

2

Build Innovative Supply Chains

2.1 Product Quality	37
2.2 Technology R&D	44
2.3 Supply Chain Management	45

Material Issues of the Year

Product Quality

Management Plans

- Improvement of particle size concentration for PBDL emulsion polymerization
- Development of EPS formulas substituting raw materials limited by REACH regulations

2025 Actual Performance

Completed

Material Issues of the Year

Material Topic of the Year:
Technology R&D

Management Plans

- Development of TAIECOR™ PIR ABS ESG environmentally friendly materials (YouBike)
- Development of lightweight ABS composite materials

2025 Actual Performance

Completed



2.1 Product Quality

Material Issue

Product Quality GRI 3-3

Reason for Materiality

Under the foundation of pursuing sustainable operations, we grow together with customers and suppliers and provide customers with satisfactory quality and services. Through hard work and innovative technologies, we improve quality to ensure all product qualities meet customer requirements and expectations.

Impact Boundary

Stable product quality is essential to maintain continuous customer use, enhancing performance for sustainable operations.

Impact Boundary

Employees /
Customers /
Suppliers

Corresponding Sustainability Principles and SDGs

Building an Innovative Supply Chain /
SDGs 12: Responsible Consumption and Production

Management Approach

Purpose of the Approach	By collecting information on market development and customer needs, we develop new and niche products that are friendly to the environment and customers, fulfilling market and customer needs, while improving technology R&D capabilities and corporate profitability.
Goals	2025 Targets: 1. Improve particle size concentration for PBDL emulsion polymerization; 2. Develop EPS formulas substituting raw materials limited by REACH regulations. Medium-Term Targets (2027): 1. Improve gloss level of ABS products (PBDL emulsion polymerization formula development); 2. Develop drinking water material applications for PS products. Long-Term Targets (2030): 1. Optimize the polybutadiene emulsion polymerization process, improve product quality, and continue to meet the 5-Zero goals of environmental safety (Zero Pollution, Zero Emissions, Zero Occupational Injuries, Zero Incidents, Zero Breakdowns), providing stable product quality that complies with various countries' Quality Management Systems to enhance customer satisfaction.
Management Plans	Improve particle size concentration through PBDL emulsion polymerization formula adjustment; 2. Substitute raw materials limited by REACH regulations for EPS products, making them environmentally friendly with quality meeting customer needs.
Policy Assessment	PBDL particle size distribution concentration; 2. EPS products comply with REACH restricted substance requirements.
Assessment Mechanism	Analyze PBDL particle size using a laser particle size analyzer to effectively improve concentration.
Assessment Results	EPS products comply with REACH restricted substance requirements, providing third-party test reports.
Grievance Mechanism	If customers are dissatisfied with product quality, follow the "Customer Complaint Handling Procedure" to provide a customer grievance channel to protect customer rights.

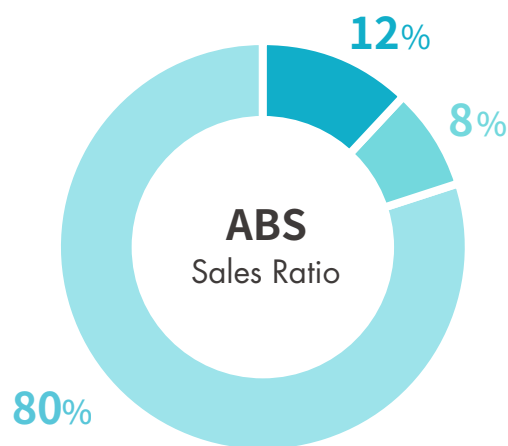
2.1.1 Main Product Sales Regions

» ABS/PS Products Produced at Linyuan Plant and Qianzhen Plant

In 2025, under an environment where massive new capacity was aggressively brought online in China, it gradually shifted from an importing country to an exporting country. In response to market changes, TTC rapidly shifted its target markets with the following results:

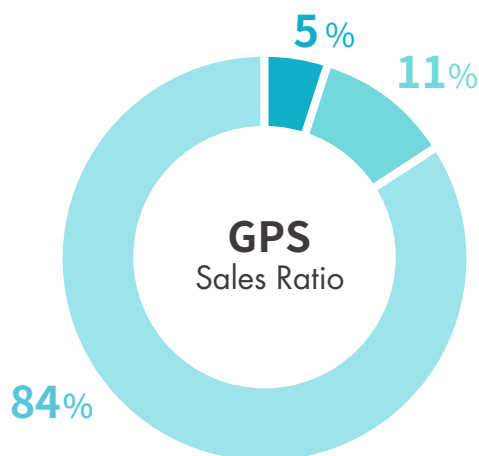
- The ABS sales ratio to the Mainland China and Hong Kong region was reduced to 12%, primarily shifting to emerging markets such as South Asia and Southeast Asia, while continuously developing deep-sea regions.
- The GPS sales market continued its deep-sea layout, with the Mainland China and Hong Kong region decreasing to 5%, while continuing to cultivate and develop other sales regions.
- EPS continued to cultivate Central and South America as well as Southeast Asia regions for stable sales.

■ Proportion of Main Product Sales Regions in 2025



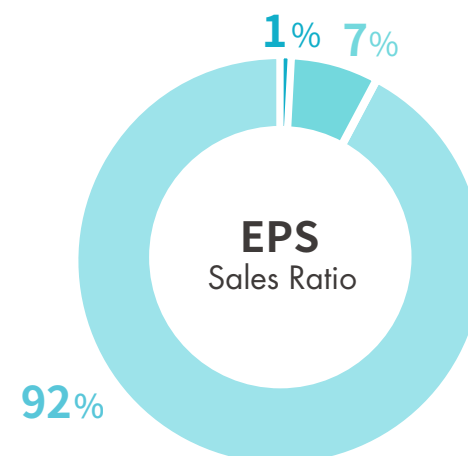
● Mainland China including Hong Kong ● Taiwan ● Others

