, TTC reported **zero** accidents involving contractors.

4.3.2 Transportation Safety and Management

Transportation Safety Management for Raw Materials

① Tanker Truck Management

Each plant utilizes tanker trucks for the transportation of raw materials. Considering the safety of vehicle transportation, raw material storage, and unloading operations, each plant has established regulations as per their requirements. These regulations cover the transportation of chemical tankers and finished products, raw material storage management, unloading-related operations, and guidelines for operating procedures related to the unloading and storage of tanker or drummed raw materials.

In the past three years, there have been no accidents related to tanker transportation at the Linyuan, Qianzhen, Toufen, and Zhongshan plants. The transportation tankers are qualified tankers for transporting chemical substances; each contractor has good emergency response ability, and well-established emergency response plans. Transportation is implemented according to the relevant control regulations and management measures. Furthermore, due to the classification of acrylonitrile and butadiene as toxic chemicals announced by the Environmental Protection Agency, specific preventative and response plans for transporting these hazardous substances have been established. Additionally, the plants have joined a national cooperative organization that responds to disasters involving toxic chemicals, specifically focusing on acrylonitrile and butadiene.

② Pipeline management

Over the past three years, there have been no incidents related to pipeline transportation at the Linyuan, Qianzhen, Toufen, and Zhongshan plants.

Safety Management Measures for Above-ground and Underground Pipelines at Each Plant:

Linyuan Plant

The underground pipelines transporting butadiene and styrene are located within the Linyuan Industrial Zone, bypassing the Kaohsiung city area. The plant has established a “Raw Material Transportation Pipeline Management Standard” to regulate maintenance, daily inspections, and abnormality management for underground pipelines both within and outside the plant. Above-ground pipelines in the plant are also inspected and maintained based on related standards.

Qianzhen Plant

Styrene is transported directly from China General Terminal & Distribution Corporation's (CGTD) tanks to the Qianzhen plant processing area through above-ground pipelines. The entire transportation route is within the boundaries of both plants. A “Maintenance and Management Procedure for SM Transparent Pipes from CGTD to TTC Process” has been established. Staff from each shift use Personal Digital Assistants (PDAs) for inspections, checking for pipeline leaks. Pipeline thickness is measured annually to evaluate any thinning of the pipe walls. If any irregularities in the styrene transportation process are detected during production, both the Qianzhen plant control room and CGTD control room have monitoring screens and alarms. Immediate action is taken during abnormalities, and CGTD personnel will also provide on-site support.

Zhongshan Plant

Above-ground pipelines are inspected by tank area operators for any leaks. There is an underground pipeline between the storage tank area and the processing area that can transport styrene and pentane. According to the “Special Equipment Safety Inspection Regulations”, this underground pipeline is classified as a pressure pipeline. The Zhongshan Special Equipment Testing Institute conducts annual online tests on these pressure pipelines. Once thoroughly inspected and approved, a “Special Equipment Use Registration Certificate” is issued by the quality technical supervision department for legal use.



③ Product Transportation Safety Management

Linyuan Plant

Product transportation safety on roads is entrusted to contracted transporters. Vehicles entering the plant must adhere to related management regulations. Trucks entering the plant for loading are subjected to loading and unloading operations and safety management. Transport contractors must ensure their diesel vehicles have joined the Kaohsiung diesel vehicle self-management system and have obtained the smoke inspection qualification mark before they can operate within the plant.

Qianzhen Plant

The product is granular in appearance. Domestic transportation of bagged products uses standard trucks, while bulk transportation uses specialized tanker trucks. For overseas clients, containerized products are transported to the docks by trailers and then by sea shipping. There's an established "Finished Product Transportation Management Procedure Manual". Annually, audits are conducted on contracted transportation companies. Just like Linyuan, diesel vehicles must be part of the Kaohsiung diesel vehicle self-management system and possess a smoke inspection qualification mark to operate in the plant.

Toufen Plant

Product transportation safety on roads is entrusted to contracted transporters. Similar to Linyuan, vehicles entering the plant must adhere to related management regulations, and trucks coming in for loading are managed for safety during loading and unloading.

