

# CH2 Operations and Governance

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### Performance Highlights

- ✓ **Gold Award of Corporate Sustainability Report Awards** in traditional manufacturing industries at the 15<sup>th</sup> Taiwan Corporate Sustainability Awards (TCSA) 2022
- ✓ Ranked top **21-35%** at the 9<sup>th</sup> Corporate Governance Evaluation
- ✓ Revenues: NT\$**9.815** billion
- ✓ Net income after tax: NT\$**1.447** billion
- ✓ Total output: **130,120**MT

### Material Topics

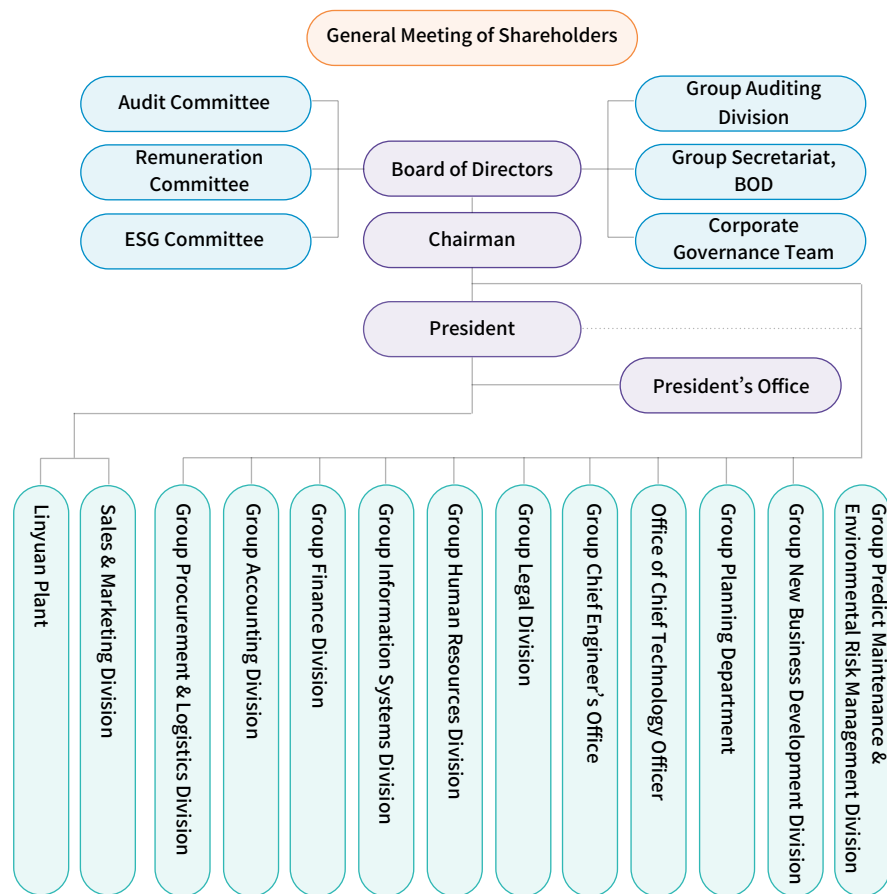
Economic Performance

### SDGs Correspondence



# 2.1 Corporate governance

## Governance structure GRI 2-9



Note: In terms of organizational framework, the Procurement & Logistics Division, Group Finance Division, Group Information Systems Division, Group Human Resources Division, and other common departments belong to USIG, and each department has responsible staff to take charge of APC's business.

## Board operation GRI 2-9, 2-10, 2-11, 2-13

APC's Board is formed by nine directors with rich experience in each professional field. There are four independent directors, commanding at 44% of all directors. The term of each director is three years, and each director is entitled to a second term.

We adopt the candidate nomination system for the directorial (including independent directors) election. The Board along with shareholders holding over one percent of the total issued shares may nominate candidates to be listed the List of Candidates for Directors and Independent Directors. After candidate qualification by the Board, the List of Candidates for Directors and Independent Directors is presented at the AGM for shareholders to vote on.

