

# Chapter 5

## Health, Safety and Social Inclusion



### Material topics in this chapter

1. OH&S
2. Talent attraction and retention

### Performance Highlights

- ✓ Rated Operation Excellence in the joint underground pipeline joint defense
- ✓ Annual employee health checkup: **94.3%** coverage
- ✓ A total of **2,725** hours of PSM training for **746** persons
- ✓ Awarded the certificate of Taiwan i-Sports by the Sports Administration
- ✓ Turnover (excluding retirement) rate: **4.8%**
- ✓ Education/training: **23.8** hours/person



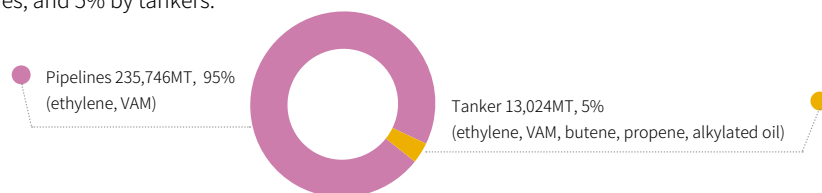
## 5.1 Transportation Safety Management

### Management of raw materials and product transportation <https://www.usife.com/ESG/zh-tw/ESG46.aspx>

Transportation Methods

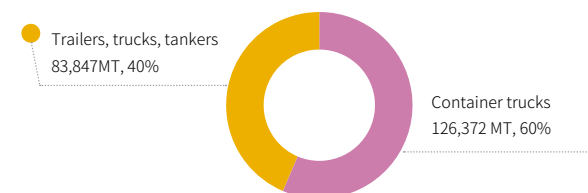
#### 2022 Raw Material Transportation Methods (MT)

95% of raw materials required by the Kaohsiung Plant are transported via underground pipelines, and 5% by tankers.



#### 2022 Product Transportation Methods (MT)

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



Implementation Plan and Effectiveness

- ✓ No transportation-related accident was reported in the last decade
- ✓ To ensure pipeline integrity, we maintain the safety management of underground pipelines through operation, maintenance, test, inspection, and emergency response with reference to the international underground pipeline regulations and in compliance with the legal and regulatory requirements of the Kaohsiung City Economic Development Bureau. Additionally, we have passed the third-party (DNV) verification for compliance with the standard B31.8S Managing System Integrity of Gas Pipelines of the American Society of Mechanical Engineers and the review of the Kaohsiung City Economic Development Bureau.
- ✓ Double protection including corrosion zone and impressed current cathodic protection (ICCP) is implemented for all underground pipelines. In 2022 every quarter, we completed 192 cathodic corrosion tests and 36 cathodic corrosion rectifier checks to ensure the anti-corrosion system is working without worries.
- ✓ To prevent pipeline damage caused by third-party excavation and construction errors, we commission CKS Guard to perform daily pipeline tour inspection. We collaborate with the Pipeline Excavation Management Center formed by the Kaohsiung City Public Works Bureau to prevent pipeline damage caused by third-party excavation. In 2022 we prevented a total 40 instances of pipeline damage caused by third-party excavation.
- ✓ In 2022, we organized one underground pipeline scenario drill with other manufacturers and the simulated accident alert drill of the Economic Development Bureau to reduce the damage caused by natural disasters or accidents through emergency response drills.
- ✓ In 2022 we were leader of the pipeline joint defense organization and rated excellence in pipeline joint defense operation by the Industrial Development Bureau, MOEA.
- ✓ All tankers are qualified tankers for transporting chemical substances; each contractor has good emergency response ability, and well-established emergency response plans. Transportation is implemented according to the relevant control regulations and management measures.

- ✓ Government-licensed transporters that have passed ISO 9001 certification and equipped with trained, qualified health and safety management personnel.
- ✓ Semi-annual evaluation of performance, efficiency, cooperation and quality and proposals for improvement programs based on customer feedback at the transportation review meeting.
- ✓ Regular vehicle examinations according to the relevant regulations. Holding safety meetings quarterly to ensure that contractors can safely transport products to the destination to minimize environmental impacts caused by transportation.
- ✓ During 2020-2022, we continuously implemented transportation safety and quality evaluation. Besides reviewing the results of agreed improvements from last year, we verified the degree of legal compliance of onsite operations and equipment condition in order to capture and manage the transportation safety of contractors. The result of the 2022 transportation safety and quality evaluation of contractors was grade A.

## In-House Product Loading Safety Management

### Management Approach Description

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

### Management Approach

In response to the massive use of forklifts for loading and stacking finished products at the warehouse in routine work, we identified the forklift operation hazards during product loading during 2021-2022. We also implemented the AI industrial safety image-recognition system with partners to perform workplace verification with AI intelligent image-recognition technology and effectively detect if workers use related personal protective equipment (PPE) properly through the image captured by the real-time recognition system in order to comply with the in-house PPE regulations, enhance the strength of in-house industrial safety walk-through inspection, improve contractor operation management, and reduce the risk of industrial safety accidents.

During 2021-2022, we continued to implement the transportation safety and quality evaluation of products in terms of the following eight items: corporate condition, driver record, safety policy and communication, SOPs and instructions, safety equipment, driver evaluation, vehicle condition control, and transportation quality. Additionally, to enhance the control of recommended improvements after the evaluation, we determine the audit frequency based on the evaluation score and notify transporters to make early improvements of the audited problems.

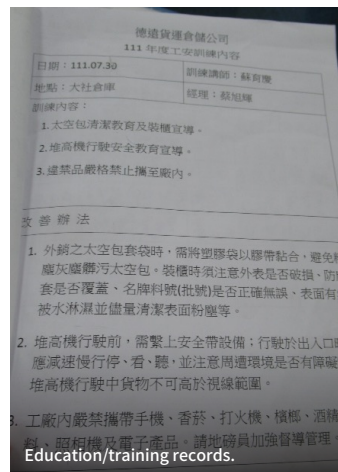
GRI 403-7:2018

### Management Performance

In 2022 we continuously promoted the warehouse forklift operation safety protection recognition (AI system). Apart from the safety check of finished product warehouse personnel and continuing system correction and updating, the system can alert area supervisors and suppliers to correct and review the identified defects to enhance the awareness of operation safety together. Additionally, we also shared this project in AI and shared its achievements at technology demonstration meetings for other USIG plants to understand the effectiveness and practical application of recognition.



In the 2022 transportation safety and quality evaluation, apart from re-auditing the improvement of recommended items of Deyuan's documented SOPs, records, and announcements in the previous year and verifying its achievements in safety management optimization, we also conducted on-site spot checks on its field operation, vehicle condition, and related PPE. The integrated score was grade A. We also informed Deyuan of the evaluation results for reference for future improvement of overall operation safety.



評鑑結果總表		
基本資料		
承攬公司: 德遠貨運股份有限公司		
地址: 高雄中華商務路第一路43號		
聯絡人: 呂文輝-陳淑慧		
稽核日期: 2022年11月29日		
稽核人員: 台安公司高維庭(工安室-陳志明)工程師 台安公司高維庭(工安室-黃怡萍)工程師		
評鑑概要: 1. 稽核時務必針對評鑑事項實施查核並電子檔留底。 2. 部分評鑑事項建議本廠未實施或紀錄, 建議後續改善。 3. 緊急應變處理及消防設施的檢查與改善紀錄。 4. 請參閱評鑑紀錄與改善紀錄, 儘量改善提高安全紀錄。 5. 作業前應先進行安全確認及檢查, 相關表單應建立及紀錄確實。 6. 每次評鑑內容應與改善紀錄。 7. 稽核結果應通知以上, 列成改善單。		
第次	滿分	得分
1 公司狀況	9	8
2 車輛管理	7	7
3 安全政策與溝通	15	13
4 工作程序與指示	8	8
5 安全設備	16	12
6 稽核輔導、訓練及紀錄	22	18
7 車輛裝設、管理及維修紀錄	16	15
8 運輸品質管理與維護	7	7
總分	100	88
Evaluation results		



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

### Sustainability Principle: Sustainable Development

Significance and Strategy	Impact Management	Achievement and Goal	Management
<p><b>Significance to USI</b></p> <p>Take care of employee health. Prevent industrial accidents. Enhance employee OH&amp;S protection. Develop the emergency response capacity and self-imposed safety management of employees.</p> <p><b>Strategy</b></p> <ol style="list-style-type: none"> <li>1. Enhance personnel training and occupational safety awareness.</li> <li>2. Strengthen work environment safety management</li> </ol> <p><b>Commitment</b></p> <p>Create a safe workplace environment and reduce industrial safety accidents. Data scope: Kaohsiung Plant, contractors, and transportation contractors</p>	<p><b>Short-, Medium- &amp; Long-Term Positive/Negative Impacts</b></p> <p>Medium-term positive actual impact: Build a friendly workplace to lower the turnover rate and reduce occupational accidents. Short-, medium- &amp; long-term negative actual impact: Industrial safety accidents</p> <p><b>Impact Boundaries</b></p> <p>USI employees and contractors</p> <p><b>Process to Remediate and Prevent Negative Impacts</b></p> <p>Enhance industrial safety in-process inspection and environment improvement and play industrial safety films at the weekly plant affairs meeting to enhance industrial safety awareness.</p>	<p><b>2022 Goals</b></p> <ol style="list-style-type: none"> <li>1. Incident Rate = 0</li> <li>2. Frequency-Severity Indicator (FSI) =0</li> <li>3. Monitored Nonconformities =0</li> <li>4. Shutdowns caused by key equipment =0</li> </ol> <p><b>2022 Achievements</b></p> <ol style="list-style-type: none"> <li>1. Incident rate = 0, equipment improvement and renewal, inspection and maintenance enhancement, periodic walk-through inspection, education and training, and OH&amp;S management.</li> <li>2. Frequency-Severity Indicator (FSI)=0. Rust removal, supplementary welding, screw replacement, and paint maintenance of equipment and pipelines according to the work instructions</li> <li>3. Monitoring indicator excess=0. Completed onsite monitoring on Type 2 organic solvents, specific chemical substances, noise, and CO<sub>2</sub>. The effectiveness of new QC fume hoods was also inspected. No nonconformity is found.</li> <li>4. Downtime caused by key equipment=4, machinery maintenance by the engineering department = 5,025 units.</li> <li>5. Implemented 17 projects, including 3 underground pipeline operations and maintenance projects.</li> </ol> <p><b>2023 Goals</b></p> <ol style="list-style-type: none"> <li>1. Incident Rate = 0</li> <li>2. Frequency-Severity Indicator (FSI) =0</li> <li>3. Monitored Nonconformities =0</li> <li>4. Shutdowns caused by key equipment =0</li> </ol> <p><b>Medium- &amp; Long-Term Goals</b></p> <ol style="list-style-type: none"> <li>1. Comprehensive industrial safety check.</li> <li>2. Reduction of disabling injury.</li> <li>3. PSM system promotion.</li> </ol>	<p><b>Effectiveness Assessment</b></p> <ol style="list-style-type: none"> <li>1. Employee health checkup</li> <li>2. Reduction of injury of disability and work-related accidents</li> <li>3. Contents and statistics of work-related accidents</li> </ol> <p><b>Grievance Mechanism</b></p> <p>Labor-Management Meeting Union Board Meeting Occupational Safety and Health Committee</p>

In 2001 we began to constantly implement the OH&S management system across the plant and promote system certification. We also set it as part of the company's sustainable development strategy to maintain workplace environment safety and employee health. In 2020, we completed the certificate renewal certification and acquired the certificate for ISO 45001:2018. GRI 403-1:2018

In 2022, 1,796 personnel were covered by the OH&S management systems, including all USI employees and contractors. All operations were planned and implemented according to the OH&SMS, including hazard identification, risk assessment, audit, and accident investigation.

**Workers covered by OH&SMS in 2022** GRI 2-8, 403-8

Type	Numbers of person	Proportion
<b>USI Employees</b>	453	25%
<b>Contractor Personnel</b>	1,342	75%

\* Contractor personnel include 32 contractor resident personnel (Deyuan Transport) and 1,310 personnel of qualified contractors in 2022.