Zhongshan Plant

Finished product transportation primarily uses trucks. Detailed regulations and corresponding penalties ensure transportation safety. All vehicles entering the plant must follow entrance-related management regulations, register upon entry, undergo checks, and adhere to safety management for loading and unloading, ensuring safety within the plant premises.

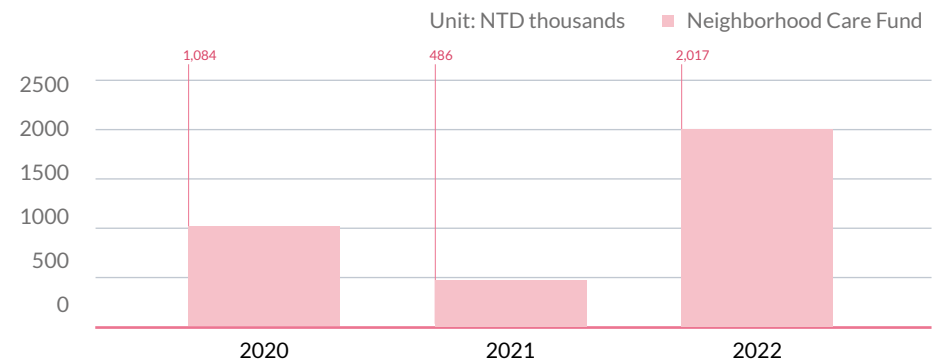
4.4 Social Engagement

TTC adheres to the spirit of "taking from society and giving back to the community," making every effort to care for community neighbors, local groups, and local schools, and continuous interaction with local community neighbors to maintain friendly relations. TTC, with its core capabilities in plastic manufacturing, focuses on three main pillars of social investment: "Neighborhood Care," "Community Organizations," and "Donations and Others." It continues to cooperate with the local elementary schools in Linyuan, implementing air quality improvement, carbon reduction plans, and hosting tennis and participating in softball sports events to enhance neighborhood interaction. Additionally, TTC actively participates in epidemic protection clothing support through joint defense organizations and environmental units and supports remote education and sustainable environmental public welfare through its foundation. The local community care sponsorship for the year 2022 amounts to approximately NT\$2,017 thousand.

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

Care for the Local Community in Linyuan District

Summary Table of Local Contributions Over the Past Three Years



Expenditure on local contributions

Starting from 2022, the special fund for the Neighborhood Care Fund is used uniformly by the Linyuan District Office from the annual payment, and the total amount of TTC's Neighborhood Care Fund in 2022 is NT\$ **2,017** thousand.

Overview Table of Specific Activities and Implementation Results of Community Participation and Community Care in 2022

Type	Effect / Implementation Results
Neighborhood Care	Linyuan District neighborhood care celebrations or activities and fraternity training feedback
	Linyuan District community organization development association and various association study activities feedback
	In 2022, TTC's Linyuan factory, in cooperation with the Kaohsiung City Environmental Protection Bureau's "2021 Kaohsiung City Air Quality Purification Zone Management Plan," adopted the Air Quality Purification Zone and Clean Air Green Wall Base at Zhongyun Elementary School in Linyuan District, Kaohsiung City, for a one-year environmental and plant maintenance assistance, adoption period from 2022.06.08 to 2023.06.07
	Repairs to various public facilities in Linyuan District
	Promoting local customs and marketing agricultural and fishery specialties in Linyuan District
	TTC's Linyuan Factory responded to the Kaohsiung City Environmental Protection Bureau's promotion of energy-saving and carbon reduction guidance and cross-departmental greenhouse gas reduction operations, assisted Kaohsiung City Linyuan District Linyuan Elementary School in replacing the air conditioning equipment on the 1st and 2nd floors to reduce related energy consumption, reduce greenhouse gas emissions, and fulfill corporate social responsibility
Communities and Social Groups	Jointly hosted the USI Cup Tennis Championship, held on 2022.10.22, with 7 employees from the Linyuan factory participating
	In November 2022, Linyuan factory participated in the Group's Southern Charity Softball Game, sponsoring charity meals from the Xihaner Catering Kitchen, with the USI Education Foundation sponsoring NT\$26,400, and various factories donating NT\$3,500 each (totaling NT\$14,000 from four southern factories), using this activity to enhance Taiju Group's corporate responsibility towards society and allow employees to participate in charity
	Scholarships and grants for schools at all levels in Linyuan District
	Assistance to school facilities at all levels in Linyuan District
Donations and Others	Annual investment in the USI Education Foundation, assisting the foundation in investing more resources in remote education and sustainable environmental public welfare projects and activities
	Temple festival activities and other sponsorships
	Along with USI Group and other friendly factories, participated in the Kaohsiung City Environmental Protection Bureau's epidemic protection clothing joint donation event, with TTC's Linyuan Factory sponsoring NT\$9,450 in total