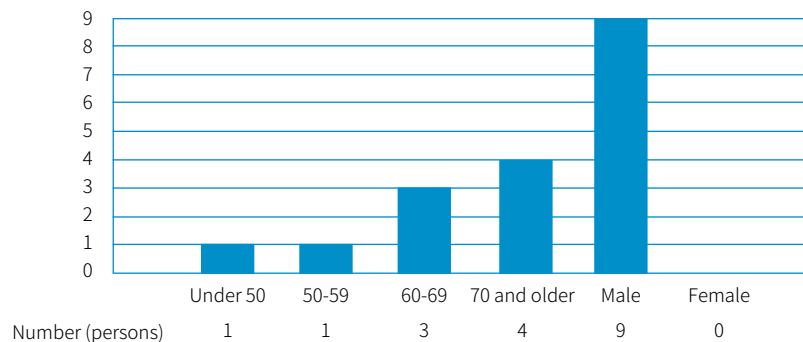
The term of the current board of directors commenced on 27 May 2022 and will end on 26 May 2025. A total of seven board meetings were held in 2022, with a personal attendance rate (including independent directors) of 96.83% (100% including attendance by proxies).

The Board is led by the chairman. Please refer to [p.27](#) of the APC Annual Report 2022 and the [board information](#) on the APC corporate website for more information.

The chairman convenes and chairs at least one board meeting each quarter (please refer to the [Rules of Procedure of Meetings of Board of Directors](#)). Under the Board there are functional meetings including the Remuneration Committee, Audit Committee, and ESG Committee. Each committee holds committee meetings to report, discuss, and resolve proposals before referring them to the Board for reporting, discussion, and resolution.

<b>Current team</b>	27 May 2022 to 26 May 2025
<b>Member</b>	Directors: Quintin Wu (chairman), Kuo-Hung Li, Pei-Chi Wu (president), Hung-Chu Wu, I-Hsiao Ko Independent directors: Frank Chen, Shang-Hung Shen, Tung-Chien Cheng, Chien-Ping Chen
<b>Gender of members</b>	Male: 9, Female: 0
<b>Age of members</b>	Under 50 years old: 1, 50-59 years old: 1, 60-69 years old: 3, 70 years old and older: 4

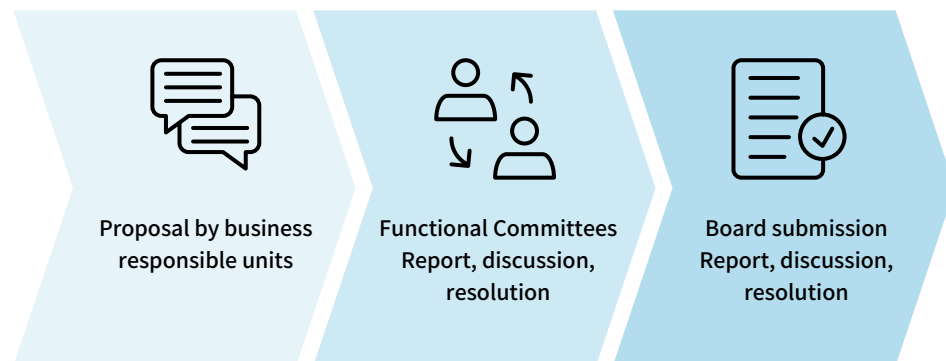
Age and Gender Distributions of Board Members



**Process of proposal submission to the Board** GRI 2-12, 2-16

The business responsible unit submits proposals to the functional committee(s) for discussion. After making the resolution, the functional committee(s) forward the proposals to the Board for discussion and resolution. After the meeting, functional committees and the Secretary Office of the Board produce the meeting minutes containing the procedure and resolution of meetings. Additionally, we have established the Secretary Office under the Board to plan and prepare matters relating to Board meetings, so as to enhance the efficiency of board meeting and help implement Board resolutions.