Please visit the website for the system details:  
<https://www.usife.com/ESG/zh-tw/ESG43.aspx>



## OH&S Goals and Management Program 2022

Policy	Goals	Program	Effectiveness
Zero accident	Incident Rate =0	Steam inlet inspection for reducing hazards from steam sleeve breakage and leakage caused by corrosion and prevent pipeline corrosion hazards.	Completed steam inlet inspection at 66 points in 2022, and no corrosion was noted.
		Replacement of the recycle train cooler to prevent broken or leaking cooler from causing hazards.	Replacement status a. Shut down 2021/04/22 D-line for replacing the D-1 train cooler. b. Shut down 2022/03/16 EF-line for replacing the F-2 train cooler. c. Shut down 2022/03/16 B-line for replacing the B-1 & B-2 train coolers. Project status: 100 %
		Replacement of the recycle train cooler is necessary to prevent hazards caused by pipeline leaks during operation.	Replacement status a. Already notified the works section of the scope of onsite pipeline replacement. b. D and EF-line derime pipelines were replaced in 2022/01. Project status: 100 %
		Replacement of the corroded M/P outlet pipelines of D-line.	Replacement status a. Already clarified the scope of pipeline replacement: Between the M/P outlet pipeline and the main pipeline. b. Replacement was completed and service started on 2022/01/06. Project status: 100 %
		Installation of the explosion- and sound-proof glass in the operation room of C/D/EF-lines to reduce noise and protect safety.	Replacement status a. Completed onsite survey and outsourcing. b. Completed construction of the compression and processing rooms. Project status: 100 %
		D-line reactor standby plan to prevent impact on production due to sleeve breakage and leakage during startup and shutdown.	Replacement status a. The inspection section already verified leakage (cannot be fixed) at three welding spots on the bottom expansion ring on 2020/01/14. b. This project has been suspended. Project status: 55%. (This project has be suspended.)
		Addition of the standby M/P to enhance the UE4055 QC capacity; addition of one modifier pump J-220L to C-line.	Replacement status a. Modifier pump was already delivered. b. The pipeline tie-in project was completed. c. Completed the test of the R/T thermoplastic pump pipeline vibration improvement project. Project status: 100 % (Completed in Q2)
		Underground pipeline inspection and maintenance	Status: Completed visual inspection and thickness check of the overground pipeline sections in July and November 2022. Project status: 100 %
	Pipeline patrol education and training plan.	Status: Arranged 12 hours of education and training for tour inspections in 2022, to be 100% completed by the end of December. Project status: 100 %	

Policy	Goals	Program	Effectiveness
Zero accident	Incident Rate =0	Underground pipeline routine patrol plan.	Replacement status a. Hired CKS Guard to implement routine tour inspection for this quarter. By the end of November, 91.6% was completed, and 100% completion by the end of December. b. Completed the fifth time of self-imposed tour inspection. c. The 6 <sup>th</sup> tour inspection was expected to be completed by the end of December. Project status: 100 %
		Production of the D-9706 foam pipeline support	Replacement status a. Operators verified the pipeline location. The works order was issued for the repair and maintenance unit to implement. Works Order No.: 2201766. b. Staff of the repair and maintenance unit already completed onsite survey, and construction will start after materials preparation. (completed on 3/25). Project status: 100 %
Zero occupational accidents	Frequency-Severity Indicator (FSI) =0	Replacement to the B-301A fume stack to enhance boiler operation safety.	Replacement status a. Fume stack demolition was completed. b. Foundation construction was completed. c. New fume stack installation was completed. d. B-301A boiler fume stack trial discharge was completed. Project status: 100 %
		Addition of the silo Y-6015 operating platform to enhance the operation safety of staff.	Replacement status a. Implementation by operation personnel in accordance with the work instructions. b. February shutdown was completed. Project status: 100 %
		Addition of the burn prevention net to the purification zone E-1110 (prevent personnel from burn and keep warmth against corrosion)	Replacement status a. Implementation by operation personnel in accordance with the work instructions. . b. May shutdown was completed. Project status: 100 %
		Demolition of the EDC pipelines and foundations in the catalyst zone (enhance operation safety for employees)	Replacement status a. Implementation by operation personnel in accordance with the work instructions. b. May shutdown was completed. Project status: 100 %
		Raw material unloading platform improvement of the precursor cylinder (enhance raw material loading/unloading safety)	Replacement status a. Implementation by operation personnel in accordance with the work instructions. b. February shutdown was completed. Project status: 100 %
		Road surface repair project of the CBC waste storage zone	Replacement status a. The damage block already verified, the works order was issued for the repair and maintenance unit to outsource the project. b. The repair project was completed. Project status: 100 %
Zero Failure	Shutdowns caused by key equipment =0	Shutdowns caused by key equipment = 0 (machinery and instrumentation)	Downtime caused by key equipment = 4, machinery maintenance by the engineering department = 5,025 units

Note 1: Incident Rate (IR) = Number of incidents x 200,000/total hours worked

 Note 2: Frequency-Severity Indicator (FSI) =  $\sqrt{[(FR \times SR)/1000]}$

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

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

Members of the OH&S Committee include the committee chair (the plant general manager), executive secretary (deputy chief of the industrial safety office), committee members (department chiefs/unit chiefs/industrial safety staff/labor representatives). Labor representatives are elected by employees. Currently, there are 9 labor representatives (35%) and 17 management representatives, totaling 26 members. The committee holds a committee meeting every quarter. Labor representatives voice for all employees and discuss, coordinate, plan, and decide on HSE issues with the management to ensure employee participation, consultation, and communication.

**2022 OH&S Committee Statistics**

OH&S Committee	Committee Members	Committee Proportion
Labor representatives	9	35%
Management representatives	17	65%
<b>Total</b>	<b>26 people</b>	<b>100%</b>

## Hazard identification and risk assessment GRI 403-2:2018, 403-9:2018

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

Every three years, we identify hazards and assess risks on current, changing (potential or transitional) and future activities within the plant, hazards outside of the plant, and underground pipelines. The baseline review team formed by the section chiefs of all

units provided professional training on hazard identification and risk assessment for the baseline review team and employees in 2022. We assess and screen risk levels using semi-quantitative descriptive statistics. Then, we establish targets and plans based on the graded control, OH&S objectives, and the Regulations for Management of Management Plans to reduce the risk to an acceptable range by prioritizing means such as elimination, replacement, engineering controls, labels/warnings/or management controls, and PPEs.

## OH&S Management GRI 403-7

### Management Approach Description

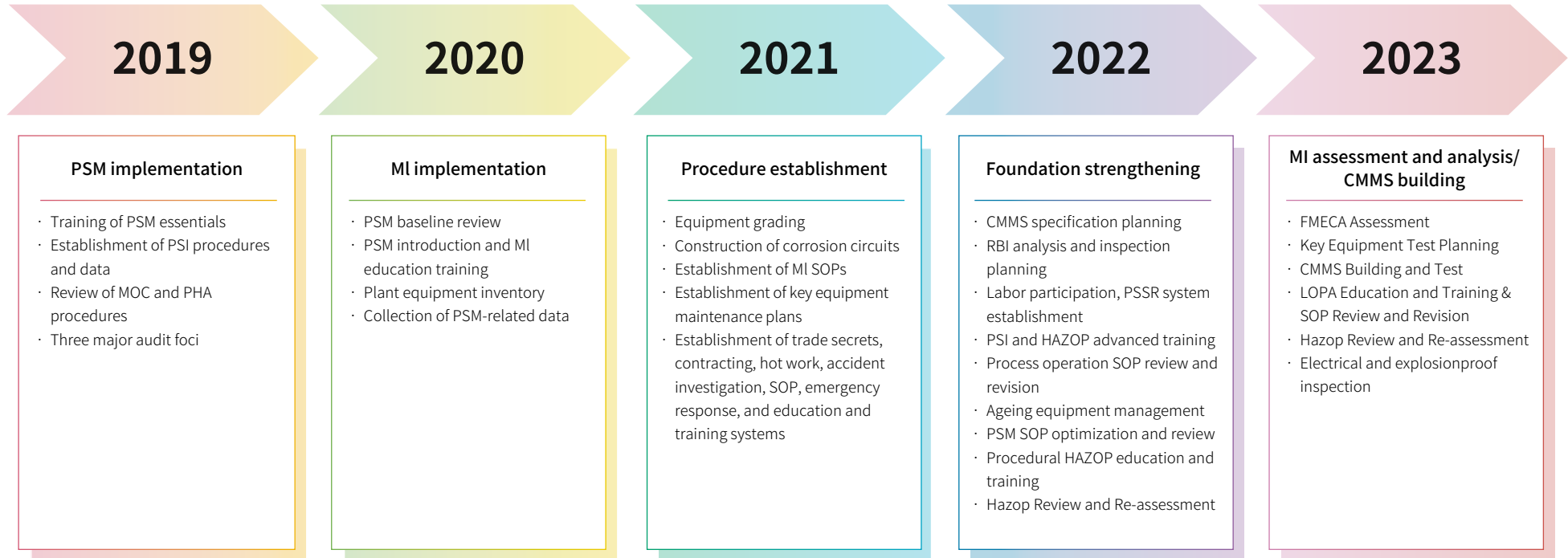
In consideration of the increasing industrial safety accidents in Taiwan in recent years, IDB has progressively implemented joint supervision on large petrochemical plants and found that those implementing process safety management (PSM) have significantly better performance in industrial safety. Therefore,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

### Management Approach

PSM is implemented in main consideration of the relevant regulations at home and aboard, such as the “Process Safety Management of Highly Hazardous Chemicals” (29CFR 1910.119) announced by the US Occupational Safety & Health Administration (OSHA), the Hazardous Workplace Review and Inspection Regulations, and the “Regulations of Implementation Regarding Regular Process Safety Evaluation”. A total of 14 categories were concluded for overall planning and review. PSM conformity was identified through compliance audit to review its ability to improve the plant’s process safety and industrial safety protection.

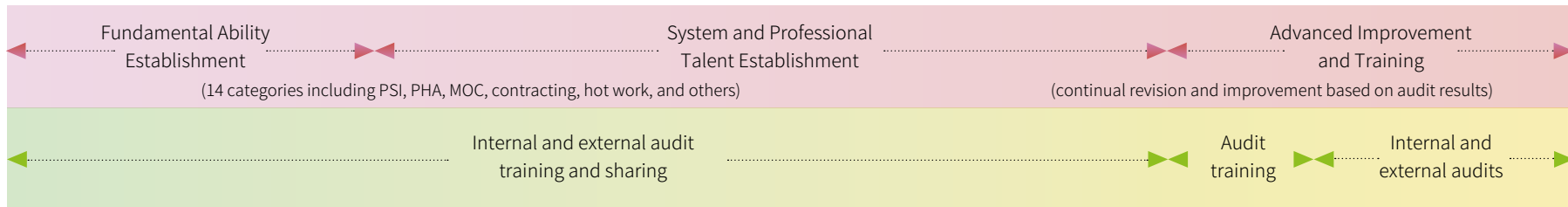


### Process Safety Management Plan



Note: Management of change (MOC), process hazard analysis (PHA), machinery integrity, computer maintenance and management software (CMMS)

### Key Practices



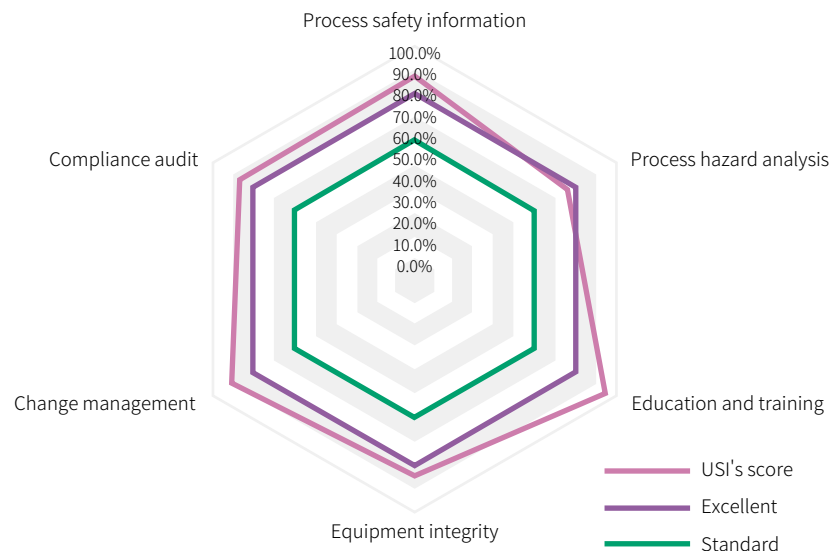


### Management Performance

When implementing PSM in 2022, we completed the following: optimization, review, and amendment of SOPs; planning the CMMS system and RBI analysis and tests; review of process SOPs; management of aging equipment; PSM education and training; and review and re-assessment of Hazop. During the period, we have completed a total of 71 training courses with a total of 2,725 hours for a total of 746 persons. In 2022 and 2023, USIG invited an external expert team from BSI to provide PSM internal auditor training. We also obtained the certificate of completion.