2025 ABS Product Output: 96,706 tons



● Mainland China including Hong Kong ● Taiwan ● Others

2025 GPS Product Output: 91,385 tons



● Mainland China including Hong Kong ● Taiwan ● Others

2025 EPS Product Output: 55,639 tons

» EPS Produced at Zhongshan Plant

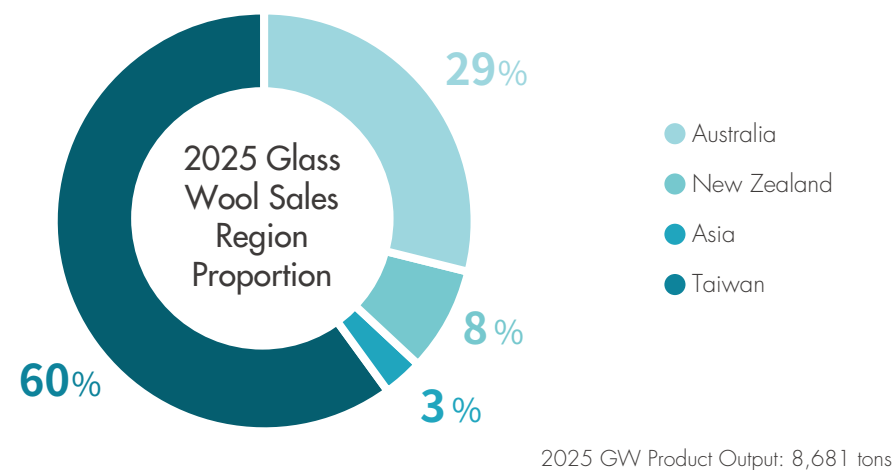
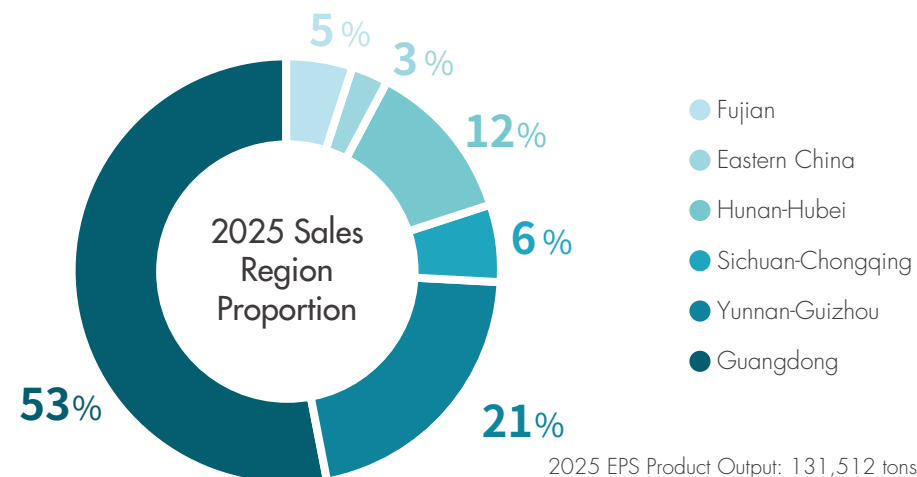
The sales of the Zhongshan Plant are all domestic sales within Mainland China. The main markets include electrical packaging, fruits and vegetables, fishing boxes, ceramics, pharmaceutical packaging, and exterior wall insulation boards. Based on the plant's geographical location, to leverage freight advantages, the main sales markets are positioned in Guangdong and Yunnan. To expand brand influence and boost sales volumes, sales in out-of-province markets with stronger growth potential have been strengthened.

The domestic economy was sluggish in 2025, and the real estate, related electrical appliances, and furniture industries continued to be depressed. In addition, the main market, Yunnan, experienced a demand drop to 40% starting in November due to climate impacts. Although domestic stimulus policies, such as appliance trade-in programs, housing and car purchase subsidies, and expanding domestic demand policies, helped market demand stop falling and stabilize, the overall demand in 2025 decreased by about 30% compared to 2024.

On the basis of stabilizing the existing customer base, the Zhongshan Plant actively explored sales markets in Eastern Pearl River Delta and out-of-province areas, increasing baseline customers and stabilizing transaction volumes to mitigate the impact of shrinking demand. Concurrently, it stabilized product quality, continuously improved particle size concentration and service awareness, and enhanced competitiveness. Although overall demand decreased in 2025, while stabilizing baseline customers in Southern China, the Zhongshan Plant massively developed customers in the Eastern Pearl River Delta and out-of-province markets.

» GW Produced at Toufen Plant

In 2025, domestic sales of GW products accounted for about 60%, while the remaining 40% was exported to New Zealand, Australia, the US, and various Southeast Asian countries. The domestic demand market for glass wool declined by 7% in 2025, with imports accounting for about 8% of the overall market, primarily from Kuwait. It is estimated that the domestic demand market in 2026 will decline by 1% compared to 2025. Due to the impact of competitive pricing from Mainland Chinese products across various regions, glass wool exports mainly focused on the higher-priced New Zealand and Australian markets. In 2025, due to the downward revision of mortgage interest rates in Australia stimulating the housing market, coupled with stable ocean freight prices, export volumes in 2025 grew by 11% compared to 2024. In response to the downturn in the construction industry and unfavorable factors such as expected increases in electricity and natural gas prices, the main goal for both domestic and export sales in 2026 is to increase sales profits; the estimated ratio of domestic to export sales in 2026 is 59% to 41%.



2.1.2 Customer Service



(1) Product manufacturing complies with local government regulatory requirements of the customers' sales regions

- In response to EU regulations, ABS/SAN/GPS/EPS comprehensively use raw materials that comply with the Restriction of Hazardous Substances (RoHS) Directive and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations.
- In response to relevant regulations in the EU and Japan, EPS switched to using non-hexabromocyclododecane (non-HBCD) (321N) fire retardant to produce fire-retardant grade EPS.
- Glass wool complies with RoHS regulations, and formaldehyde-free products ensure indoor air quality.
- Rectification of hardware equipment and process design for ABS/SAN/PS/EPS products related to Process Safety Management (PSM), ISO 50001 Energy Management Systems, and ISO 14064-1 Greenhouse Gas Inventory Standards.
- ABS products obtained Bureau of Indian Standards (BIS) certification for import licenses.
- TAIECORTM products obtained ISO 14021 recycled content certification.
- PS products obtained NSF certification for drinking water materials.