Important Board resolutions of 2022 (Please visit the [Board Resolution](#) section of our corporate website or refer to pp. 94-95 of the APC Annual Report)



**Performance of the board member diversity policy**

**I. Performance of the board diversity policy** GRI 2-10

In accordance with Article 20 of our [Corporate Governance Best Practice Principles](#), diversity should be considered for Board composition, and members should be equipped with the knowledge, skills, and competencies required by their duties.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- ✓ Ability to make operational judgments
- ✓ Ability to perform accounting and financial analysis
- ✓ Ability to conduct operations and administration
- ✓ Ability to conduct crisis management
- ✓ Knowledge of the industry
- ✓ An international market view
- ✓ Leadership ability
- ✓ Decision-making ability

In addition to the above eight professional abilities required for carrying out their duties, and in response to the increasing global concerns about issues relating to corporate governance and environmental protection, three directors are also “legal” and “environmental” specialists and some directors also specialize in risk control and sustainable development to supervise the management team and promote various corporate sustainable development plans.

**II. Targets for management of board diversity** GRI 2-17

To recruit excellent talent from outside the company to the Board to achieve board member diversity, we increased the number of independent directors from three seats to four seats, and all were selected on 27 May 2022. Mr. Chien-Ping Chen is a new independent director to APC. Graduating from the MBA Program of the University of California, Mr. Chen has been the chairperson of Ta Chong Commercial Bank. With rich experience in finance and banking, he specializes in financial risk control to help improve the Board’s review quality of financial proposals. This also helps achieve the goal of the board member diversity policy. In the future, a director with professional experience in sustainability development will be the next target for board diversity. Such experience can help us realize the carbon reduction goal and implement the green power policy. A director specializing in operational risk control is another target to enhance our corporate competitiveness. With such an establishment, the Board functions will be more complete.

### III. Performance of the board member diversity policy GRI 2-17

Name of Director	Gender	Diversity of board members									
		Operational judgments	Accounting finance	Management administration	Crisis management	Industry background knowledge	International market	Ability to lead	Ability to make policy decisions	Law	Eco-friendly
Quintin Wu	Male	✓	✓	✓	✓	✓	✓	✓	✓		
Kuo-Hung Li	Male	✓	✓	✓	✓	✓	✓	✓	✓		✓
Pei-Chi Wu	Male	✓		✓	✓	✓	✓	✓	✓		
Hung-Chu Wu	Male	✓		✓	✓			✓	✓		
I-Hsiao Ko	Male	✓		✓	✓	✓	✓	✓	✓		
Ta-Hsiung Chen	Male	✓	✓	✓	✓		✓	✓	✓	✓	
Shang-Hung Shen	Male	✓	✓	✓	✓		✓	✓	✓		✓
Tun-Chien Cheng	Male	✓	✓	✓	✓		✓	✓	✓		
Chien-Ping Chen	Male	✓	✓	✓	✓			✓	✓		

Note 1: Currently, 22% of directors are also employees, and 44% of them are independent directors.

Note 2: Regarding age distribution, 4 directors are aged 70 years old and above; 3 directors are aged 60-69 years old; 1 director is aged 50-59 years; and 1 director is under 50 years old.

Note 3: No independent director is in office for over three terms.

### Improvement of professional competency of directors GRI 2-17

To enhance the professional competencies of directors, we provide them with information of the relevant continuing education courses regularly and help them register to such courses. In 2022 we arranged 6 hours of continuing education courses for them, including “Risks and Opportunities of Climate Change and Net Zero Policy on Business Operations” and “Takeover and Introduction to the Commercial Case Adjudication Act”, each three hours. The total hours of external continuing education for directors and independent directors in 2022 were 58 hours. Please refer to [pp. 31-32 of the APC 2022 Annual Report](#) for more information regarding the continuing education courses and their lengths.