We conducted onsite inspection of aging equipment in the plants to progressively identify, review, and control high-risk old equipment in-house and plant and establish the aging equipment management process to reduce the likelihood of process hazards. Additionally, to verify the suitability and compliance of PSM promotion, apart from implementing internal and external audits on PSM compliance, conducting mutual audits and experience sharing with other USIG plants through the Division of Equipment Preventive Maintenance and Environmental Risk Control, and taking corrective and preventive action for audited defects to enhance the integrity of PSM implementation of our plant and other USIG plants, we also reported the achievements of PSM promotion in the Occupational Safety and Health(OH&S) Committee each quarter, timely coordinated with and gave recommendations for unit supervisors, increased PSM implementation requirements, communicated the importance of safety to employees to continuously enhance our determination to implement PSM and implement self-imposed management and audit so as to promote total participation in PSM through a top-down manner.

### PSM audit results



Note: Except for process hazard analysis, all other scores are good or above.

### Process Safety Management Performance RT-CH-540a.1, RT-CH-540a.2

Item	2021	2022
Total Count of Process Safety Incidents (PSIC)	0	1
Process Safety Total Incident Rate (PSTIR)	0	0.26
Process Safety Incident Severity Rate (PSISR)	0	0.79

Note 1: Employees are only permanent employees. The total hours worked in 2022 was 755,626 hours.

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

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

The 2022 PSISR was level 3, 3 marks.

## Equipment safety management

We regulate and perform periodic inspection of dangerous machinery and equipment by law to ensure equipment operation safety. In 2022 we inspected 5 dangerous machines and 230 sets of dangerous equipment, and all were qualified. Additionally, we replaced and suspended 6 sets of dangerous equipment to maintain operational safety and production continuity.

## Emergency Response Mechanism

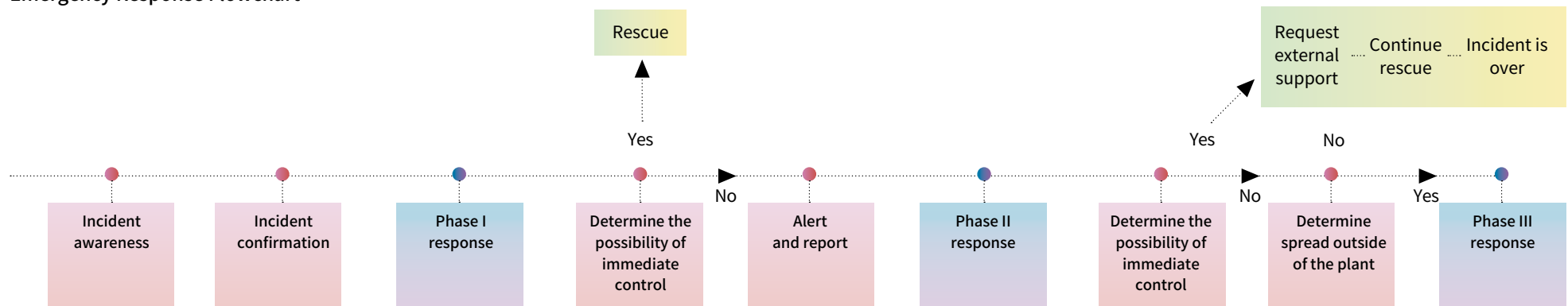
We organize emergency response and fire safety drills and OH&S general training half-yearly and refer to the emergency response guide and manual to facilitate emergency mobilization, take corrective actions, effectively control disasters, and reduce losses in emergencies.



Please visit <https://www.usife.com/ESG/zh-tw/ESG43.aspx> for the details of the response processes at different stages

The 2022 operation of the “foam fire extinguishing system” was the training focus of the in-house fire defense task force. As flammable liquids (Class IV) are major public hazardous substances used in petrochemical plants, regular fundamental training can develop effective response to fire extinguishing at the beginning of accidents.

## Emergency Response Flowchart



## Underground pipeline emergency response

To improve emergency preparedness and response ability to underground pipeline occurrences, we perform emergency response assessments on high-consequence areas (HCAs) based on the analysis results. In 2022 we assessed the 10-inch ethylene pipelines in high-consequence areas including Fengren Road and Shuiguan Road, where there were sensitive receptors including shops, Renwu Sports Park, THSR, Renwu Elementary School, and the Renwu Industrial Park. The process covered a full-scale assessment, including the simulation of chemical spread after a pipeline leakage, people evacuation, receptor contacts, communication and coordination of external support, hoping to help improve the preparedness and efficiency of emergency response to underground pipeline accidents.

### Simulation and assessment of emergency response plans



## Emergency response drills on toxic and concerned chemical substances

In 2022, we held emergency response drills on toxic and concerned chemical substances, including one comprehensive response drill and two unannounced tests and drills. Additionally, we also sent personnel to receive external training for different levels of emergency responses to toxic and concerned chemical substances, including one for the expert level, two for the commander level, eight for the technologist level, and four for the operator level, to improve our independent responsiveness to toxic and concerned chemical substances.



## Work-related injury and absenteeism GRI 403-9:2018

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

In 2022 no employee work-related injury during work was reported, and one contractor work-related injury was reported (please refer to the accident investigation in this section for details). In commuter accidents, we do not arrange commuter services or vehicles for employees, and no work-related traffic accident of an employee was reported in 2022. Between 7 April 2020 and 31 December 2022, the cumulative total working hours without disabling injury totaled 2,210,123 hours. Additionally, no work-related injury was reported from Taipei HQ and Guishan R&D Division in 2022.

### OH&S Management Performance RT-CH-320a.1

Item / Year	2020		2021		2022	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
F.R.	0.25	0	0	0	0	3.94
S.R.	255	0	0	0	0	67
Frequency-Severity Indicator (F.S.I.)	0.25	0	0	0	0	0.51
Number and rate of recordable work-related injuries	1/0.25	0/0	0/0	0/0	0/0	2/3.94
Number and rate of high-consequence work-related injuries	1/0.25	0/0	0/0	0/0	0/0	0/0
Number and rate of fatalities as a result of work-related injury	0/0	0/0	0/0	0/0	0/0	0/0

Note1: All employees were permanent employees. The total hours worked in 2020, 2021, and 2022 were 776,160 hours, 764,444 hours, and 755,626 hours respectively.

Note2: Disabling injury frequency rate (F.R.) = Injury frequency × 200,000/total hours worked (rounded down to two decimals)

Note3: Disabling injury severity rate (S.R.) = Injury days lost × 200,000/total hours worked (rounded down to two decimals)

Note4: Frequency severity index (F.S.I.) =  $\sqrt{[(F.R \times S.R.) / 1000]}$  (rounded down to two digits)

Note5: Rate of recordable work-related injuries = Number of recordable work-related injuries (including fatalities) × 200,000/total hours worked (rounded down to two decimals)

Note6: Rate of high-consequence work-related injuries = Number of high-consequence work-related injuries (excluding fatalities) × 200,000/total hours worked

Note7: Rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury × 200,000/total hours worked

## Industrial safety audit and follow-up

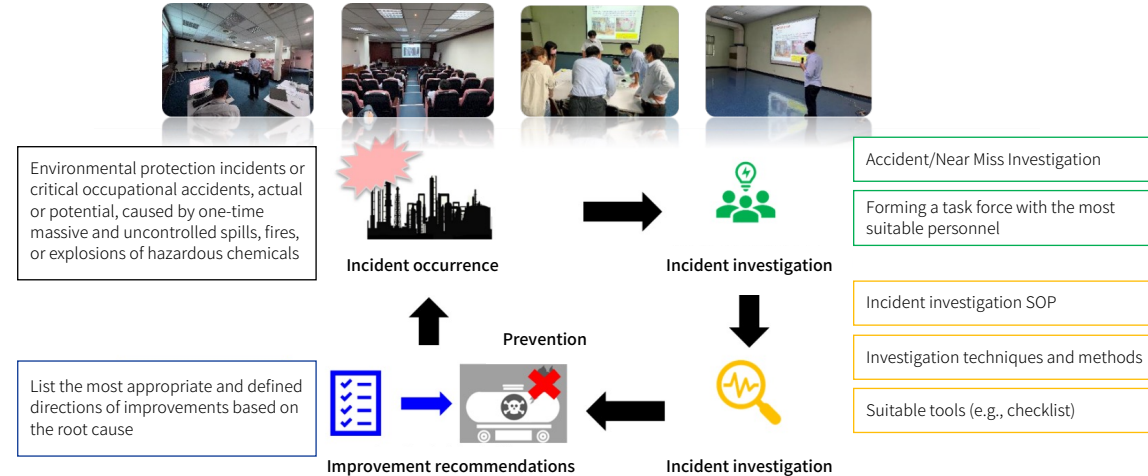
To capture the safety of contractors and their workers working in-house, we measure their blood pressure to ensure that they are physically and mentally fit before entry. In vehicle control, we timely perform spot sobriety tests to ensure they are in a safe state before entry. We also perform tour inspection of all onsite operations every day to verify contractor and worker safety to reduce unsafe behavior. The tour inspection results are recorded in the “ESH Management Platform” and reported to the OH&S Committee every quarter. In 2022 we audited 2,690 items, and 2,266 items passed, 420 items required observation or recommendation, and 4 items fails. The improvement of all nonconforming items was completed. Additionally, we conduct one group audit and guidance every six months and follow up all audited defects and improvement results. Through total industrial safety audit and management, we improve occupational safety and process safety.

Focus of Action (audit unit)	Frequency
Contractor entry physical and mental condition check (security guards)	Irregularly
Contractor coordination organization meeting (Industrial Safety Section)	Daily
Workplace inspections and records (Industrial Safety Section)	Daily
Defect and improvement review and publicity (Industrial Safety Section)	Quarterly (OH&S Committee)
HSE & regulatory audit (Audit Division)	Semiannually

## Incident investigation GRI 403-2:2018

One contractor work-related injury occurred in 2022. In the wax discharge operation, operators did not notice that contractors were implementing welding work on the second floor. During the discharge, leaked ethylene triggered a flashover and caused burn (direct cause) to two contactors. The results of accident investigation show that personnel did not verify the surroundings and take effective control (indirect cause) before discharge and failed to conduct safety observation and follow the operating procedures (fundamental cause). To prevent the accident from recurring, apart from purchasing closed fittings, we also prohibit hot work in the area during the discharge, request for onsite fire watch by fire-watchers, hot work control by floor and continuous flammable gas monitoring of contractors, and enhance safety awareness education for personnel.

In 2022, for process and occupational safety accidents or near misses in all operational activities, we reviewed and established new accident investigation SOPs, developed effective accident investigation processes and handling mechanisms that included accident investigation technical lists such as time series, fault tree analysis (FTA) or event tree analysis (ETA). We also added the evidence collection checklist to facilitate the consolidation and identification of actual or potential accident causes and established preventive measures against potential causes that can be prevented to prevent the recurrence of similar accidents.



Additionally, we arranged education and training and simulated drills for accident investigation and analysis techniques to improve the professional investigation and analysis skills of relevant personnel so as to make appropriate improvements through the effective recording, investigation, and analysis of the root cause of accidents and so to prevent the recurrence of accidents and near misses to protect employee safety and health.

## Contractor Management GRI 403-5:2018

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

In 2022, we upgraded our request for the toolbox meeting and the work permit system, verified onsite environmental safety, explained the contents, potential environmental hazards, and safety protection and regulations of individual operation, and completed the safety inspection of onsite construction equipment and tools and environment inspections. To enhance contractor entry safety management and enforce the supervision and management duty of occupational safety and health management personnel, the industrial safety section performs a walk-through inspection of all in-house projects every day to confirm if a preparatory inspection of machinery is completed and if there is a safety incident in the construction. If a nonconformity is detected, industrial safety staff will immediately request contractors to stop construction and complete all improvements before carrying on construction. If a serious nonconformity is detected, re-education and re-training will be arranged for that contractor.

Additionally, in response to COVID-19 during 2021-2022, we implemented the contractor self-imposed health management system and installed the automatic body temperature scanner to effectively control the pandemic and capture the health condition of contractors. In 2022, a total of 12,734 contractors reported normal after self-imposed health management, and no health anomaly was reported.

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## Contractor Works Distribution by Type in 2022

Type of Works	No. of Works	Proportion
Open Fire	499	55%
Confined Space	49	5%
Others	352	39%

## HSE Education and Training GRI 403-5:2018

Education, training, and publicity are the fundamentals for promoting HSE awareness to employees and contractors. By establishing the “Labor Safety and Health Education and Training Regulations,” we provide knowledge and skill training for different categories of employees and contractor personnel based on their actual needs. In 2022, we arranged a total of 4,545 hours of HSE education and training over 115 sessions, recording a cumulative attendance of 1,502.