(2) Basic Product Performance Enhancement and Customer Satisfaction

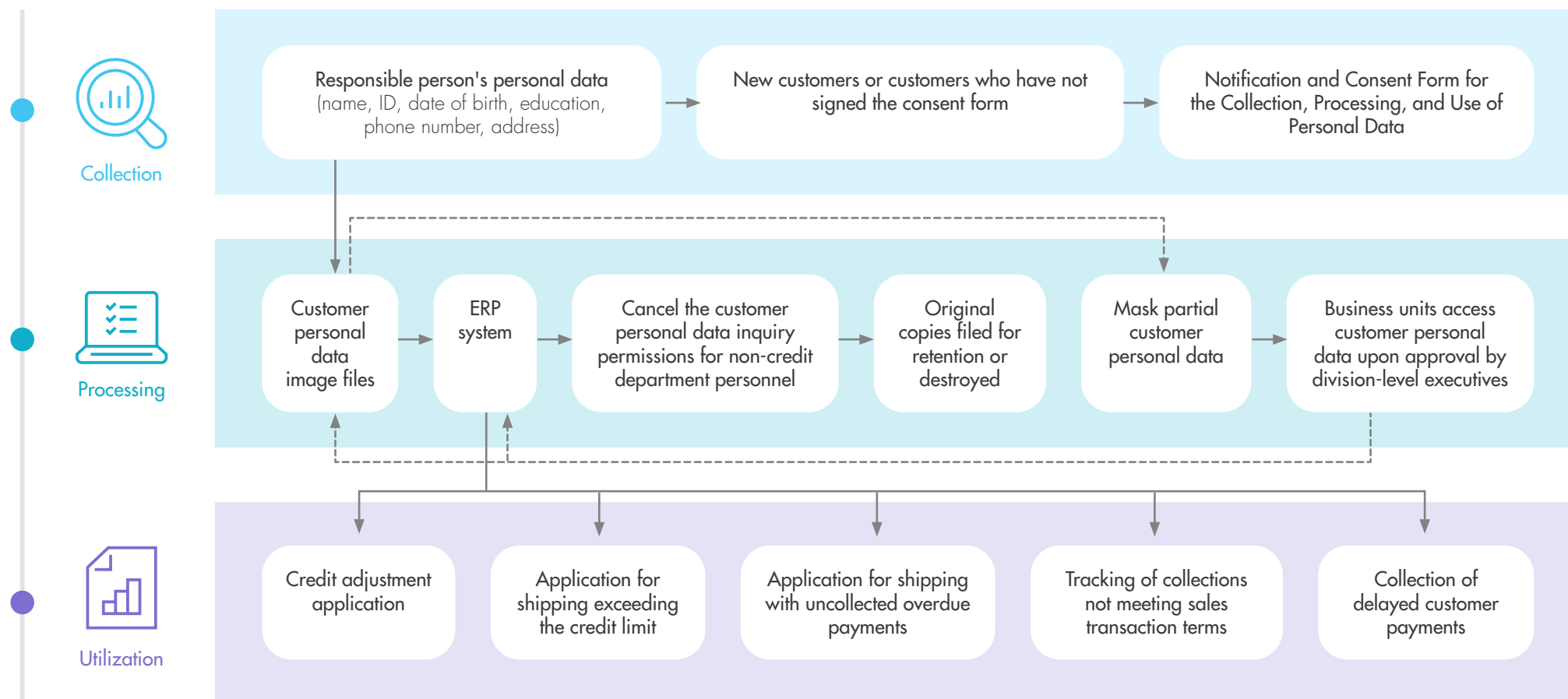
Under the foundation of pursuing sustainable operations, TTC continuously dedicates itself to promoting stable product quality and performance enhancement. We faithfully execute the Quality Management Systems (ISO 9001) and have established the quality policy: QP (Quality Product, continuously improving product quality) + QS (Quality Service, continuously enhancing service quality) = Q (Satisfactory operational quality for customers). We hold monthly quality assurance meetings to discuss the current quality status of each product line, maintain stable product quality, track process capabilities and stability, and target basic product performance enhancements to provide customers with high-quality and user-friendly products, enabling customers to improve processing issues or yield rates during use, thus satisfying customer needs.

(3) In 2025, the basic product performance enhancement and quality improvement results achieved the set goals.

- PBDL particle size was analyzed using a laser particle size analyzer, effectively improving the concentration.
- EPS products met the requirements for REACH restricted substances, and third-party testing reports were provided.

(4) Customer data control and protection operations

Customer Personal Data Control Operations



2.1.3 Customer Satisfaction

TTC values customer opinions and collects their feedback and suggestions on various products and services as a reference for internal operational improvement; meanwhile, in line with the Quality Management Systems (ISO 9001) commitment to customer quality and the spirit of valuing customer satisfaction, it conducts annual customer satisfaction surveys for domestic and export customers, takes necessary corrective actions for items causing customer dissatisfaction, and submits review reports at internal management meetings (such as production and sales meetings, business management meetings, and management review meetings). Provide good customer service and enhance customer satisfaction with products to win customers' trust in the Company.