## Avoidance of conflicts of interest of directors GRI 2-11, 2-15

For directors to avoid conflicts of interest (including impact on the economy, environment, and people), the Board has established complete systems and measures described as follows:

### 1 System for avoidance of interest

(1) To ensure positive governance and for the Board to understand matters causing conflicts of interest with the organization so as to protect the rights and interests of investors, we have specified in Article 16 of the Rules of Procedure for Meetings of Board of Directors: “If a director or a legal person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion and the voting on the item and may not exercise voting rights as proxy for another director.”

(2) To reinforce disclosures of directors’ involvement in proposals or situations having interests in themselves, we have also specified in Article 17 of the Rules of Procedure for Board of Directors Meetings: “Discussions at a board meeting shall be recorded in detail in the meeting minutes, the name of director(s) involving a conflict of interest, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to avoid the conflict of interest.”

2 To develop sound corporate governance and independent director systems so that independent directors may demonstrate their functions on the Board and in corporate operations, we have established the “[Rules Governing the Scope of Powers of Independent Directors](#)” to stipulate that: “When an independent director expresses objections or reservations about any of the matters, they shall be recorded in the board meeting minutes”, “the Company shall not obstruct, refuse, or avoid the actions of independent directors in business execution,” and “as they deem necessary for business execution, independent directors may request the board to appoint relevant personnel or may hire by themselves professionals for assistance” to enable independent directors to carry out their duties so as to effectively enhance the

efficiency of Board operation and improve the Company’s operational performance.

3 Measures for avoidance of conflicts of interest: When discussing a proposal constituting a conflict of interest for one or more directors, the meeting chair shall remind such directors to recuse themselves from the discussion. If the chair should also be recused, she/he shall assign a director having no conflict of interest with the proposal to act as the chair.

4 The secretary office of the board of directors has recorded contents involving conflicts of interest with directors in the board meeting minutes in accordance with Article 17 of the Rules of Procedure for Board of Directors Meetings.

5 To address the avoidance of conflicts of interest, the Board has established complete systems and measures (please refer to [the Code of Ethical Conduct for Directors and Managerial Officers](#), [Ethical Corporate Management Best Practice Principles](#), and [Procedures for Ethical Management and Guidelines for Conduct](#)).

### APC Board’s performance in avoidance of conflicts of interest in proposals in 2022

Name of Directors	Proposal	Reasons for Avoidance	Participation in voting	Remarks
Quintin Wu Pei-Chi Wu Han-tai Liu	Donation to the USI Education Foundation	Directors recusing themselves from the proposal were also the directors of the Foundation.	Abstained from voting	1 <sup>st</sup> Board Meeting in 2022 9 March 2022
Shang-Hung Shen Ta-Hsiung Chen Tun-Chien Cheng	Appointment of independent directors Shang-Hung Shen, Ta-Hsiung Chen, and Tun-Chien Cheng as the members of the Company’s Remuneration Committee.	A conflict of interest with directors.	Abstained from voting	4 <sup>th</sup> Board Meeting in 2022 2 June 2022
Pei-Chi Wu	Non-compete behavior of officers	A conflict of interest with directors.	Abstained from voting	5 <sup>th</sup> Board Meeting in 2022 3 August 2022 6 <sup>th</sup> Board Meeting in 2022 2 September 2022 7 <sup>th</sup> Board Meeting in 2022 2 November 2022

## Board performance evaluation GRI 2-18

### I. Results of performance evaluation of the Board and directors in 2022

- ① In accordance with the “Regulations for Performance Evaluation of the Board of Directors” amended and passed by the Board in November 2019, the performance of the entire Board and individual directors should be evaluated after the end of each fiscal year.
- ② The Board Secretary Office conducts the performance evaluation of the Board and individual directors by means of self-assessment. The results of performance evaluation will serve as the reference of corporate reviews and improvements and the reference for the remuneration and nomination for election of individual directors.
- ③ The performance evaluation was for the period from 1 January 2022 to 31 December 2022 and it was completed the performance evaluation in January 2023. The results of evaluation are consolidated as follows:

#### (1) Overall board performance

Aspect of Evaluation	Score (Note)	Results of evaluation and supplementary notes
Participation in the company’s operations.	4.67	1. The results of the overall Board performance evaluation show that the average score of the five major aspects is 4.6, which means “good”. 2. The unstable international situation and the continuation of the Russo-Ukrainian War and pandemic in the last year all affected corporate operations. Facing the uncertain future political and economic conditions, the Board and management should keep close track on the various challenges and risks that the Company faces and supervise all responsible units to propose countermeasures. Additionally, to achieve corporate sustainable development, we will continue to implement carbon reduction and plan green power solutions to meet the international standards.
Improvement of the decision quality of the board of directors.	5	
Composition and structure of the board of directors.	5	
Selection and continuing education of directors.	4.67	
Internal control	5	
Note: Score range: 0-5, 5 is the highest.		

#### (2) Director Performance

Aspect of Evaluation	Score (Note)	Results of evaluation and supplementary notes
Corporate targets and mission control	4.67	1. The results of director self-assessment show that the average score of all six major aspects is over 4.5, which means “good”.
Duty awareness of directors	4.74	
Participation in the company’s operations.	4.68	
Internal relationship development and communication	4.56	
Expertise and continuing education of directors.	4.67	
Internal control	4.67	
Note: Score range: 0-5, 5 is the highest.		

- ④ The results of 2022 performance evaluation of the entire Board and individual directors were reported to the 2023Q1 board meeting.

## II. Results of performance evaluation of functional committees in 2022

The performance evaluation for the period from 1 January 2022 to 31 December 2022. The results of evaluation are consolidated as follows:

### (1) Performance assessment of the Audit Committee

Aspect of Evaluation	Score (Note)	Results of evaluation and supplementary notes
Participation in the company's operations.	4.88	The results of director self-assessment show that the average score of all five major aspects is over 4.5, which means "good".
Duty awareness of the Audit Committee	4.75	
Improvement of the decision-making quality of the Audit Committee	4.67	
Composition and member selection of the Audit Committee	4.88	
Internal control	4.5	
Note: Score range: 0-5, 5 is the highest.		

### (2) Performance assessment of the Remuneration Committee

Aspect of Evaluation	Score (Note)	Results of evaluation and supplementary notes
Participation in the company's operations.	4.83	The results of performance evaluation of the Remuneration Committee show that the average score of all four major aspects is over 4.6, which means "good".
Duty awareness of the Remuneration Committee	4.67	
Improvement of the decision-making quality of the Remuneration Committee	4.67	
Composition and member selection of the Remuneration Committee	4.83	
Internal control	4.5	
Note: Score range: 0-5, 5 is the highest.		

## Recommendation and implementation:

In view of the increasing global attention to ESG issues, we have substantively implemented various measures in accordance with the Corporate Governance 3.0 Sustainability Roadmap published by the competent authorities. We have also reported those measures to the ESG Committee meeting and Board meeting to explain to the directors, who have also gave valuable opinions to those measures.

Apart from continuously enhancing corporate governance, we have also **planned carbon reduction targets and implemented carbon reduction and planned and implemented green power development strategies** to meet the international standards so as to achieve the ultimate goal of corporate sustainable development.

### Chief corporate governance officer (CCGO)

To protect the rights and interests of shareholders and improve the competence of the board of directors, BOD made a resolution on 9 May 2019 to assign Director of Legal Division, Erik Chen to be the Chief Corporate Governance Officer (CGO) as the top officer of USI's corporate governance.