### Statistics on HSE Education and Training 2022

Type	Hours/ person	Sessions	Person	Total hours
New employee training	6	8	13	78
On-the-job training	3	9	179	537
Contractor Personnel	3	98	1,310	3,930

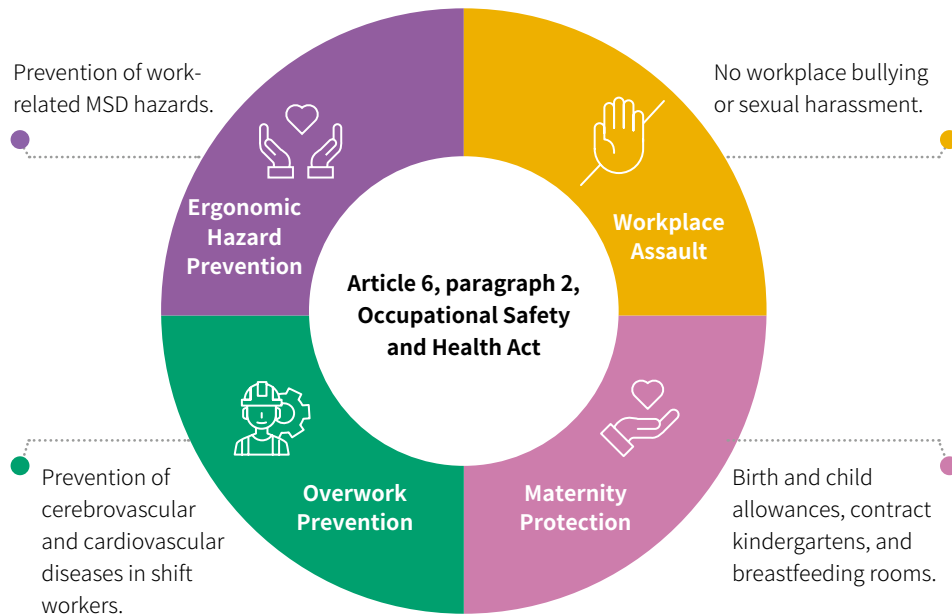
With respect to the legal requirements, domestic and overseas industrial safety incidents, and occupational safety awareness education, we organize a series of training courses. In 2022, we organized 32 training activities with 1,046 participants for employees to value operation safety and understand professional knowledge. Through drills and training, we develop the positive attitude towards learning new skills in employees.

In addition to HSE training, at the quarterly safety meeting, each unit discusses unsafe acts and behavior in their operations and explore industrial safety incidents occurring at home and abroad to prevent their recurrence. Through this process, employees can better understand safety knowledge and USI’s safety culture.

## Health concerns

please visit the OH&S section of our corporate site usife.com for details: <https://www.usife.com/ESG/zh-tw/ESG43.aspx>

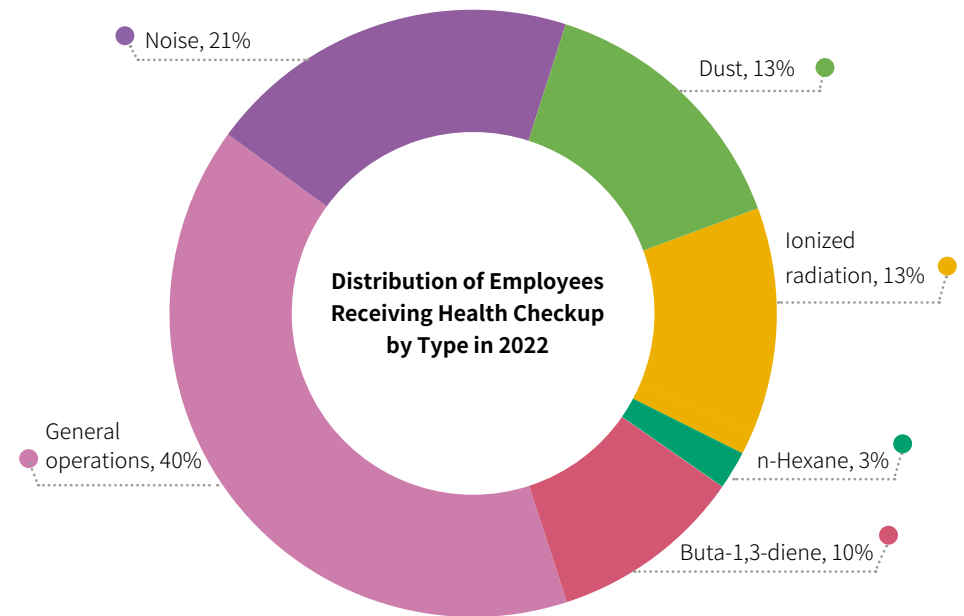
### Workplace Health Keeper



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

### Health passport GRI 403-3:2018, 403-6:2018, 403-10:2018

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



Note 1: In 2022 there were 451 employees in total (Taipei HQ, Guishan R&D Division, and Kaohsiung Plant) qualified for the health checkup, with a checkup rate of 94.3%.

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

## Graded health management GRI 403-10:2018

In 2022 special checkups were arranged for 269 employees, and health management was implemented based on the graded health management by risk level, hoping to identify high-risk groups, provide individual health instructions and notification, and reduce the risk of work-related ill health through early detection of the high-risk group in order to build a healthier and more comfortable workplace environment through continual source improvement and terminal health care.

Health Checkup Item	Numbers of person	Grade 1 management	Grade 2 management	Grade 3 management	Grade 4 management
Noise operation	95	53	42	0	0
Dust	57	55	2	0	0
Ionized radiation	57	20	37	0	0
n-Hexane	15	15	0	0	0
Buta-1,3-diene	45	33	12	0	0

Level I Management	<b>No anomaly</b>	Provision of health instructions
Level II Management	<b>Partial anomalies unrelated to work</b>	<ol style="list-style-type: none"> <li>1. Provision of health instructions</li> <li>2. Indication of not suitable jobs by physicians</li> </ol>
Level III Management	<b>Partial anomalies Work-related anomalies</b>	<ol style="list-style-type: none"> <li>1. Health follow-up and instructions by occupational specialists</li> <li>2. Operation assessment by occupational specialists</li> <li>3. Re-grading based on operation assessment</li> <li>4. Report to competent authorities</li> </ol>
Level IV Management	<b>Work-related anomalies</b>	<ol style="list-style-type: none"> <li>1. Hazard control</li> <li>2. Engineering improvement</li> <li>3. Administrative improvement</li> <li>4. Health management measures</li> <li>5. Report to competent authorities</li> </ol>

## Checkup quality and achievements GRI 403-10:2018

It is our obligation to ensure the quality of medical institutions providing the health checkup service to ensure that checkup results are effective and valid for reference. We select only checkup institutions accredited by the Occupational Safety and Health Administration (OSHA) and medics accredited by the Kaohsiung Department of Health. After the checkup, besides explaining the results and giving health instructions and education to employees by health professionals, we enable employees to understand more about their health condition and promote health and acquire correct health care knowledge.

## Care for contractors GRI 403-3:2018

It is our obligation to maintain workplace safety and health. Therefore, we arrange education and training for all contractors, including the contents of operation and hazard identification. We also ensure the health condition of contractor personnel working in-house with sobriety tests and blood pressure measurement. We further inhibit personnel with hypertension and cardiovascular disease from engaging in work at height, work at high temperature, work in confined spaces, and work requiring physical strength in order to prevent potential work-related ill health.





## Occupational disease analysis GRI 403-7:2018, 403-10:2018

To enforce OH&S, we take precautionary actions relevant to the physical, chemical, ergonomic, and sociopsychological health hazards according to the "Occupational Safety and Health Act". For related hazard factors, potential work-related ill health and precautionary management actions (please visit the [Health Concerns](#) section on our corporate website for details). No occupational disease from employees or contracts has been reported over the years.

### Prevention of Work-Related Ill Health

#### Ergonomic Hazard Prevention



Musculoskeletal disorders assessment: **379** persons  
 Ergonomic education and training: **258** persons  
 Operation environment review and interview: **16** persons

#### Maternity Protection



Establishment-Breastfeeding (lactation) room for employees  
 Maternity health protection 2022: **1** person

#### Care for Employee Health



Work-related injury and ill health return-to-work assessment: **7** persons  
 COVID-19 return-to-work care: **52** persons  
 PPE use assessment: **175** persons

#### Overwork prevention



Overwork assessment: **379** persons  
 High-risk identification and interview: **10** persons  
 Chronic disease prevention talks: **62** persons

#### Workplace Assault



Publication: Statement of No Workplace Violence  
 Workplace violence (bullying) education and training: **308** persons

## Health control for shift workers (overwork prevention) GRI 403-3:2018

Besides prohibiting shift workers from working excessive extra hours, we plan and screen checkup items for the high-risk group of cerebrovascular and cardiovascular diseases, including ECG, myocarditis diagnosis, personal fatigue index, and Framingham Risk Score. We also implement administrative and health management on the high-risk group, including limiting the night shift frequency, active follow-up of medical attention and drug use condition, developing the habit of daily blood pressure measurement. We also provided them with health instructions. Health talks for chronic disease prevention in 2022



## Workplace Violence-Education and Training Against Workplace Bullying GRI 403-2:2018, 403-3:2018

We are committed to maintaining the rights and interests of employees and protecting them against workplace assaults. Therefore, we establish and implement the "Workplace Extortion Prevention Program" to implement work adaptive assessment and early identification of hazard factors and for employees to reflect workplace assaults through the grievance channels. The case acceptance unit will participate in the investigation and coordinate with the case in collaboration with labor representatives before nurses follow up the case and provide related assistance. If an employee leaves the workplace as a result of the workplace hazard factors or report to the competent authorities, we will make a written statement. The company should make efforts to protect the employee against unfair treatment or retaliation. If this happens, the company will handle the case according to the internal disciplines and regulations. Furthermore, we state in the emergency response plan that when discovering a life-threatening situation in the workplace, employees should immediately withdraw from the situation to protect employees against such threats. Each year we arrange education and training for mental health promotion to help employees relieve stress and provide them with proper channels for relieving stress and speaking their mind.



## Education and training for musculoskeletal injury prevention

GRI 403-3:2018

To prevent workplace musculoskeletal injury, besides regularly checking out if employees work in correct postures, we actively ask if they have musculoskeletal disorder, plan education and training for musculoskeletal injury prevention, demonstrate postures that may cause musculoskeletal injury in the daily life and their corrections, including the correct postures to handling objects, neck protection for using computer, communications and consumer electronics, hoping to reduce the possibility of musculoskeletal injury and enhance work efficiency.



## Health promotion GRI 403-6:2018

We have been certified as a sports administration by Taiwan i-Sports for four consecutive years and received awards from the vice president of ROC, demonstrating the effectiveness of our long-term employee care.



In 2022, on top of organizing the 4<sup>th</sup> Healthy Weight Loss Competition, we also teamed up with a catering service provider to supply healthy meals formulated by dieticians for employees at only NT\$40 each, while the rest was funded by the Company. Other benefits included group travel and employee club activities and monthly healthcare consultation and health talk. Friendly workplace benefits include childcare allowance, breastfeeding (lactation) room, and others. Please visit the Health Promotion section on our ESG website for details.



## Community residents

To care about the disease prevention and risk control of residents in local communities, we continuously implement control over air, water, and waste pollution and periodically organize employee blood donation activities and employee club mountain clean-up. We also plan and implement local environmental clean-up and epidemic control. Apart from donating epidemic control materials to local communities, schools, and fire teams, we assign employees to be volunteers to help local communities with environmental clean-up and epidemic control.

During 2018-2022, we continuously sponsored the “Kaohsiung City Air Quality Purification Area Management Program”.

In the healthy workplace environment, aside from drawing up the Dengue Fever Prevention Plan, we assign special dengue fever management personnel and request all units to implement in-house environmental checks every week to eliminate stagnant water through the “check-empty-clean-brush” cycle. We release fish in specific fountains to effectively eliminate vector mosquito breeding. We post related publicity materials and articles on the bulletin board to raise the employee’s awareness of epidemic prevention. In 2022, no dengue fever infection was reported at USI.