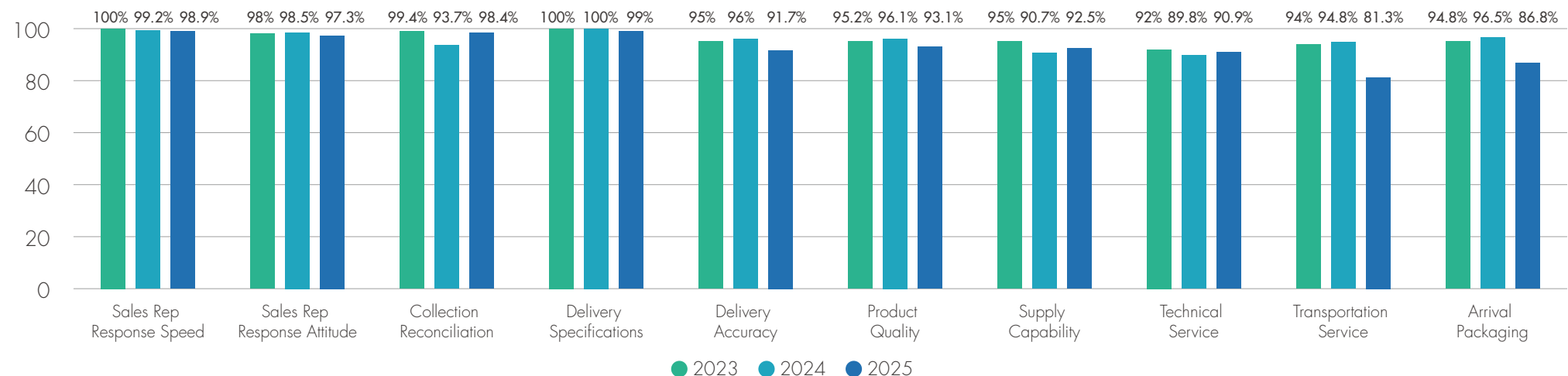
» ABS/PS produced by Linyuan Plant and Qianzhen Plant

The customer satisfaction survey items for ABS and Polystyrene (PS) products cover: sales representative service quality, product quality, supply capability, technical service, transportation service, and arrival packaging bags.

Selection of targets for the customer satisfaction survey: Sampling is conducted based on customers accounting for 70% of the total sales volume of each domestic and export sales department (a total of 184 companies).

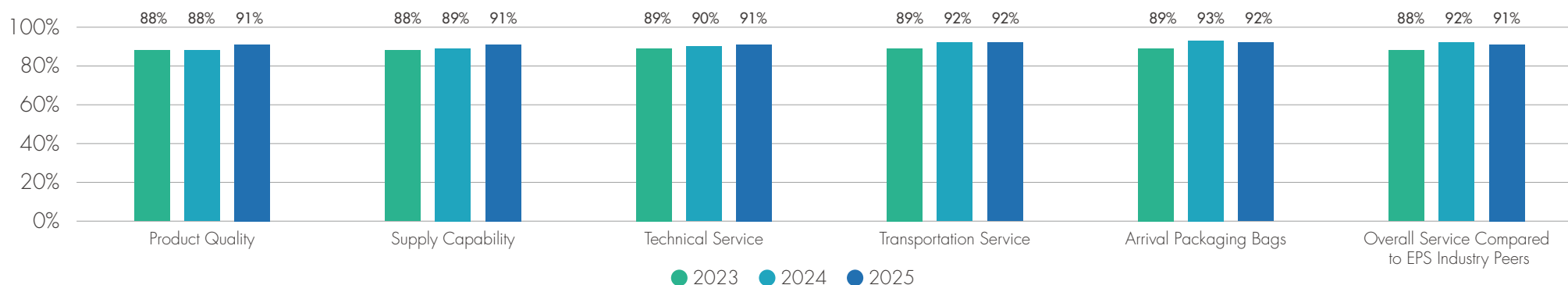
A total of 1 satisfaction survey was conducted in 2025, with an average customer satisfaction rate of 93%.

All indicators were rated excellent, except that typhoons affected delivery dates, leading to complaints from some customers about arrivals.



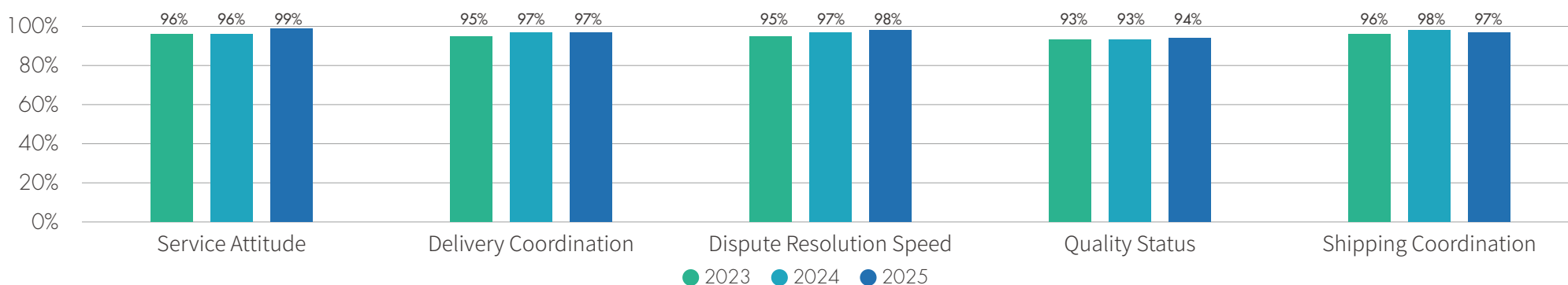
» EPS produced by Zhongshan Plant

The customer satisfaction survey items for EPS products cover 6 categories: product quality (30%), supply capability (30%), technical service (20%), transportation service (10%), arrival packaging bags (5%), and overall service compared to EPS industry peers (5%). Selection of survey targets: Sampling is based on customers accounting for 85% of the sales volume (a total of 111 companies). A total of 2 satisfaction surveys were conducted in 2025, with an average customer satisfaction rate of 91%, achieving the set goal; customer satisfaction with product quality increased slightly, and quality stability improved compared to 2024; technical service and transportation service remained basically flat year-on-year; arrival packaging slightly declined, and in the future, we still need to continuously improve particle size concentration, stabilize product quality, increase industry competitiveness, and continuously improve arrival packaging and transportation services to enhance overall service quality.