Sponsored the USI Cup Tennis Tournament

Every year, the three factories in the Group's Linyuan area (TTC/APC/TVCM) have been continuously commissioned by the Linyuan Tennis Association to host the USI Group Cup Tennis Championship, with each company contributing NT\$100,000 each year to sponsor the Kaohsiung City Linyuan Tennis Association to organize the USI Group Cup Tennis Championship. As of 2022, there have been 20 sessions, promoting sports and fitness, and enhancing interaction with local neighbors and group colleagues. The 20th session was held on 10/22 in 2022 at Linyuan High School, with a total of 7 employees from Linyuan Factory participating.



Speech by Linyuan High School Principal Huang



Speech by USI Group Manager Huang

Participation in USI Group's Slow Pitch Softball Charity Game

In November 2022, TTC's Linyuan Factory participated in the Group's Southern Charity Softball Game, sponsoring a charity meal ordering event from Xihaner Catering Kitchen, sponsored by the USI Education Foundation for NT\$26,400, and each factory donated NT\$3,500 (a total of NT\$14,000 from four factories), through this activity to enhance USI Group's corporate responsibility towards society and let employees participate in public welfare activities.



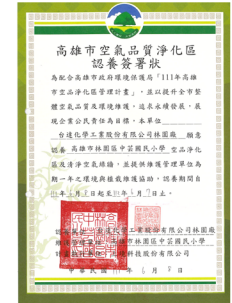
Participation in Kaohsiung City's Air Quality Purification Zone Adoption

- TTC's Linyuan Factory cooperated with the Kaohsiung City Environmental Protection Bureau to promote the adoption of the Kaohsiung City Air Quality Purification Zone, to enhance the overall air quality and environmental maintenance of the city, pursue sustainable development, and demonstrate corporate citizen responsibility as the goal. TTC's Linyuan Factory adopted the Air Quality Purification Zone and Clean Air Green Wall Base at Zhongyun Elementary School in Linyuan District, Kaohsiung City, and provided maintenance and management units for a period of one year, from June 8, 2022, to June 7, 2023.
- TTC was selected as one of the 37 excellent adopting enterprises by the Kaohsiung City Environmental Protection Bureau in 2021, and accepted the award on December 28, 2022. The medal is shown in the following picture.



Participate the Cross-Sector Collaborative GHG Reduction Program in Kaohsiung City

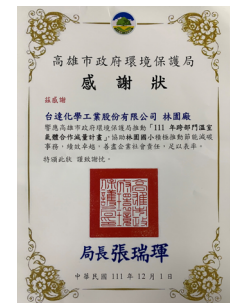
TTC's Linyuan Factory responded to the Kaohsiung City Government Environmental Protection Bureau's promotion of energy-saving and carbon reduction guidance and cross-departmental greenhouse gas reduction operations, assisting Kaohsiung City's Linyuan District's Linyuan Elementary School in replacing the air conditioning equipment on the 1st and 2nd floors to reduce related energy consumption, decrease greenhouse gas emissions, and fulfill corporate social responsibility.