## First Aid Education/Training

### Emergency Medical Services

We equip four automated external defibrillators (AEDs) in-house. While workers are working shift, to equip each of them with the first response capability, besides requesting all units to send staff to receive EMT1 certificate training and form the first response team with 17 members, we also arrange education and training for each unit every year, hoping that all employees can get familiar with the correct first aid process to give help to others in emergencies to enhance survival and cure rate. To prevent chemical splattering, we have purchased the savior of acid/alkaline splattering: Diphoterine® solution and installed it in the control room of all units and as the PPE of employees. We also organized the education and training for the use of Diphoterine® solution. Besides educating the hazards of organic solvents, we also explained the use of Diphoterine® solution.



## PPE Education/Training

### Respirator Education/Training

We have established the respiratory protection plan, identified risks in the workplace environment, and selected the correct PPE. We also equip each worker with a 3M respirator and plan respirator education/training and tightness tests for 176 persons to ensure PPE can demonstrate its protection.



## 5.3 Talents Attraction and Retention

GRI 2-25, 3-3

SDG 4, 5, 8

### Sustainability Principle: Unity Governance

Significance and Strategy	Impact Management	Achievement and Goal	Management
<p><b>Significance to USI</b></p> <p>While talents are the Company's irreplaceable core asset, and maintaining steady and continuous workforce growth is the cornerstone of sustainable operations, we encourage employees to keep making self-improvement through well-planned training courses, welfare system, and salary in order to achieve the personal career development of employees and thereby enhance overall corporate performance.</p> <p><b>Strategy</b></p> <ol style="list-style-type: none"> <li>1. Recruit eligible talents through a fair, open, transparent and efficient recruitment system.</li> <li>2. Value and respect the rights, interests, and opinions of employees, and build comprehensive and unfettered publicity and communication channels.</li> <li>3. Providing a safe and healthy workplace environment</li> <li>4. Build a total career development platform for employees.</li> </ol> <p><b>Commitment</b></p> <ol style="list-style-type: none"> <li>1. 14 months of base salary plus allowances and bonuses, travel allowance, free meals, and employee travel.</li> <li>2. Complete and solid retirement system and planning</li> <li>3. Periodic healthcare and medical assistance for employees</li> </ol> <p>Data range: USI coverage 100%</p>	<p><b>Short-, Medium- &amp; Long-Term Positive/Negative Impacts</b></p> <p>Positive potential impact: Increase employee benefits for a happy business. Negative actual impact: Difficulty in talents recruitment.</p> <p><b>Impact Boundaries</b></p> <p>USI employees and community residents</p> <p><b>Process to Remediate and Prevent Negative Impacts</b></p> <p>Enhance industry-academia collaboration, increase employee benefits and improve workplace environment, hire retired employees as technical advisors.</p>	<p><b>2022 Goals</b></p> <ol style="list-style-type: none"> <li>1. Turnover (excluding retirement) of all employees &lt;5%.</li> <li>2. Complete employee insurance and medical coverage</li> <li>3. Competitive pay and reward policy</li> <li>4. Harmonious labor-management relations</li> </ol> <p><b>2022 Achievements</b></p> <ol style="list-style-type: none"> <li>1. Total employee turnover 4.8% (excluding retirement)</li> <li>2. Provided well-designed group insurance plans and contributed pension by law to protect the later life of employees.</li> <li>3. Annual employee health checkup</li> <li>4. Implement reward differentiation.</li> <li>5. Hold labor-management meetings periodically.</li> </ol> <p><b>2023 Goals</b></p> <ol style="list-style-type: none"> <li>1. Turnover (excluding retirement) of all employees: &lt;5%.</li> <li>2. Continuous employment of persons with disabilities: 4 persons, reaching the statutory quota.</li> <li>3. Unfailing two-way communication with employees</li> <li>4. Local talent recruitment increasing local job opportunities and benefiting local communities.</li> <li>5. Constant campus cultivation with opportunities for industry-academia collaboration and internships</li> </ol> <p><b>Medium- &amp; Long-Term Goals</b></p> <ol style="list-style-type: none"> <li>1. Constantly provide complete learning resources</li> <li>2. Enhancement of talent inventory and the evaluation system</li> <li>3. Integration of workforce rotation and promotion mechanisms</li> <li>4. Implementation of the overall performance and talent development system</li> </ol>	<p><b>Effectiveness Assessment</b></p> <ol style="list-style-type: none"> <li>1. Turnover (excluding retirement) of all employees: &lt;5%.</li> <li>2. Welfare policy better than the regulatory requirements</li> <li>3. Employee engagement survey</li> <li>4. Performance evaluation mechanism</li> </ol> <p><b>Grievance Mechanism</b></p> <ol style="list-style-type: none"> <li>1. Labor union and employee welfare committee</li> <li>2. Establish the Employee Grievance Regulations and the whistleblower policy in the Ethical Corporate Management Best Practice Principles</li> <li>3. Employee suggestion box.</li> </ol> <p><b>Chapter Summary</b></p> <ol style="list-style-type: none"> <li>1. Pay and reward policy</li> <li>2. Health care benefits</li> <li>3. Employee rights and benefits</li> <li>4. Harmonious labor-management relations</li> </ol>

## Workforce Structure GRI 2-7, 2-8

### 2022 Personnel Data

<b>Numbers of employees</b>	453 persons; Male 423 persons (approx. 93%); Female 31 persons (approx. 7%)
<b>Average age</b>	42.7 years old
<b>Average service length</b>	13.4 years
<b>Summary</b>	<ol style="list-style-type: none"> <li>All USI employees are from Taiwan, mainly distributed in the Taipei and Kaohsiung regions.</li> <li>Except for employees of different business attributes, such as advisors (consultants) and experts with whom a fixed-term employment contract is signed, we sign non-fixed-term employment contracts with all full-time employees.</li> <li>We hired 3 persons with disabilities in 2022, accounting for approximately 0.7% of all employees.</li> <li>About 85% were college and university graduates.</li> </ol>

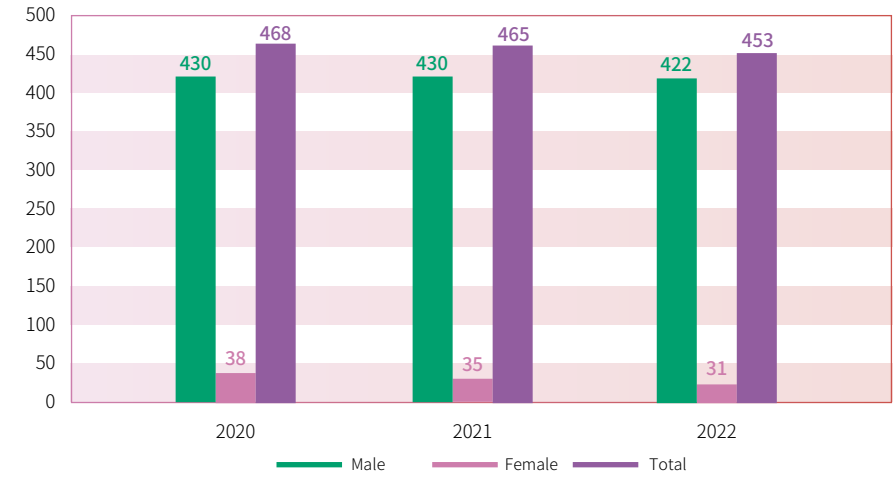
Note 1: Due to the characteristics of the petrochemical industry, male employees are more than female employees.

Note 2: Personnel data were obtained from the human resources system.

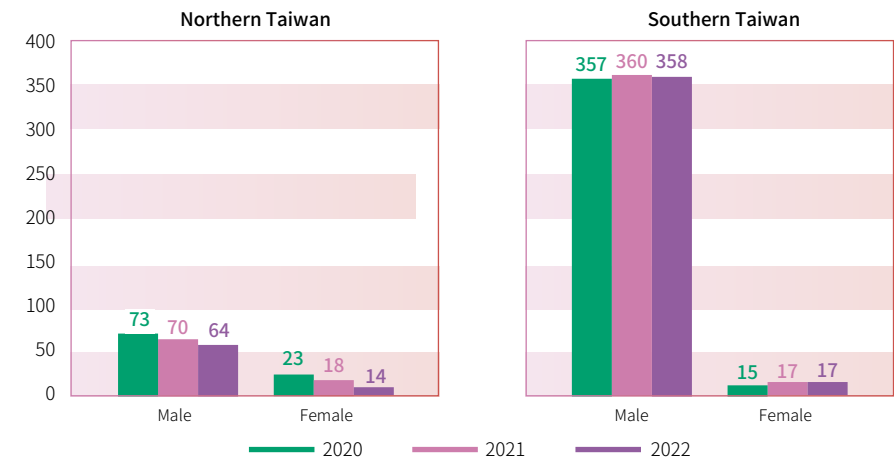
Note 3: Currently, although we do not hire the required number (4 people) of persons with disabilities, we have paid the substitution fee. Additionally, we have discussed suitable candidates among retired senior employees with disabilities with the Kaohsiung City Training and Employment Center to make up the difference in 2023. We will also continue to regulate the employment of persons of disabilities.

	Northern Taiwan				Southern Taiwan			
	Non-fixed-term contract employees	Fixed-term contract employees	Full-time	Part-time	Non-fixed-term contract employees	Fixed-term contract employees	Full-time	Part-time
<b>Male</b>	64	0	64	0	355	3	358	0
<b>Female</b>	14	0	14	0	16	1	17	0

### Number and Gender Distributions of Employees 2020-2022



### Employee Distributions by Region and Gender 2020-2022



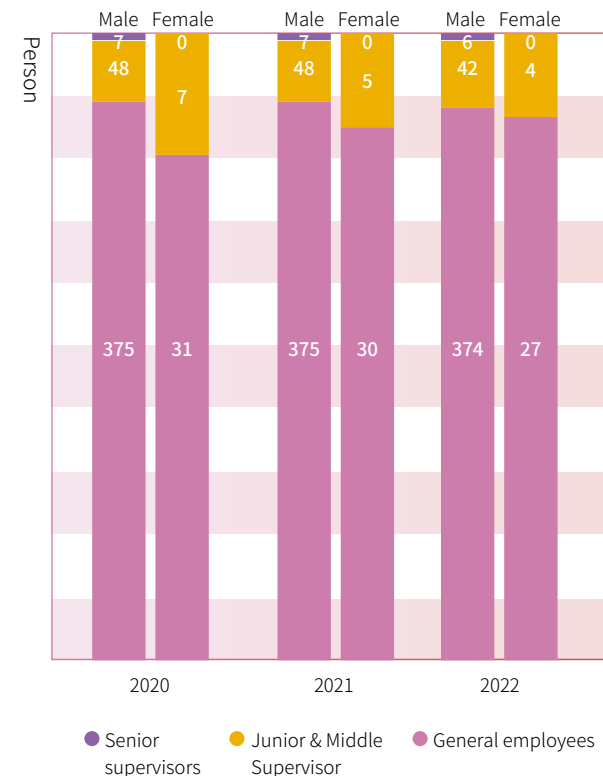
Duty Distributions of Employees 2020-2022



Age Distributions of Employees 2020-2022



Distribution of Employees by Grade and Gender in 2020-2022



**Employee turnover** GRI 401-1, 404-3

**Recruitment, Selection, and Evaluation**

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

When new or existing positions need to be filled or the workforce needs to be expanded due to business needs, organizational planning or employee resignations,

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

Except for senior management, such as vice presidents and senior officers, fixed-term contract employees, and employees arriving at USI in and after October every year who do not need performance evaluation, 100% of employees receive a performance evaluation at planned intervals.