» GW produced by Toufen Plant

The customer satisfaction survey for glass wool covers: service attitude, delivery coordination, dispute resolution speed, quality status, and shipping coordination; a total of 1 satisfaction survey was conducted in 2025, with an average customer satisfaction rate of 97%, achieving the set goal of 90%; based on the top 70% customer base representing the highest proportion of domestic and export turnover in the previous year (31 companies surveyed in 2025), customer responses were compiled and a customer satisfaction survey report was submitted. By providing good customer service, we enhance customer satisfaction to win customers' trust in the Company.



2.2 Technology R&D GRI 3-3

Material Issue

Technology R&D

Reason for Materiality

New product technology R&D capabilities can grasp market trends and enhance market competitiveness, serving as the primary capability for corporate growth and continuous development; only with technology development capabilities can the Company continue to create high profitable value and sustainable operations.

Impact Boundary

- Impact boundary: Employees, Customers, Investors.
- Technology R&D capabilities affect product competitiveness, directly impacting the Company's operational/profit growth and customer development requirements.

Corresponding Sustainability Principles and SDGs

Build an Innovative Supply Chain / SDG 9 Industry, Innovation and Infrastructure

Management Approach

Purpose of the Approach	Collect information on market development and customer needs to develop new products that are eco-friendly and customer-friendly, satisfy market and customer demands, and enhance technology R&D capabilities and corporate profitability.
Goals	2025 Goals: 1. Development of TAIECOR PIR ABS ESG eco-friendly materials (Smile Bike); 2. Development of lightweight ABS composite materials. Medium-term Goals 2027: 1. Development and promotion of TAIECOR PIR ABS ESG eco-friendly materials; 2. Development of high-value SAN water material applications. Long-term Goals 2030: 1. Development of high-value applied materials conforming to ESG development trends; 2. AI smart management operations for process optimization and product development.
Management Plans	Control product development progress according to the "Standard Operating Procedure for Raw Material/Formula Modification and On-site Testing," and report and review R&D progress and effectiveness at the monthly R&D meeting.
Approach Evaluation	1. Report and review R&D progress at the monthly R&D meeting; 2. New product development progress is included in Key Performance Indicators (KPI) evaluation;
Evaluation Mechanism	1. Sales progress of TAIECOR PIR ABS ESG eco-friendly materials (Smile Bike); 2. Physical property indicators/on-site material testing for lightweight ABS composite material development.
Evaluation Results	1. TAIECOR PIR ABS ESG eco-friendly materials (Smile Bike) have been procured and launched into the market; 2. Lightweight ABS composite material development has completed material testing.
Approach Adjustment	1. Comprehensive market information collection and utilization of Group/industry-academia R&D resources to shorten the market promotion timeline and enhance market competitiveness. 2. Pre-Consumer material (ISO 14021 PIR) certification and carbon reduction analysis for low-carbon products of TAIECOR PIR ABS ESG eco-friendly materials.



2.2.1 Technology R&D

For TTC's R&D colleagues, continuous development of new and niche products, coupled with the integration of the Group's R&D resources, is essential to creating high profitable value and sustainable operations for the Company.

In the early stages of market growth, TTC actively focuses on product functions and characteristics, carrying out a series of performance enhancements and new product developments to accelerate customers' R&D progress. When customers' new products face processing issues or bottlenecks in process capability enhancement, we provide better technical services to accelerate the mass production timeline of customers' new products and improve their production yield, ultimately making the newly launched products competitive in the market and satisfying customer needs.

Over the years, TTC has been dedicated to technology R&D, effectively developing new products and niche products that are eco-friendly and customer-friendly, satisfying market and customer demands, enhancing technology R&D capabilities, and increasing revenue, with outstanding performance. In addition to cooperating with local plants to improve process technologies, establishing independent core technologies, and enhancing differentiated innovation capabilities, TTC invested R&D funds of NT\$15.83 million, NT\$16.37 million, and NT\$17.71 million in 2023, 2024, and 2025, respectively.

2.2.2 Successfully Developed Technologies or Products

- (1) Development of TAIECOR PIR ABS ESG eco-friendly materials (Smile Bike).
- (2) Development of lightweight ABS composite materials.
- (3) Development of substitute formulas for REACH restricted substances in EPS products.

2.2.3 Plans Under Research and Development

- (1) Development and promotion of TAIECOR PIR ABS ESG eco-friendly materials.
- (2) Development of high-value SAN water material applications.
- (3) Improvement of ABS product glossiness (development of PBDL emulsion polymerization formula).
- (4) Development of PS product applications for drinking water materials.

2.3 Supply Chain Management

2.3.1 Supply Chain Sustainable Development

Based on long-term sustainable operations, TTC is committed to establishing good communication channels with long-term cooperating suppliers and values the operational safety of construction contractors in the plant area, thereby establishing a stable, mutually trusted, and sustainably operating supply chain relationship, growing together with the goals of respecting human rights, reducing occupational safety hazards, and emphasizing environmental protection.

» (1) Supply Chain Sustainable Development Goals and Strategies:



Establish smooth communication
channels
Enhance long-term cooperation
models



Strengthen the implementation
of occupational safety drills
Create a safe working
environment