### Key practices in 2022

- ✓ Assisted directors in carrying out their duties, provided them with the required data, and arranged continuing education and directors' and officers' liability insurance (D&O).
- ✓ Prepared the agenda for board meetings and AGM and verified the legal compliance of resolutions.
- ✓ Maintained investor relations.

Irregularly updated the information of the corporate website for investors to understand the Company's finance, sales, and governance so as to maintain the rights and interests of shareholders.

In 2022 Division Chief **Yung-Chih Chen** was the CCGO and received **43** hours of continuing education. Please refer to [p. 32](#) of the **APC Annual Report 2022** for more information.

## Functional Committees GRI 2-9

Under the Board, we have established three functional committees: Audit Committee, Remuneration Committee, and ESG Committee to establish and review policies in relation to the responsibility and authority of each committee to strengthen corporate governance.

Title	Name	Audit Committee	Remuneration Committee	ESG Committee
Chairman	Quintin Wu	---	---	Committee
President	Pei-Chi Wu	---	---	Deputy Chief
Independent Director	Ta-Hsiung Chen	Committee	Convener	---
Independent Director	Shang-Hung Shen	Convener	Committee	---
Independent Director	Tun-Chien Cheng	Committee	Committee	Chief
Independent Director	Chien-Ping Chen	Committee	---	Committee

### Audit Committee

The term of the current committee commenced on 27 May 2022 and will end on 26 May 2025. There are four seats in the committee formed by all independent directors.

In 2022 a total of 7 committee meetings were held, with a personal attendance rate (including independent directors) of 96% (100% including attendance by proxies). Please refer to [pp. 34-39](#) of the **APC Annual Report 2022** for more information regarding Audit Committee operation.

### Remuneration Committee GRI 2-19, 2-21

① The term of the current committee commenced on 2 June 2022 and will end on 26 May 2025. There are three seats in the committee formed by all independent directors.

② The Remuneration Committee holds at least two committee meetings each year. Three committee meetings were held in 2022, with a personal attendance rate of

members of 100%. Please visit the [Remuneration Committee](#) section of our corporate website or the [Market Observation Post System \(MOPS\)](#) or refer to [pp. 58-60](#) of the APC Annual Report 2022 for more information regarding committee operation.

③ Apart from periodically reviewing the (1) performance evaluation and (2) salary and remuneration policy, system, standard, and structure of directors and officers, the Remuneration Committee also determines and assesses the salary and remuneration of directors and managers with reference to the median earnings in the industry; the duration of engagement, duty, and target accomplishment of each role; the salary and remuneration for the same role; achievement of the Company's short- and long-term sales targets; and the Company's financial condition; and submit the results to the Board for approval. GRI 2-20

- **Salary and remuneration:** The remuneration for directors covers remuneration, director profit sharing, and income for professional practice; and the compensation for managerial officers includes the monthly salary, fixed-amount bonuses, year-end bonus, employee profit sharing, annual special bonus, pension contribution and benefit payments by law. The profit sharing for directors and employees are subject to Article 18 of the articles of incorporation. The total compensation ratio and ratio of the percentage change in total compensation in 2022 were 4.11:1 and -81.06% respectively.
- **Performance evaluation:** The performance evaluation of directors covers the alignment with the corporate goals and missions, awareness of the directorial duties, development and communication of internal relationships, expertise and continuing professional development, and internal controls. The performance evaluation of managerial officers covers the finance (revenues, profits, and net income before tax), customers (customer satisfaction, service quality, and others), products (branding, quality innovation, and others), talents (talents development, potential development, and others), safety and profits (digital transformation, energy conservation and carbon reduction, circular economy, net zero emissions, and others), and medium-long-term goals for corporate sustainable development.

Note1: Total compensation ratio: The ratio of the total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).

Note2: Ratio of the percentage change in total compensation: The ratio of the percentage change in the total compensation for the organization's highest-paid individual to the median percentage increase in the total compensation for all employees (excluding the highest-paid individual).