In 2022 we hired 23 new employees (including 3 contract employees), accounting for about 5.1% of all employee. With reference to the retention rates and turnover trends of new employees in the Workforce F.B.I. (Function, Budget, Indicator) Report published by 104 Corporations in 2021, the new employee retention rate by industry type is compared as follows:

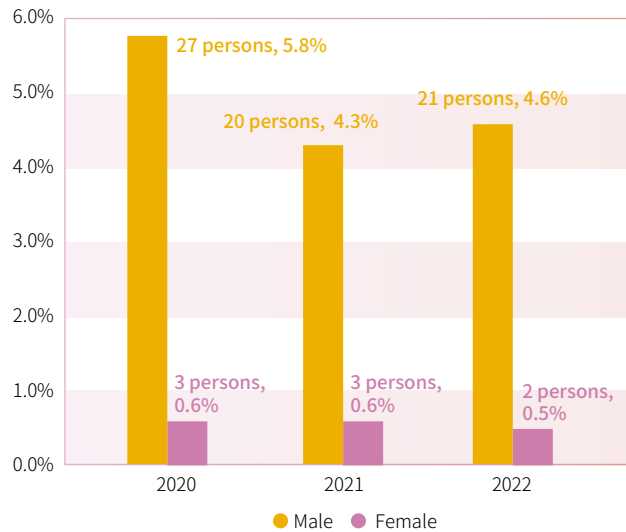
**New Employee Retention Rate (traditional manufacturing industries)**

Duration	USI	USI (excluding turnover before contract expiration)	Workforce F.B.I. Report
1 month	80.95%	95.24%	78.10%
3 months	75.00%	93.75%	74.50%
6 months	63.64%	90.91%	68.50%

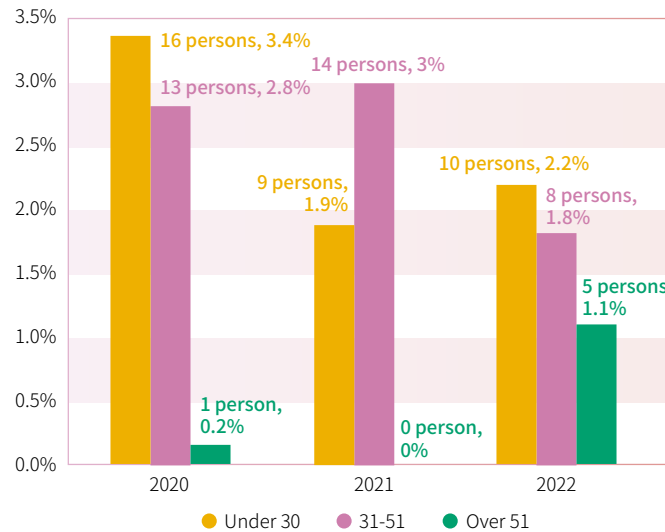
Note: New employee retention rate refers to the rate of new employees continuing employment 1/3/6 months after arrival.

These results show that we enhance employee engagement by earning their high organizational commitment, enforcing their core value, and advancing new employee training. The tables below show new employee hires by gender, age, and region.

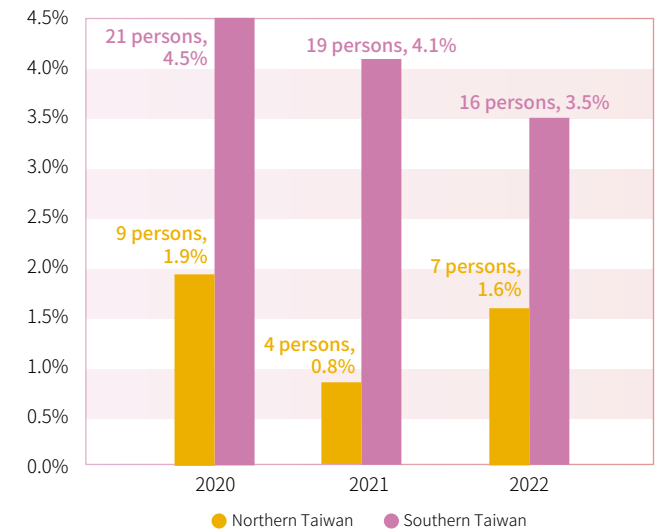
**Rate of New Employee Hires by Gender 2020-2022**



**Rate of New Employee Hires by Age 2020-2022**



**Rate of New Employee Hires by Region 2020-2022**



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

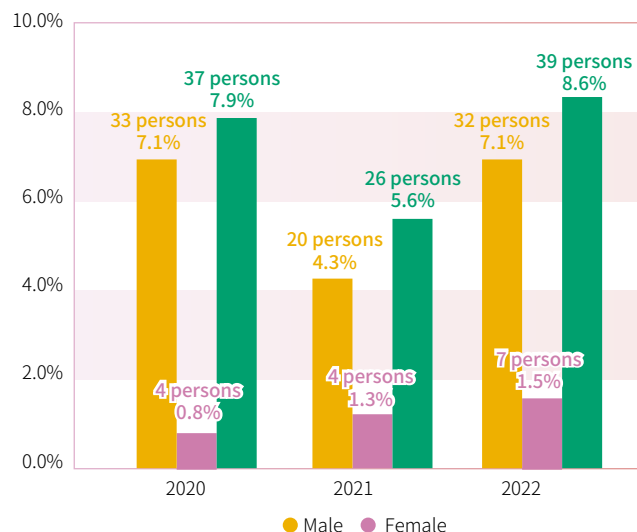
## Turnover Rate

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

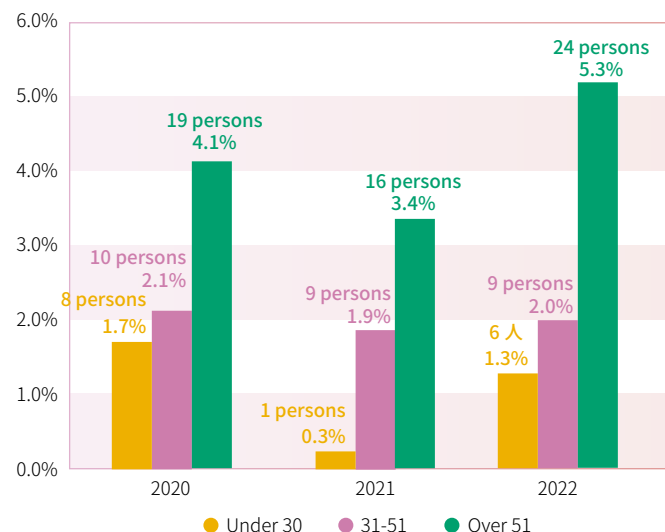
In 2022, a total of 38 employees resigned (including 16 who retired and 4 after contract expiration/probation), including 7 female employees. The number and rate of employee turnover in 2022 increased compared to 2021. With reference to the Workforce F.B.I. Report published by 104 Corporation in 2022, the 2021 rate of employee turnover (excluding retirement) increased by 0.5% over 2020 to 12.8%.

In terms of the traditional manufacturing industries, the rate of employee turnover (excluding retirement) was 12.6%. At USI, the rate of employee turnover was 4.8%, far lower than that of the report and slightly lower than the expected rate at 5%. This suggests that our pay, rewards, benefits, and retirement policies are competitive to attract and retain talents and encourage employees to create performance and make continuous contributions, demonstrating the effectiveness of our care and work protection for employees. To keep the employee turnover rate (excluding retirement) below 5%, we periodically review our pay and reward policies and continuously offer employee benefits better than the regulatory requirements, periodical health checkups, and medical assistance to take care of both the mental and physical health of employees.

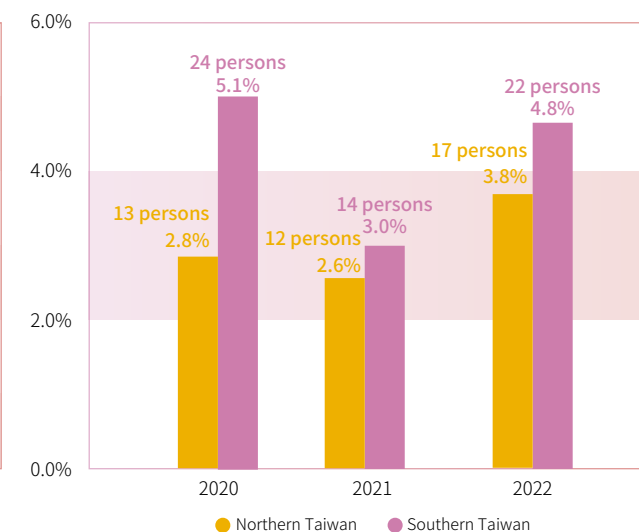
### Rate of Employee Turnover by Gender 2020-2022



### Rate of Employee Turnover by Age 2020-2022



### Rate of Employee Turnover by Region 2020-2022



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



## Human Rights Policy and Management Programs

### Human rights policy GRI 2-23

To fulfill CSR and protect human rights, we establish the human rights policy applicable to USI and USIG affiliates with respect to internationally accepted human rights standards, 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 USI.

### Identification and assessment of human rights risk

We identify human rights risks every year and perform compliance checks and third-party 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

Stage	Step	Practice
Stage 1: Commitment	Statement	Make external commitment and support and draw up the human rights policy in compliance with international standards and local laws and regulations.
Stage 2: Management	Identification	Validate material human rights issues and the affected based on the organizational attribute and style of operations.
	Assessment and analysis	Periodically assess human rights impacts on all employees and service processes to understand the significance of exposure.
Stage 3: Counter-measures	Action and practice	<ul style="list-style-type: none"> <li>• Draw up different action plans based on the significance of the periodically assessed human rights risks.</li> <li>• Follow up the status and performance of action plans and communicate to ensure the effectiveness of human rights management.</li> <li>• If there is a human rights violation, provide compensatory measures through system improvement, physical benefits, and counseling.</li> </ul>
	Report	Discuss and report human rights management within the organization and disclose the practice and effectiveness of human rights management on the corporate website.

## 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” and “workplace inclusion” (complete assessment report). 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"> <li>1. Continue to provide occupational safety and health education and training every year</li> <li>2. Activate the occupational accident reporting and handling procedures</li> <li>3. Make timely job accommodation based on the physical and mental recovery state of employees.</li> </ol>	Actual impacts have been reported and handled according to the compensation measures and care and compensation have been given to employees.
Workplace inclusion	<ol style="list-style-type: none"> <li>1. Employ persons with disabilities by law.</li> <li>2. Build an accessible workplace environment for persons with disabilities.</li> <li>3. Handle insufficient employment based on the regulations of the competent regulations.</li> </ol>	Although we do not hire the statutory number of persons with disabilities, we have paid the substitution fee. Additionally, we are discussing suitable candidates among retired senior employees with disabilities with the Kaohsiung City Training and Employment Center to make up the difference in 2023. We will also continue to regulate the employment of persons of disabilities.

### Concerns of Human Rights and Practice

We provide a safe and healthy workplace environment and eliminate discrimination to ensure equal job opportunity and ensure there is no child labor or forced labor. We

also help employees maintain mental and physical health and work-life balance. Please visit the [ESG section](#) for details regarding human rights protection training

### Training and Practice of Human Rights Protection

#### ✔ New employee training

On their arrival, new employees are requested to receive related compliance training, with topics including sexual harassment prevention, no discrimination, no harassment, working hours management, protection of humane treatment, and healthy and safe workplace environment. We also sign the commitment and agree to keep the commitment.

#### ✔ Preventing workplace violence

Through publicity and notices, we let employees understand their responsibility for assuring no workplace assaults. We also disclose grievance channels to build a friendly workplace environment.

#### ✔ Training for occupational safety

Training contents include OH&S education and training, fire safety training, emergency response, and first aid training.

#### ✔ Publicizing integrity and ethics

We arrange education and publicity on integrity and ethics in routine work and behavior to build a healthy and positive workplace culture.

✔ Human rights protection training: 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 we arranged a total of 3,631 hours of training related to human rights protection for 882 persons.

### Grievance system GRI 2-13, 2-25

We have established unfettered grievance channels for employees to report all internal problems to supervisors at all levels and 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. Please visit our [ESG website](#) for the details regarding grievance channels.

## Employee benefits GRI 401-2

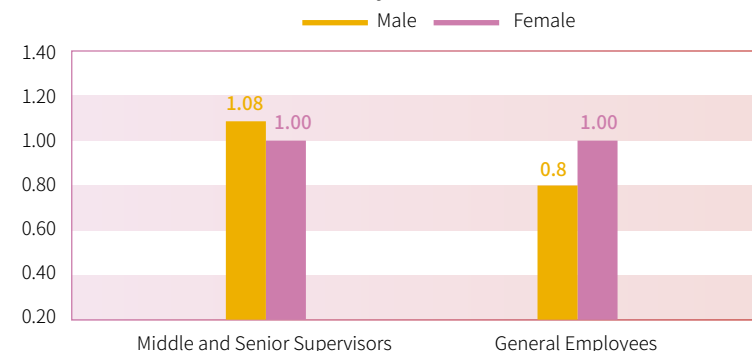
Employee benefits are our focus, and every USI employee is entitled to the following benefits:

Item	Contents
Bonus	Year-end bonus and performance bonus
Leave	Unpaid parental leave, menstrual leave, family care, pregnancy checkup, pregnancy checkup accompaniment, and paternity leaves.
Insurance	Labor Insurance, National Health Insurance, travel insurance for business trips, employee/dependent group insurance, pension contributions
Food	Employee canteens and meal allowances.
Transport	Employee parking spaces and travel allowances
Entertainment	Employee gym, employee tours, and regular employee gatherings.
Allowances	Subsidies for on-the-job training, domestic/overseas further education
Other benefits	Wedding/childbirth/funeral subsidies, employee tour subsidy, citation for senior employees, bonuses for three major folk festivals, children education allowance, employee savings plan, periodic health checkups and healthcare plan.