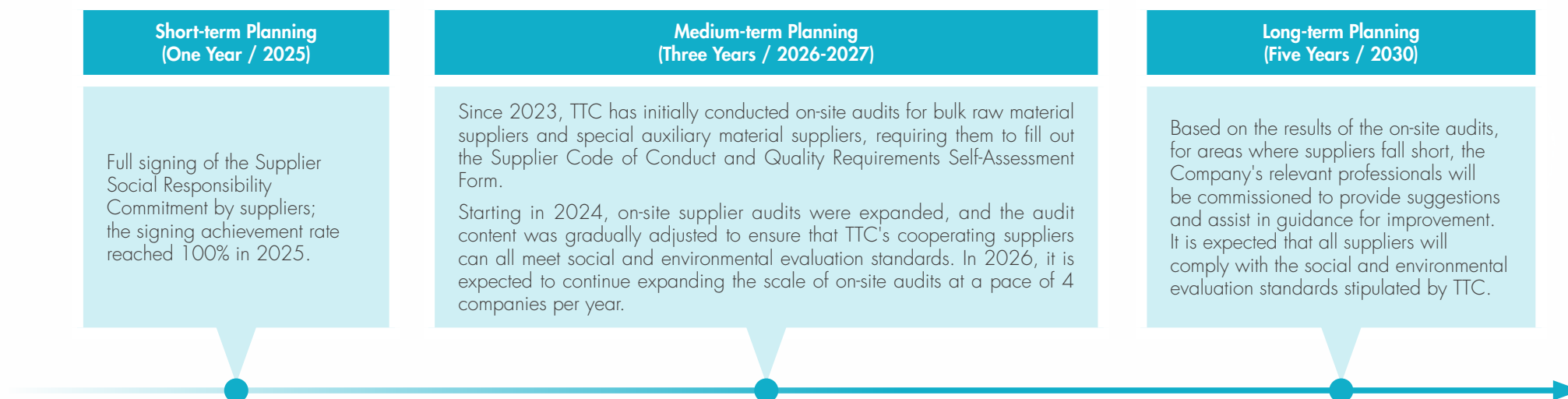


Implement and maintain
environmental protection
Share sustainable
development resources

» (2) Supply Chain Sustainable Development Execution Content and Planning:

TTC is committed to promoting sustainable business operations. Since 2018, it has drafted a "Supplier Social Responsibility Commitment" for long-term cooperating raw material suppliers, requiring them to make commitments regarding labor and human rights, health and safety, the environment, information security and privacy protection, and business ethics, and has begun to gradually promote the signing process.

Meanwhile, since 2023, an evaluation form has been formulated for on-site supplier audits. Searches are conducted across the Ministry of Environment, local Environmental Protection Bureaus, and public information websites to determine if suppliers have violated local environmental regulations. Search results are included in subsequent risk assessments. The relevant execution content and future planning are as follows:



* Note: The Supplier Code of Conduct and Quality Requirements Self-Assessment Form includes five survey categories: Labor and Human Rights, Health and Safety, Environment, Information Security and Privacy Protection, Business Ethics, and Management and Quality Systems.

Labor and Human Rights	No forced labor, prohibition of child labor, provision of proper wages and benefits, protection of labor working hours and rest times, elimination of workplace sexual harassment, bullying, and workplace discrimination, and non-use of conflict minerals, etc.
Health and Safety	Includes obtaining relevant certifications (e.g., Occupational Health and Safety Management Systems ISO 45001), or specifically proposing necessary measures such as occupational safety, emergency response, industrial hygiene, machine guarding, public health and accommodation, and health and safety information.
Environment	Includes obtaining relevant certifications (e.g., ISO 14001), or proposing specific practices for relevant environmental operation permits, pollution prevention and resource conservation, hazardous substances, wastewater, non-hazardous solid waste, noise, exhaust gas emissions, and the reduction of energy/resource consumption and greenhouse gas emissions.
Ethical Standards	Includes ethical corporate management, respecting intellectual property rights, complying with relevant confidentiality agreements, protecting privacy, avoiding conflicts of interest, etc.
Information Security and Privacy Protection	Includes obtaining relevant certifications (e.g., Information Security Management Systems ISO/IEC 27001), or specifically proposing practices including the establishment of cybersecurity management policies, strengthened verification, cybersecurity advocacy, and access control monitoring; and the handling of personal privacy data implemented in accordance with relevant regulations.

» (3) Supply Chain Risk Management Process

TTC has established a comprehensive electronic procurement process based on the principles of fairness, impartiality, and openness to eliminate procurement fraud and favoritism;

In addition, through irregularly held supplier exchange meetings and on-site supplier audits to promote sustainability issues and conduct due diligence, the Company also irregularly checks the Transparent Footprint website to query whether suppliers have material violations of the aforementioned terms or related news events. This is to assess whether it will cause negative or potential impacts on the Company (such as being fined or suspended by competent authorities) and to track, guide, or provide improvement suggestions for their violations or impacts. In response to potential raw material supply crises, relevant risk control response measures are formulated, maintaining smooth communication channels with suppliers to reduce supply risks. As sustainable supply chain risk assessment, prevention, and response measures, the execution plan for growing together with suppliers is as follows:

Risk Assessment and Prevention	Impact Response	Future Planning
In addition to supply chain safety requirements, the identification of special conditions for chemical suppliers is as follows: 1. Risks of chemical process leaks and pollution. 2. Risks of occupational safety and environmental pollution in workplaces with high dust, high temperature, high noise, or high humidity. 3. Risks of aerial work. 4. Occupational safety risks from cutting or welding. 5. Risks of fugitive Volatile Organic Compounds (VOCs). 6. Labor-intensive industries. 7. Risks of supply chain and engineering interruption/delayed delivery and completion. 8. Raw material and engineering quality risks. 9. Preventive practices are as follows: (1) Introduce supplier sustainability self-assessment questionnaires to provide initial risk identification information. (2) Establish long-term cooperative relationships with suppliers, develop other suppliers and maintain cooperation, and coordinate a long-term material preparation system. (3) Establish an internal safety stock mechanism and set requisition reference points based on the supply schedule to avoid the risk of material shortages. (4) Procurement personnel conduct supply chain sustainability education and training. (5) Contractor environmental, health, and safety education and training.	Adjust supplier supply ratios, and supplement and reallocate among other suppliers in a timely manner. For the engineering part, the environmental, health, and safety unit immediately convenes an investigation into personnel safety, equipment damage, and environmental impact, which is compiled and handed over to relevant units for response and understanding.	In addition to highlighting chemical suppliers as a priority, a risk assessment mechanism will be established based on procurement amounts, engineering contract amounts, or the level of engineering importance, incorporating the on-site audit results of the aforementioned sustainability development strategy. According to the aforementioned risk assessment mechanism and the assessed level of risk, management and guidance will be provided.