**ESG Committee** GRI 2-14

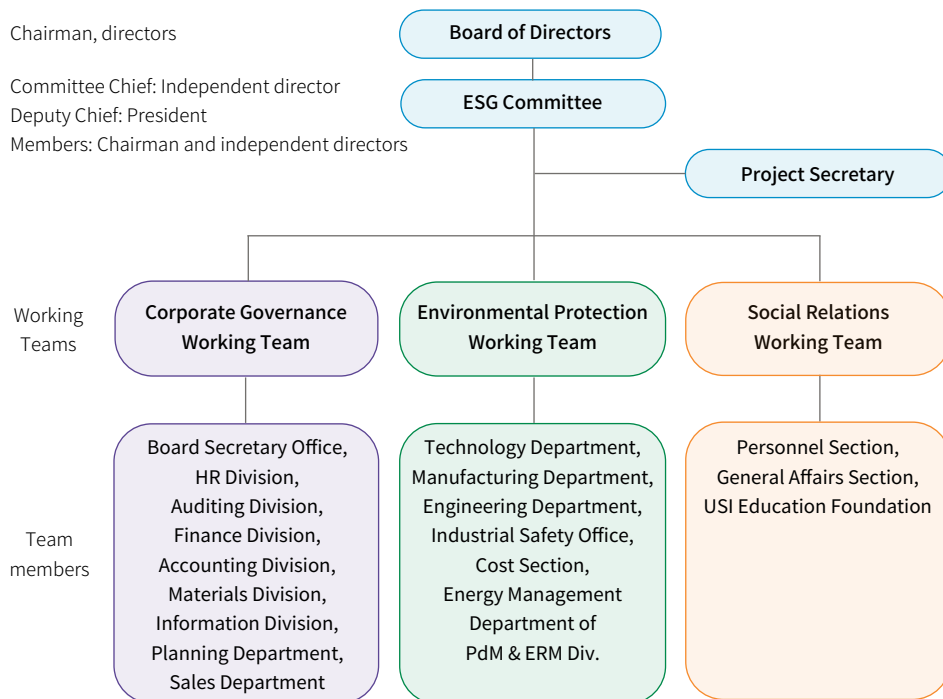
The term of the current committee commenced on 2 June 2022 and will end on 26 May 2025. The committee is seated by our members, including the chairman, president, independent directors Tun-Chien Cheng and Chien-Ping Chen.

The three working groups of the Committee include corporate governance, environmental protection, and social relation.

The Committee holds at least two meetings each year. Two committee meetings were held in 2022, with a personal attendance rate of members of 100%. The meeting results were reported to the Board.

Please refer to p. 79 of the APC Annual Report 2022 or the [ESG Committee](#) section of our corporate website for more information regarding committee operation.

The organizational framework, composition, and duty of the ESG Committee are illustrated below:



**Duties of Committee**

- ✓ Discussion and establishment of the ESG policy.
- ✓ Discussion and establishment of ESG strategy planning, annual plans, and project plans.
- ✓ Supervision of the implementation of ESG strategy planning, annual plans and project plans, and assessment of their performance.
- ✓ Review of the ESG report.
- ✓ Report of the annual ESG results to the Board every year.
- ✓ Other assignments instructed by the Board.