## Equal salary and remuneration policy

Upholding the belief to share profits with employees, we attract, retain, cultivate, and encourage all kinds of outstanding talents and have established a comprehensive and competitive employee remuneration plan. The pay for new employees is higher than the legal minimum wage. Allowances vary based on the position and academic achievements. Year-end bonuses are distributed based on the employee's annual performance. We do not engage in salary discrimination based on race, social status, language, thought, religion, political party, native place, place of birth, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical/mental disabilities, horoscope, and blood type. Due to the characteristics of the petrochemical industry, the proportion of wage for female and male employees is slightly different. To stabilize the workforce and retain outstanding talents, apart from adjusting the pay for employees according to the consumer price index and personal performance of the employees every year, we participate in a compensation survey of the petrochemical industry to estimate pay standards in the market to make appropriate adjustments and planning. We also give a special raise to employees with outstanding performance to ensure that our pay is competitive with the market.

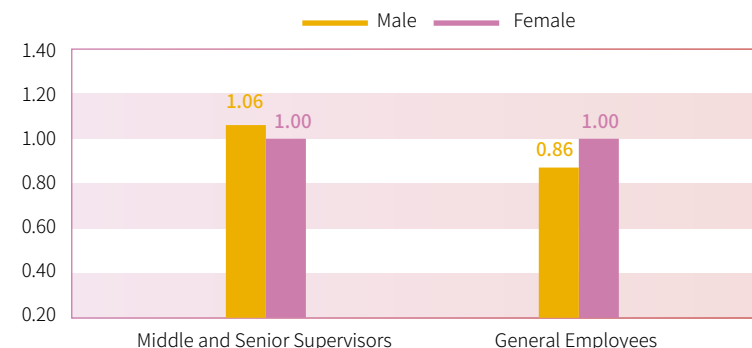
### Women-to-Men Ratio of Salary and Remuneration in 2022 (Base Salary)



Note 1: The base for female employees is "1." Remuneration in 2022 is the base salary of male and female employees. The calculation does not include contractual employees.

Note 2: Medium and senior management are employees of grades 8 or higher, while general employees are grades 7 and below.

### Women-to-Men Ratio of Salary and Remuneration in 2022 (Full Pay)



Note 1: The base for female employees is "1," including wage, bonuses and benefits. The calculation does not include contractual employees.

Note 2: Medium and senior management are employees of grades 8 or higher, while general employees are grades 7 and below.

Item	Contents	2022	Difference from the previous year
1	Number of non-management full-time employees	443	-17
2	"Average Earnings" of non-management full-time employees (NTD)	1,513,000	43,000
3	"Median Earnings" of non-management full-time employees (NTD)	1,376,000	58,000

## Health care benefits

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

In 2022 a total of 9 employees applied for the childbirth funding. Employees in need of the parental leave may apply for the leave when their children are under 3 years of age. In 2022 a total of 40 employees were entitled to the leave. In 2021 one employee applied for the unpaid parental leave for six months (Sep 2021- Feb 2022). This employee returned to work in February 2022 and is still in service by the end of 2022. We have designed perfect plans for employees to return to work after parental leave. When an employee returns after the unpaid parental leave, we will arrange reinstatement education/training for the employee to protect their right to work and ensure their smooth return to work. GRI 401-3

Item		Male	Female	Total
Annual Status	Number of employees entitled to parental leave	39	1	40
	Number of employees took unpaid parental leave in the year	0	0	0
Return to work Status	A) Total number of employees due to return to work after taking unpaid parental leave	1	0	1
	B) Total number of employees that did return to work after unpaid parental leave	1	0	1
	Return to work rate=B/A	100%	100%	100%
Retention Status	C) Total number of employees returning from parental leave in the prior reporting period	-	-	-
	D) Total number of employees retained 12 months after returning to work following a period of parental leave	-	-	-
	Return to work rate=D/C	-	-	-

## Pension contribution GRI 201-3

We have established a set of retirement regulations for all full-time employees and contribute every month the employee pension reserves to the personal pension account at the Labor Insurance Bureau for each employee in accordance with the Labor Standards Act. Please refer to the information of benefit pension plans disclosed notes 21 of the 2022 Individual Financial Statement for details regarding contribution.

Item	Proportion of Contribution	Employee Participation in the Retirement Plan
<b>Pension under the Labor Standards Act (old system)</b>	Employer contribution: 12% of the employee's monthly wage.	100%
<b>Pension under the Labor Pension Act</b>	Employer contribution: 6% of the employee's monthly wage. Employee contribution: 0-6% of the employee's monthly wage.	100%

## Labor union

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

By the end of 2022, the labor union had a total of 348 members, including 13 female members and 335 male members. Except for employees of the Taipei HQ who are unable to join the union for the geographic reasons, and the unit chiefs and personnel staff of Kaohsiung Plant who are not allowed to join the union by law, all employees of Kaohsiung Plant are union members, with a 100% participation rate. In addition, representatives of labor and management have formed the “Pension Reserve Supervisory Committee,” the “Employee Welfare Committee,” and the “Occupational Safety and Health Committee.” These committees hold meetings at planned intervals to provide a channel for labor and management to communicate and thereby maintain labor rights and benefits. GRI 102-41

➤ Please refer to Remuneration and Benefit System - USI Corporation (usife.com) for the organizational structure of the labor union

### 2022 Member Representatives' Annual Congress



### Employee Welfare Committee

Each month we contribute 0.15% of the sales turnover to the fund for the Employee Welfare Committee (EWC) for employee tour subsidies, the preschool entertainment subsidy and study grants the children of employees to repay the devotion of employees. In 2022 a total of 186 employees applied for the preschool entertainment funding and study grants, and a total of 306 children received the funds, i.e., an average of 1.65 children/person, higher than the Taiwan’s average at 1.08/person (according to USA CIA public information, 2022: <https://reurl.cc/yQjb7q>). This suggests that our employee welfare policy has brought influence to the domestic society. In terms of employee clubs, we have 11 employee clubs so far, including a badminton club, a baseball club, a table tennis club, a tennis club and so on. The company and the Employee Welfare Committee guide and sponsor them. Employees can relieve their work stress, promote their health with club activities, and thereby improve their organizational commitment.



## Concerns for employee benefits and opinions

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

### ✔ Performance evaluation

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

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

### ✔ Reward for improvement proposals

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

### ✔ Year-end bonus differentiation

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

The year-end bonus is distributed according to the “Employee Performance Evaluation Regulations.” For employees with poor performance, unwilling to take orders from their supervisors, or with other gross negligence, we will cancel or cut their year-end bonus with the president’s approval.



# 5.4 Talent Cultivation and Development

## Sustainability Principle: Sustainable Development

Significance and Strategy	Achievement and Goal	Sustainable Development Milestone	Management
<p style="text-align: center;"><b>Significance to USI</b></p> <hr/> <p>Talents are the company’s irreplaceable core asset. Steadily and constantly growing human resources are the bedrock of steady operations to enhance overall corporate efficiency.</p> <p style="text-align: center;"><b>Strategy</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Establish a systematic employee development mechanism.</li> <li>2. Provide learning resources in various fields.</li> <li>3. Enforce a level-specific management competence training mechanism.</li> </ol> <p style="text-align: center;"><b>Commitment</b></p> <hr/> <p>Provide a multidimensional framework and complete resources for talent development for employees to demonstrate potential and make contributions according to their personal traits and specialties. Data scope: USI coverage 100%</p>	<p style="text-align: center;"><b>2022 Goals</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Annual training for indirect labor: 8+hours.</li> <li>2. Plan and activate a level-specific management competence training mechanism.</li> <li>3. Provide supervisors and employees with comprehensive training courses.</li> <li>4. Develop a talent cultivation system.</li> </ol> <p style="text-align: center;"><b>2022 Projects</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Level-specific management competence training mechanism</li> <li>2. Talent matrix inventory</li> </ol> <p style="text-align: center;"><b>2022 Achievements</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Average hours of training per employee in 2022: 21.90 hours</li> <li>2. Total hours of training in 2022: 9,450 hours</li> <li>3. Average training fee per person in 2022: approx. NT\$1,514</li> <li>4. On-site workers acquired a total of 90 required professional certificates.</li> </ol>	<p style="text-align: center;"><b>2023 Targets</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Annual training for indirect labor: 8+hours.</li> <li>2. Implement a level-specific management competence training mechanism.</li> <li>3. Enforce annual circulating courses.</li> <li>4. Continue to enhance talent inventory and the evaluation system.</li> </ol> <p style="text-align: center;"><b>3-Year Goals</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Assess stage results after assessing training courses and training.</li> <li>2. Establish channels for equal career development.</li> <li>3. Enforce a level-specific management competence training mechanism.</li> </ol> <p style="text-align: center;"><b>5-Year Goals</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Integration of workforce rotation and promotion mechanisms</li> <li>2. Strengthen overall performance and the talent development system.</li> <li>3. Eliminate interruption in talent succession for corporate sustainable development.</li> </ol>	<p style="text-align: center;"><b>Effectiveness Assessment</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Annual training for indirect labor: 8+hours.</li> <li>2. Acquire various professional licenses and certificates.</li> <li>3. Annual training fees per employee</li> <li>4. Performance evaluation mechanism</li> </ol> <p style="text-align: center;"><b>Grievance Mechanism</b></p> <hr/> <p>Labor union, Employee Grievance Regulations, whistleblower policy in the Ethical Corporate Management Best Practice Principles, and employee suggestion box.</p> <p style="text-align: center;"><b>Chapter Summary</b></p> <hr/> <ol style="list-style-type: none"> <li>1. Education/training</li> <li>2. R&amp;D personnel training and planning</li> <li>3. Diversified and complete employee development framework</li> <li>4. Talent Development</li> <li>5. Employee development.</li> </ol>

## Multidimensional and Complete Personnel Development Framework

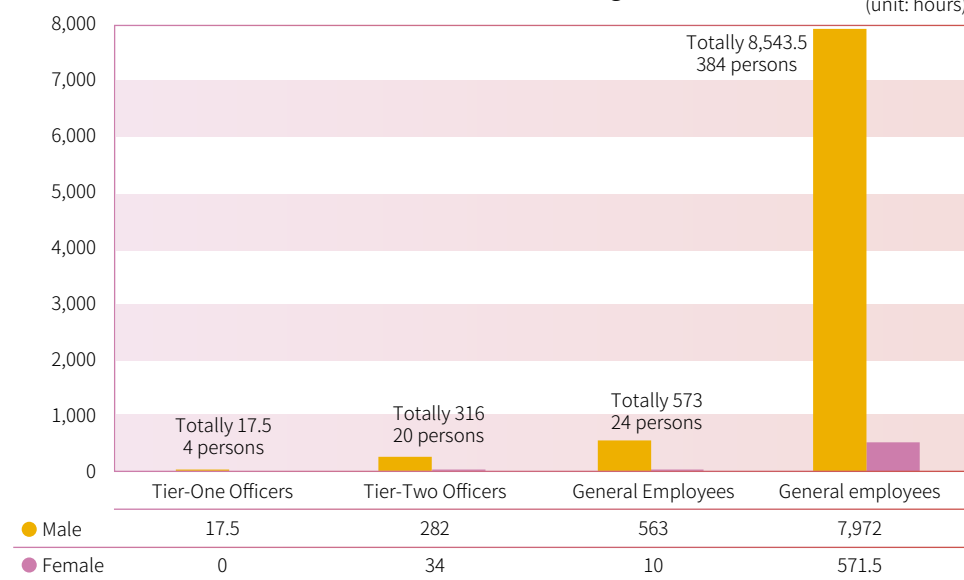
Through work planning and performance management, we establish the “overall performance and talent development system” for business units to optimize their key missions to and for departments to fully demonstrate their functions so as to enforce talent cultivation and succession planning.

## Education/training

In 2022, we provided employee training for a total of 9,450 hours (including training courses participated by employees and organized by the group). The average training length was 21.9 hours/person, with a training expense of about NT\$687 thousand. As most male supervisors were from production departments, they needed longer HSE license training than female supervisors. We are committed to building a continuous and rich learning environment to systematically provide employees of different jobs with a series of general and special education courses and management courses. Apart from hiring external experts as instructors, we also cultivate internal instructors to pass on USI's important knowledge and technology.