Air Quality Adoption Certificate



Air Quality Meritorious Adoption Medal



Cross-Departmental Greenhouse Gas Cooperation Reduction Plan Certificate of Appreciation

Participated in a joint donation activity for epidemic prevention protective clothing with friendly factories such as USI Corporation and the Kaohsiung City Government's Environmental Protection Bureau

Each of the five factories of the USI Group sponsored 50 epidemic protection garments to the Kaohsiung City Environmental Protection Bureau (NT\$9,450), and the bureau issued a certificate of appreciation on 2022.03.02 by the Director's Secretary, expressing gratitude to USI Group for their enthusiastic public welfare contributions.



Sponsoring Subsidiaries CGPC and TTC Organize Coastal Clean-up

Taiwan, surrounded by the sea on all sides, is highly concerned with marine pollution issues, hoping to raise colleagues' awareness of marine environmental protection through annual beach cleaning activities. In support for the marine environmental protection policy of the Miaoli Environmental Protection Bureau, China General Plastics Corporation (CGPC), a USIG subsidiary, adopted 500m coast of Long Fong Fishing Port in Zhunan Town in 2017. The fifth coastal clean-up after the adoption took place on September 24, 2022. Under the leadership of CGPC VP Lin and with the support of TTC, a total of 200 employees participated in the cleanup.

The development of human civilization has brought many conveniences and business opportunities but has also produced a large amount of garbage, ranging from large discarded fishing nets to tiny plastic particles, which have seriously invaded the oceans, causing "severe marine pollution". Among them, "ghost fishing gear" has become a significant culprit poisoning the ocean. On the day of the beach cleaning, each participating colleague picked up a pair of tongs and an environmentally-friendly garbage bag. Shortly after the cleaning activity began, 750 kilograms of trash were collected, of which fishing nets and fishing gear accounted for approximately 300 kilograms. Through collective beach cleaning activities, besides raising awareness of the ecological crisis caused by marine garbage, reflections can be made on all aspects of life to reduce marine debris. The hope is that small actions can lead to significant changes and make our environment better.



Sponsored USI Education Foundation

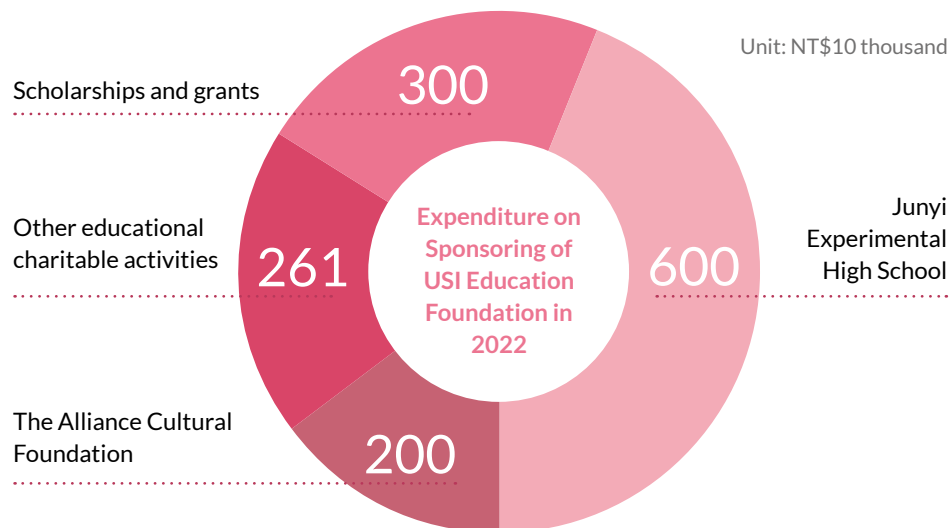
USI Educational Foundation

USI Educational Foundation was established on December 30, 2011 funded with donations from USI and APC. The foundation officially started operations in 2012 to promote educational charitable affairs, with a focus on the care for the education of the disadvantaged, education in remote areas, and environmental protection. The foundation advances its goals by establishing scholarships and grants, donating to charities, and sponsoring educational and charitable activities.

To further expand the scale of charity, CGPC and TVCM joined the foundation in 2017. In 2018, TTC also joined the foundation to enable investments of more resources in rural education and environmental sustainability in order to give back to society.