Risk Items and Attributes	Suppliers (Chemicals)	Engineering Contractors	
	Environment (E), Social (S), and Corporate Governance (G)		
Potential Risks	- Chemical processes (E) - Workplaces with high dust, high temperature, high noise, or high humidity (E) - Risks of fugitive VOCs (E)	- Labor-intensive industries (S) - Risks of supply chain interruption/delay (G) - Quality risks (G)	- Workplaces with high dust, high temperature, high noise, or high humidity (E) - Risks of aerial work (E, S) - Labor-intensive (S) - Occupational safety risks from cutting or welding (S) - Risks of engineering interruption/delayed completion (G) - Engineering quality risks (G)
Number of Audits and Visits	4 companies		
Audit Details	- Environmental Dimension (E): Whether the manufacturing and storage of environmentally restricted substances are implemented according to regulations. - Governance Dimension (G): Quality, production, and order management, customer complaints and satisfaction tracking, employee education and training, external processing management.		Conducted jointly with the engineering construction assessment of contractors
Number of Qualified Companies	4 companies (100% pass rate)		

- Workplaces with high dust, high temperature, high noise, or high humidity (E)
- Risks of aerial work (E, S)
- Labor-intensive (S)
- Occupational safety risks from cutting or welding (S)
- Risks of engineering interruption/delayed completion (G)
- Engineering quality risks (G)

Conducted jointly with the engineering construction assessment of contractors

2.3.2 Supplier Management Mechanism

To sustain sustainable business operations, TTC regularly executes supplier evaluation operations annually, formulating evaluation management mechanisms for raw material suppliers and engineering contractors to reduce and prevent potential risks from occurring, which is divided into raw material supplier evaluation and engineering contractor evaluation management.

» (1) Raw Material Supplier Evaluation Management

TTC establishes long-term strategic cooperation relationships with major raw material suppliers and establishes safety stock based on the material preparation schedule to ensure a smooth supply chain.

To encourage continuous optimization by suppliers, enabling the Company to obtain high-quality raw materials and services timely, adequately, and reasonably priced, the Group Material Planning Division uniformly conducts supplier evaluation operations annually, aligning with production operations and environmental policies, based on items such as quality, delivery, environmental protection and occupational safety, packaging, quality certification, and service. The detailed evaluation mechanism and process are as follows:

- The selection of qualified suppliers for raw materials/OEM products is made by one or a combination of the following methods:
 - Having credibility or an excellent reputation domestically and abroad.
 - Qualified suppliers registered by certification bodies, such as ISO certifications (ISO 9001, ISO 14001, and Occupational Health and Safety Management Systems ISO 45001, etc.), or compliance with the EU Restriction of Hazardous Substances (RoHS) directive.
 - Having a good past supply quality record or delivery record.
 - Brands specified by the technology provider.
 - Providing raw materials as an exclusive supplier.
- Samples provided by new suppliers of raw materials/OEM products undergo inspection and testing by R&D and relevant units. After evaluation and trial use, if the submitted report meets requirements and is confirmed by the product improvement meeting, the procurement unit includes them in the approved supplier roster. This is submitted to each Plant Manager and the President for approval to serve as a reference for procurement.
- Filing: File the relevant data of qualified suppliers for raw materials/OEM products into the approved supplier roster for raw materials/OEM products, maintaining complete records for timely review and updating.

I Evaluation Items for Annual Supplier Evaluation Operations



* The main evaluation items for environmental protection and occupational safety refer to ISO 14001 and ISO 45001.

* (E), (S), and (G) respectively represent the environmental, social, and governance evaluation dimensions.

The passing threshold for the annual evaluation operation of raw material suppliers is 75 points or above. Except for suppliers whose evaluation scores exceed 85 points for three consecutive years (who are exempt from evaluation), the evaluation pass rate for raw material suppliers across all plants reached 100% in 2025, and the evaluated suppliers accounted for 100% of the trading suppliers in 2025.

I Results of Raw Materials Supplier Evaluation 2023-2025

Year	2023	2024	2025
Number of Evaluated Companies (including Zhongshan Plant)	250	210	263
Pass Rate	100 %	100 %	100 %

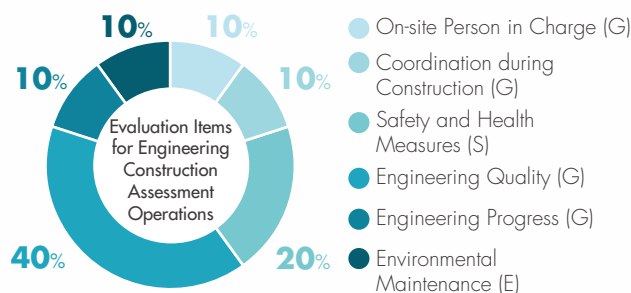
* For those with evaluation scores below 59 points, transactions with the supplier will be revoked or suspended according to regulations.

» (2) Engineering Contractor Evaluation Management

The engineering contracting policy focuses mainly on local contractors, establishing contractor profiles, and evaluating and grading them based on their engineering capabilities and quality to serve as recommendations and references for engineering contract inquiries.

During the construction process, construction quality relies on the supervision and management of on-site plant personnel. Management items include environmental safety, occupational safety, human rights, and labor practice issues, which are regularly reported back to the head office to understand the situation.

Evaluation Items for Engineering Construction Assessment Operations



1 Develop Contractors

New contractor selection - Send the "Engineering Contractor Questionnaire" to contractors

2 Qualification Certification

File approved contractors - "Engineering Contractor Questionnaire Classification Catalog"

3 Continuous Updating

Irregularly update contractor file data - corrections for changes in equipment, capabilities, expertise, etc.

4 Assessment Operations

Engineering construction assessment operations - "Construction Assessment Form"

* (E), (S), and (G) respectively represent the environmental, social, and governance evaluation dimensions.

The passing threshold for the engineering construction assessment operations for engineering contractors is 50 points or above. TTC's engineering construction assessment pass rate across all plants reached 100% in 2025, and the evaluated contractors accounted for 100% of the trading contractors in 2025.