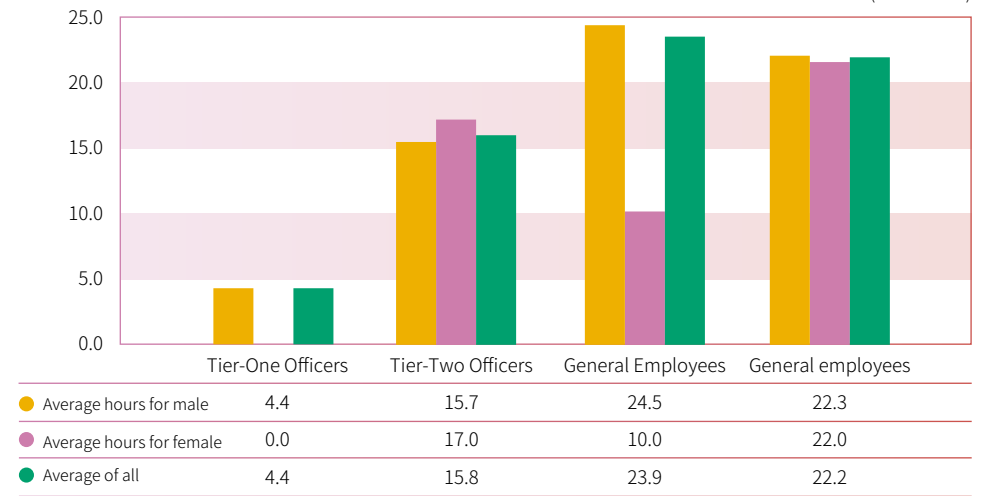
In addition, we provide multidimensional learning channels and resources, including on-the-job training, job guidance, mentoring, job rotation, onsite instruction, and e-learning. For employees with high learning intentions and developmental potential, we finance them to pursue continuing education in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

**Total Hours of Training in 2022** (unit: hours)



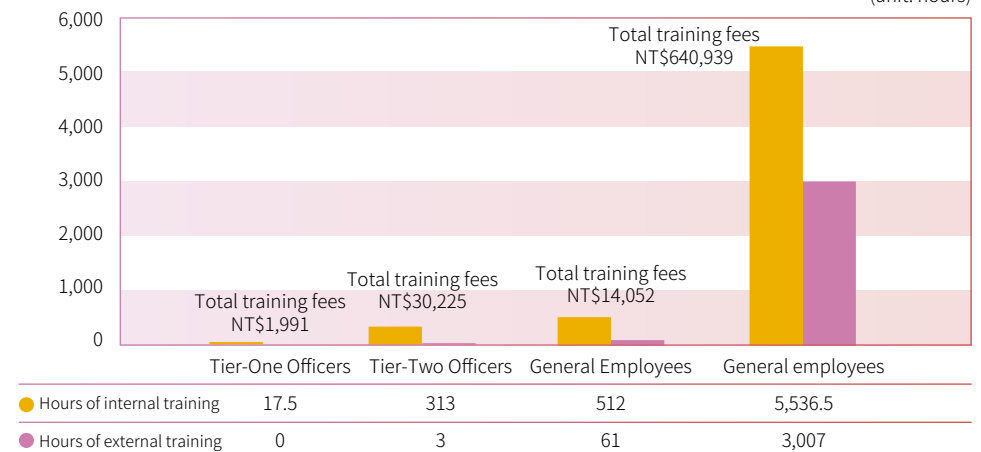
Note: Senior supervisors are employees of grades 13 and higher; tier-one officers are employees of grades 10-12; tier-two officers are employees of grades 8-9; and general employees are employees of grades 7 and below.

**Average Hours of Training Per Employee in 2022** (unit: hours)



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

**Distributions of Internal/External Training 2022** (unit: hours)





**Programs for upgrading employee skills** GRI 404-2

- 1 Regardless of age, employees relating to production are validated in accordance with the “Employee Training and Competence” (OP-KHI-720-01) and obtain the in-house certificate of qualification. Employees are to re-validate every three years to ensure their competence meets the demand of work.
- 2 Regardless of age, equipment personnel are sent to training in accordance with the Occupational Safety and Health Act to obtain government licenses. Employees also receive recurrent training every three years to ensure the validity of certificates.

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

**Transition assistance programs to support employees on retirement or terminating employment**

- 1 We arrange suitable employees for succession planning with officers or senior technicians and mechanics qualified for retirement for job training or handover to reduce the physical and mental workload of these employees and facilitate their planning for later life.
- 2 We also help reigning or laying off employees applying for the relevant subsidies or give them the redundancy (severance) payment for them to maintain daily living during the transition. We also refer them to the government employment or training agencies to help them return to workplace as quickly as possible.

## 5.5 Charity and Community Participation

### Community care

In addition to caring for the education of the vulnerable, education in remote townships, and environmental education through the USI Education Foundation, upholding the spirit of “giving back”, we spare no effort in expressing our care for the communities, local groups, and schools in the vicinity of the Kaohsiung Plant to maintain and develop positive relationships with these neighbors. With the general affairs section being the contact, a team of five employees maintain sound interaction with local communities to develop good friendship.

During the pandemic, we provided epidemic control materials to local communities, schools, and fire units from time to time. In the past three years, we have given back to local communities an amount over NT\$1.6 million.



**Community support**

Community development associations, education and culture, volunteer police and firefighters, community groups, local folk festivities, emergency relief, and air quality purification zone.



**Job opportunities**

Where appropriate, we hire local residents for job openings and encourage contractors to hire local residents.



**Community involvement**

Community activities, group representatives, environmental protection groups, religious activities.

### Charity ball games

USIG combines sports with charity. In 2022 it organized the 3<sup>rd</sup> USI Cup Charity Softball Competition with a total of 120 participants. The USI Education Foundation sponsoring the meals specifically order meals from the Children Are Us Foundation Sheltered Workshop. Additionally, all USIG business and employees made an additional donation of NT\$14,000 to the Children Are Us Foundation to help the sustainable development of disadvantaged groups. Please refer to Latest News - USI Corporation (usife.com)

## Industry-academia collaboration

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

This collaboration model among industry, government and academe aims to develop high-caliber students with market-relevant skills and sound employment prospects. Enterprises will have direct access and warm relationships with specifically trained talent, and they can develop positive relationships with neighboring communities in a substantial way. Moreover, the government can promote local prosperity, close the urban-rural gap, bolster regional economic development, and minimize brain drain. Thus, the project will produce a win-win-win situation for the students, schools, enterprises, communities and the local government.



### “Kaohsiung Renda Petrochemical Talent Stream” Cooperation Program

<b>Period</b>	August 1, 2018 to July 31, 2023 (three graduation classes for five years)
<b>Partner</b>	Kaohsiung Municipal Renwu Senior High School
<b>Target</b>	Students with household registrations in Renwu, Dashe, Dashu, Niaosong, and Nanzi districts near Renda Industrial Park, 35 tenth graders a year.
<b>Internship</b>	<ol style="list-style-type: none"> <li>In addition to the general tenth grade curriculum, electives relating to the petrochemical industry and professional ethics are emphasized.</li> <li>Students on the program will visit USI during the summer break or on Saturdays to further understand the industry and job environment.</li> </ol>
<b>Vacancy</b>	10 students each year, totaling 90 for three graduation classes in five years.
<b>Scholarships and grants</b>	<p>Three graduation classes in five years: NT\$1.08 million</p> <p>Subsidization for the hourly pay for professional courses in three years: NT\$330,000</p> <p>USI sharing for three graduation classes in five years based on the program MOU: NT\$140,000.</p>
<b>Preferential hiring</b>	<ol style="list-style-type: none"> <li>USI will recommend one student from the top-ten graduating students studying at the relevant departments recognized by businesses at the Ren Da Industrial Park to be the trainee of an USI supplier.</li> <li>Students who choose to further their studies will be priority candidates for hiring by companies in the Ren Da Industrial Park Service Center as long as they pursue studies in relevant disciplines</li> </ol>
<b>Summary</b>	<ol style="list-style-type: none"> <li>In 2020 a total of 27 students graduated from the Kaohsiung Renda Petrochemical Talent Stream program enrolled to the Star Plan and were accepted by national universities, demonstrating outstanding performance.</li> <li>The contract for the second Kaohsiung Renda Petrochemical Talent Stream program was signed on April 20, 2018 and initiated in August. In view of the program’s heated acclaim, we continued with the third program (2021-2025), with the contract signed on December 20, 2020.</li> <li>Changed into the domestic offsite learning plan in 2022 due to the pandemic.</li> </ol>

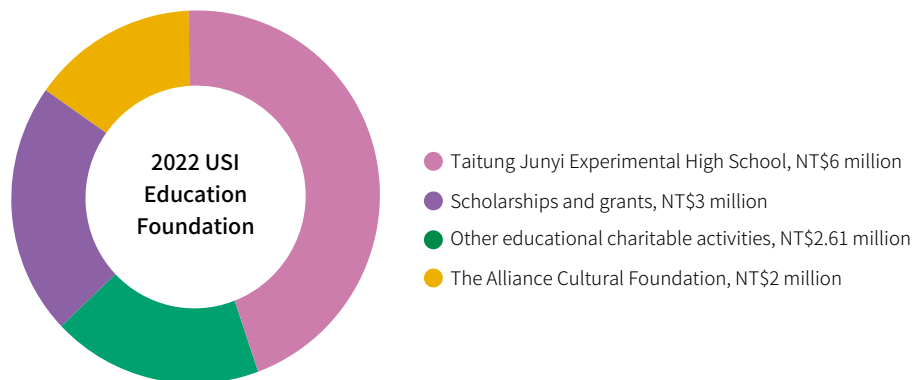
## USI Education Foundation

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, we donated NT\$5 million to the USI Education Foundation to sponsor various charitable activities through the foundation for a total 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. To invest more resources in cultural and art development, we also supported the Cloud Gate Culture and Art Foundation to promote its performances at home and abroad in 2022, as well as art education and residents' arts and cultural activities in the Tamsui community, enriching the cultural life of Taiwan and the world.



## 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.



## The Alliance Cultural Foundation and Taitung Junyi School of Innovation

To invest more resources in rural education and the sustainable development of Hualien and Taitung, the foundation sponsors the Alliance Cultural Foundation and Junyi School of Innovation on a long-term basis. Established 13 years ago, The Alliance Cultural Foundation always has a blueprint: hoping that Junyi School of Innovation 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 Yanping, Taitung, and GS Forest in Fengbin, Hualien, are demonstrations of indigenous culture and arts distributed in all parts of Taitung and Hualien.

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.

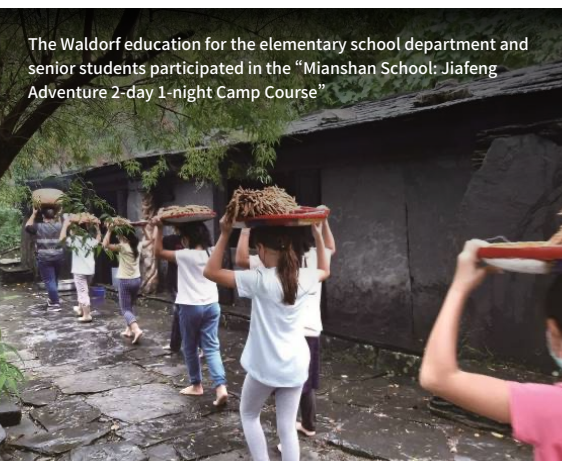
The teacher training program of The Alliance Cultural Foundation and Taitung Junyi School of Innovation continues to spread the experimental education model into a roadmap for government to modify the remote township's policies. Additionally, they also invite more domestic and overseas key influencers 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 School of Innovation: 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. 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.

For economically vulnerable children to get the opportunity to change their life, the "Rural Education Seeds Cultivation Program" founded in 2012 and Taitung Junyi School of Innovation that supports economically vulnerable children from families of remote townships in Hualien and Taitung (also include Pingtung in recent years) have cultivated a total of 210 students from low- and medium-income families, single-parent families, skipped-generation families, or education seeds dedicating to indigenous culture promotion accumulatively in 2022, the onset of another decade of the program. 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.

In 2017, the Alliance activated the "Innovation and Overseas Study Education Fund" to provide scholarships for students of Junyi School of Innovation 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. A total of 7 students studied overseas in the program in 2022.



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.



Harmony Choir of Toufen Elementary High School

### Sponsoring subsidiaries CGPC and TTC organize Coastal Clean-up

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 Vice Chairman Lin and with the support of Taita Chemical Company Limited (TTC), a total of 200 employees participated in the cleanup.



Coastal clean-up activity



Coastal clean-up activity

## 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-children 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.



Outrigger canoe cultural exchange