Charity Events

In 2022, USI Education Foundation sponsored various activities with a total amount of NT\$13.61 million, including NT\$3 million for scholarships and grants; NT\$2 million for the Alliance Cultural Foundation, NT\$6 million for Junyi Experimental High School in Taitung; and NT\$2.61 million for other educational and charitable activities.



Scholarships and Grants

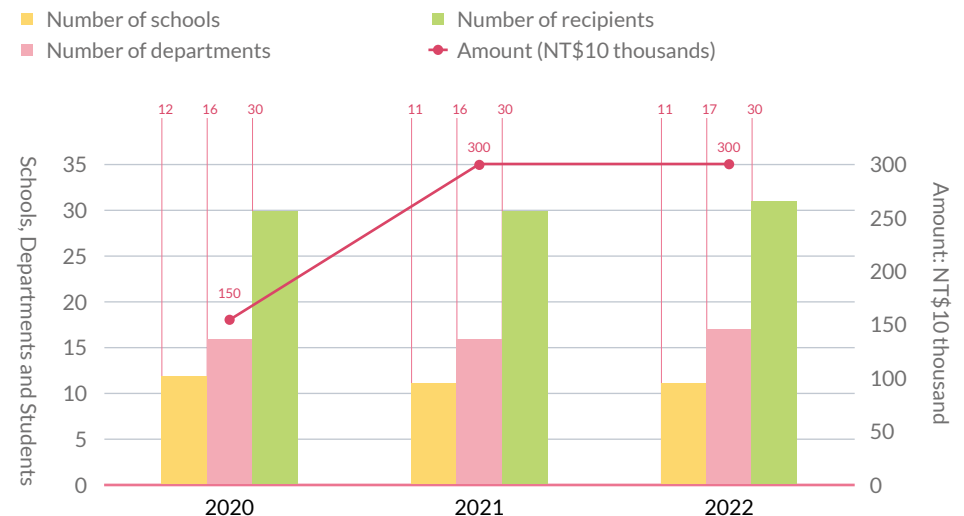
We offer scholarships to students from low-income families with outstanding performance and specializing in disciplines relating to chemical engineering, materials science, chemistry, and applied chemistry of 15 public and private universities to promote education and talent cultivation in related fields, encourage university students of related disciplines to study hard and cultivate outstanding industrial talents for society. 2022 marked the 11th anniversary of USI scholarships. Over the years, we have accumulatively granted scholarships amounting to NT\$17.1 million to 297 students.

In 2022, we offered scholarships and grants of NT\$3 million in total to 31 students from 17 departments of 11 public and private universities, including 10 from doctoral programs, 16 from master's programs, and 5 undergraduates - 23 of them were from low-income families. To encourage scholarship-winning students, the presentation and commendation ceremony was held at noon on December 9, 2022. USI officers attended the event to exchange opinions and experience with students, wishing them to keep studying in order to demonstrate positive influence and contribute to society.



Scholarship Presentation and Commendation Ceremony 2022

Distribution of Scholarships and Grants in Last 3 Years



The Alliance Cultural Foundation and Taitung Junyi Experimental High School

To invest more resources in rural education and the sustainable development of Hualien and Taitung, the foundation sponsors the Alliance Cultural Foundation and Junyi Experimental High School on a long-term basis. Established 13 years ago, the Alliance Cultural Foundation always has a blueprint: hoping that Junyi Experimental High School will become the base in Hualien and Taitung for developing future talents. It also helped building the Paul Chiang Art Center into an international cultural and art landmark in Taitung and even in Taiwan, while the Forest Culture Museum in Yingping, Taitung, and GS Forest in Fengbin, Hualien, are demonstrations of indigenous culture distributed in all parts of Taitung and Hualien.

The chairman of the Public Welfare Platform, Yan Changshou, proposed four stages of public welfare through his personal practice: the 1.0 version of public welfare is “almsgiving”, providing clothing and food for those in need, subsidizing scholarships, providing emergency assistance, etc., with many religious groups meeting this crucial basic need in society; the 2.0 version is “settling”, offering education or work environments, finding the meaning of life, the dignity of work; the 3.0 version is “excelling”, providing a mechanism for long-term care, similar to uniform schools from elementary to high school, vertically offering better learning environments, enabling capable people to change their fate and future; and the 4.0 version is “replication and dissemination,” combining government policies, or sharing experiences of success and failure, to teach others, and extend influence.