Construction Assessment Results from 2023 to 2025

Year	2023	2024	2025
Number of Evaluated Companies	60	27	30
Pass Rate	100 %	100 %	100 %

Our company's Supplier Human Rights Due Diligence Process is outlined below:

1 Human Rights Issue Identification & Risk Assessment

Identify key human rights issues with reference to international human rights guidelines and benchmark peers in domestic and international industries. Conduct risk assessments through questionnaires distributed to suppliers and contractors.

2 Prevention & Mitigation Measures

Focus on preventive and mitigation measures. If violations or issues have already occurred, execute effective remedial actions for remediation.

3 Grievance Mechanism

Provide accessible, transparent, and responsive grievance and guidance channels.

4 Information Disclosure

Periodically disclose process outcomes, metrics, and progress in the company's ESG Report.

By referencing international human rights standards and the human rights issues prioritized by benchmark companies in the industry—both domestic and international—the Company has identified the following human rights issues concerning suppliers:

Regarding Tier 1 suppliers, the Company has identified the following three human rights issues:

1. Occupational Health and Safety Management 2. Working Hours and Leave Management 3. Workplace Unlawful Infringement Prevention Management

Based on the identified human rights issues, the Company will issue risk assessment questionnaires to Tier-1 suppliers in 2026 to conduct risk surveys and evaluations. Corresponding mitigation measures are outlined below:

	Risk Mitigation Measures
Occupational Health & Safety Management	Require suppliers and contractors to establish occupational health and safety management systems or relevant policies. Require suppliers and contractors to periodically conduct hazard identification, safety education and training, and safety audits. Periodically review whether suppliers and contractors have been penalized by regulatory authorities due to violations of working hours or overtime management regulations.
Working Hours & Leave Management	Require suppliers and contractors to manage regular working hours, overtime, and leave in strict compliance with local labor laws and regulations. Require suppliers and contractors to establish working hours and overtime management systems and periodically review their implementation status. Periodically review whether suppliers and contractors have experienced major occupational accidents or received administrative penalties from competent authorities as a result.
Workplace Unlawful Infringement Prevention Management	Require suppliers and contractors to establish policies or management systems for preventing unlawful workplace infringement (including workplace bullying and violence). Require suppliers and contractors to provide employee grievance, investigation, and protection measures, and conduct regular awareness training. Periodically review whether suppliers and contractors have experienced major workplace unlawful infringement incidents.

To ensure effective tracking of due diligence implementation, the Company will periodically evaluate the effectiveness of mitigation and remedial measures, reporting the outcomes to the Sustainability Committee. The Company has established comprehensive grievance mechanisms and channels enabling suppliers and contractors to report illegal acts or human rights violations.

Supplier & Contractor Grievance Channels : (02)-8751-6888 ; Supplier Grievance Email: troychen@usig.com

2.3.3 Procurement Strategy

Under the sustainable development business model, TTC continues to commit to promoting quality, capability, service, and environmental protection and occupational safety supervision, ensuring the life safety and health of workers, in order to establish a stable, mutually trusted, and sustainable supply chain relationship, and grow together with high-quality suppliers.

» Support for Local Procurement

TTC's operating locations are distributed in Taiwan and Zhongshan, China, with Taiwan as the main operation base.

Adhering to the spirit of upgrading local industries in Taiwan, under similar product quality and procurement conditions, priority is given to local suppliers in Taiwan to establish good cooperative relationships and promote the stable development of Taiwan's economy. In 2025, the local procurement amount ratio of TTC's Taiwan plants accounted for 87% of the total procurement amount (excluding bulk raw materials, including auxiliary materials, equipment, and contracting), and the local procurement ratio of the Zhongshan plant in China was 100%.

Among them, TTC signed fixed contracts with local suppliers in Taiwan for the bulk raw materials styrene, acrylonitrile, and butadiene required for production, and based on market conditions, partially imported from abroad to maintain stable supply. In 2025, the local procurement amount of bulk raw materials of TTC accounted for 100%, with a total of 7 bulk raw material suppliers, all of which are Taiwanese suppliers.

2025 Distribution of Local Procurement Amount for Bulk Raw Materials in Taiwan

Location / Raw Material	Styrene	Acrylonitrile	Butadiene
Taiwan	100%	100%	100%
Non-Taiwan	0%	0%	0%
Supply Source	2 domestic companies	2 domestic companies	3 domestic companies
	0 Foreign Suppliers	0 Foreign Suppliers	0 Foreign Suppliers

2025 Distribution of Local Procurement Amount for Bulk Raw Materials in Zhongshan Plant

Location / Raw Material	Styrene (Zhongshan)
China	100%
Non-China	0%
Supply Source	8 domestic companies
	0 Foreign Suppliers

» Growing Together with Suppliers

Currently, TTC's key raw material suppliers, including CPC Corporation, FCFC, Formosa Plastics, and CPDC, have all obtained ISO 14001 and ISO 45001 certifications. These certifications meet the Company's requirements for environmental management and occupational health and safety management, making them excellent partners for sustainable development. Regarding the practice of investigating suppliers with potential negative impacts, the company also adopts proactive risk management. Besides irregularly reviewing manufacturers' environmental violation records published on government websites or online media to check if suppliers have major violations of the aforementioned clauses or news events, the company conducted supplier on-site audits on 4 suppliers in 2025, paired with physical visits using the supplier code of conduct and quality requirement self-assessment form, to evaluate whether they pose negative or potential impacts to the company (such as being fined by competent authorities or suspending work). For those with excellent performance or potential negative impact risks due to violations or deficiencies, specific practices are proposed as follows: Violation or deficiency records: Counseling and improvement on violated or deficient items; if maliciously uncooperative or unable to improve over time, risk control response measures such as lowering scores or selecting alternative manufacturers will be adopted. Those with no violations and deficiency records and excellent performance: Exchange meetings are held between both parties to communicate and exchange opinions on the strengths of both sides.