Currently, relief for the poor is the common practice of most charities. However, to accompany economically disadvantaged children to walk out of the bonds from their families and broaden their horizons for them to find their future development and eventually give back to society all the way round is what our society needs now.

At the current 3.0 stage, the teacher training program of the Alliance Cultural Foundation and Taitung Junyi Experimental High School continues to spread the experimental education model into a roadmap for government to modify the remote township’s policies, with the goal of “Public Welfare 4.0”. Additionally, they also invite more domestic and overseas key influencers to Taitung to translate what they see and feel into text, images, and other forms of creations and spread them in their hometowns or home countries. We believe that in the next three to five years, more substantiated achievements of the sustainable development of Hualien and Taitung will be spotted.

Taitung Junyi Experimental High School: Realization of Education for Remote Townships

According to international research, only 30% of people are good at exploring knowledge through reading or the traditional classroom learning model, while the other 70% are suitable for learning from doing to turn experience into knowledge. Although more and more people are working to transform Taiwan's education, many schools' educational methods are almost making 100% of the students cater to 30% who excel at academic exams, thus causing many young people to lack motivation in learning. Most people belong to the aforementioned 70% in rural areas. How to let students acquire knowledge from practice and application is what the current education system of Taiwan lacks. Conversely, it is the strengths of Hualien and Taitung and the direction for changing education in remote townships of the Alliance Cultural Foundation.

Taitung Junyi Experimental High School is on the right path, deeply cultivating Waldorf education in elementary school, integrating creative arts, handicrafts, bodily rhythm and movement, and music, with language, mathematics, nature, and social studies, nourishing children's life development; in middle school, the “exploration education” and “creative clusters” courses cultivate the essence of Junyi experimental education in “humanity, life, and work”.

To provide economically disadvantaged children with opportunities, the “Rural Education Seed Cultivation Plan” was established in 2012, supporting economically disadvantaged children in the Hualien-Taitung rural areas (also including Pingtung in recent years) to attend Junyi schools, offering 1/3 of the new seventh-grade quota and opening applications for tenth-grade new students each year. In 2022, this project entered the next decade, with a total of 210 students nurtured to date, coming from low-income, mid-low income, single-parent, grandparent-raised, or actively engaged in indigenous cultural work but unable to fully support tuition families. More than 80% of them are indigenous students, covering the Amis, Beinan, Bunun, Paiwan, Rukai, Tao, Taroko, Tsou, and Atayal tribes. They hope that each education seed can become youth with “good character”, “cultural and art” literacy, and “critical thinking” and a world citizen who embraces enthusiasm, self-confidence, and international perspective and return to indigenous communities to become the seeds that change indigenous communities.



Schoolchildren in remote townships with less resources need connection with the world more in order to create more possibilities for their hometowns. Hence, in 2017, the Alliance activated the “Innovation and Overseas Study Education Fund” to provide scholarships for students of Junyi Experimental High School to apply for overseas study at two-year community colleges, the United World College, or four-year universities as the start of connection with the point, develop specialties, and broaden their international perspective, so that they can become the power to change their communities and hometowns in the future. Since the project’s inception, 22 Junyi High School students have studied abroad in 6 countries. With the easing of the epidemic and more older student experiences shared and inspiring, students began to think and prepare more about studying abroad, including more serious English proficiency advancement. In 2022, the number of students studying abroad slightly increased, totaling 7.



The Waldorf education for the elementary school department and senior students participated in the “Mianshan School: Jiafeng Adventure 2-day 1-night Camp Course”



The “Creativity Module” of the senior high school department enables students to learn more about themselves through “exploration, inspiration, and achievement”.



Students of the “Creativity Module-International Hospitality” course of the senior high school department coordinates the Thanksgiving dinner.



The capstone project of students of the senior high school department presents the achievements of “self-learning” over the past three years.

Toufen Junior High School Music Program

By integrating with the Harvest 365 Music Program of the Harvest 365 Foundation (Harvest 365), The Alliance Cultural Foundation collaborated with Toufen Junior High School to introduce the Toufen Junior High School Music Education Program in September 2021. The professional choir instructors of Harvest 365 collaborated with the music teachers of Toufen Junior High School to form the Harmony Choir with 7th and 8th graders. Currently the choir has 25 members. Apart from the routine school club time, the choir also practices after class. It is hoped that vocal art can keep students in company through their growth and motivate students to perform on stage at the annual music festival so as to develop self-confidence in students.

The music program's philosophy is not to select students, not to sing for competition but to let every child learn happily, to sing for joy, and through choral classes, let every child sing with confidence, sing with the courage to challenge oneself, and cultivate good character and teamwork spirit. The choir's name, “Harmony”, is also to hope that children are not only competing alone, going on stage by themselves, but that everyone together shows unity and cooperation on stage. The students' real progress is not in musical skills but in understanding what “chorus” is. Everyone feels each other's strength, confidence, and happiness in the ambiance of music, and we hope that children can continue to showcase themselves in the future!



Harmony Choir of Toufen Elementary High School

Sponsoring Other Educational and Philanthropic Activities

Other major sponsorships in 2022 included BOYO Social Welfare Foundation, Teach for Taiwan Association, Education Support for Taiwan, Cloud Gate Culture and Arts Foundation, and Taitung Blue Ocean Daily.

1

Founded in 2002, BOYO Social Welfare Foundation provides free “remedial instruction” after-school club services for junior high school and elementary school students from low-income families in the belief that “education gives hopes for children living in poverty” so as to achieve its mission “End Poverty with Education”. Additionally, the foundation also provides “care guidance” to remedy learning instability for each child from vulnerable groups to receive an appropriate education environment, in order to develop their basic capacity and social competitiveness to end poverty in the future with their own ability. Since BOYO Social Welfare Foundation was established 20 years ago, each year it invests a large amount of labor and resources in curriculum design, develops remedial teaching materials, and trains parents in the community. Currently, there are 17 locations to provide after-school club service for over 2,000 students.

2

Founded in 2013, Teach for Taiwan (TFT) is a non-profit organization caring for “education inequity”, hoping to create equal opportunities in education for every child. Through training competent youth with a sense of mission to teach at elementary schools in low-income rural communities for at least two years, TFT resolves the long teacher shortage and high turnover rate problems in the rural area. Since 2014, it has sent over 300 quality talents to the rural areas, including Taitung, Tainan, Pingtung, Yunlin, Hualien, and Nantou, to help over 6,000 children from vulnerable groups.

3

Education Support for Taiwan was founded in 2019 to start services with school accompaniment. It is now in over 230 schools and regional groups in all cities and countries, including offshore islands, to help schools solve problems and find developmental advantages. In 2022 it began promoting the “No-License Substitute Teacher Support Program” starting from Taitung. By accompanying substitute teachers with “partner teachers”, they provide corresponding guidance and support based on the situation and needs.

4

Cloud Gate Culture and Arts Foundation is a non-profit business aiming to “promote cultural development and international exchange through creation, performance, and promotion of dance and other arts and cultural activities”. Apart from promoting domestic and overseas performance over time to enrich the cultural life of Taiwan and the world, it also engages in promoting community art education and citizen arts and cultural activities in Danshui.

5

Taitung Blue Ocean Daily is a brand-new Taitung-specific ocean culture exchange activity promoted by the Taitung County Government in 2022 for the first time. For two consecutive weekends between September 17-25, based on the slow travel and downshifting concepts, they launched the immersive ocean recreation life experience in Sanyuan Bay, Huosui Lake, Jinjun, and Green Island and combined with the Austronesian culture to provide ocean culture education and training and outrigger canoe experience for more citizens to understand the Austronesian island culture so as to progressively start connecting Taitung’s recreation development with the world.

The teaching site for accompanying and supporting children



TFT 2022 Summer Training



Outrigger canoe cultural exchange