**Duties of project secretary and working teams**

- |  |  |
|--|--|
| <b>Project Secretary</b>                     | <ul style="list-style-type: none"> <li>· Plan ESG policies and set ESG targets</li> <li>· Follow up on the progress of action plans and improvement performance</li> </ul>   |
| <b>Corporate Governance Working Team</b>     | <ul style="list-style-type: none"> <li>· Collect economic data such as corporate governance and supply chain management</li> <li>· Prepare issues concerning sustainable operations for the discussion and review by the ESG Committee</li> <li>· Compile corporate governance and economic data for the ESG report</li> </ul>   |
| <b>Environmental Protection Working Team</b> | <ul style="list-style-type: none"> <li>· Integrate data relating to issues such as environmental protection, energy conservation, carbon emissions, and green products</li> <li>· Prepare issues concerning environmental protection for the discussion and review by the ESG Committee</li> <li>· Compile data relating to environmental protection in the ESG report</li> </ul>  |
| <b>Social Relations Working Team</b>         | <ul style="list-style-type: none"> <li>· Collect and integrate issues that concern the employees, community residents, and social groups</li> <li>· Prepare issues concerning labor-management relations and society for the discussion and review by the ESG Committee</li> <li>· Compile data relating to labor-management relations, employee benefits, charitable activities, and community engagement in the ESG report.</li> </ul> |

## ESG Committee Annual Tasks and Next-Year Annual Plan

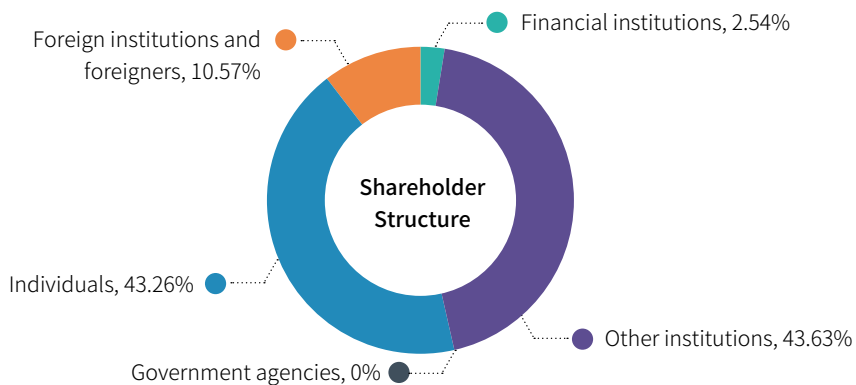
Highlights of Sustainable Development Performance Reported to the Board in 2022	2023 ESG Work Plan
1. Implemented GHG inventory and verification. Completed the GHG inventory and verification of Linyuan Plant.	1. Complete the GHG inventory and verification of individual companies
2. Set carbon reduction targets and planned emissions reduction pathways	2. Plan carbon reduction pathways according to USIG’s carbon reduction targets and review them annually
3. Participated in the Asia Pacific Forum & Exposition for Sustainability.	3. Continuously engage in activities relating to corporate sustainable development
4. Implemented energy conservation and carbon reduction plans which saved electricity by 271MWh and reduced emissions by 138tCO <sub>2</sub> e.	4. Continuously promote energy conservation and emissions reduction plans
5. Achieved the “zero accident” OH&S goal with an accumulative zero lost time due to disabling injury for up to 5.32 million hours. (from 14 October 2010 to 31 December 2022), and accumulation is still in progress.	5. Maintain the “zero accident” OH&S goal. 6. Continue to implement PSM.
6. Implemented social engagement and supported the “Air Quality Purification Zone Adoption Program” and “GHG Reduction Matching Plan” organized by the Kaohsiung Environmental Protection Bureau.	7. Implement water resources management
7. Participated in charitable activities by engaging in care for the vulnerable, remote township education, and assistance for community, neighborhood, and village development through donation for the USI Education Foundation. (Donation of NT\$5 million to the USI Education Foundation in 2022)	8. Implement social engagement and charitable activities to repay society.
8. Published the 2021 ESG Report (Chinese version) by the end of June	9. Publish the 2022 ESG Report (Chinese version) as scheduled. 10. Participate in the TCSA for the sustainability report.
9. Awards (1) Gold Award of Corporate Sustainability Report Awards in traditional manufacturing industries at the 15 <sup>th</sup> Taiwan Corporate Sustainability Awards (TCSA). (2) Ranked the top 6-20% among all listed companies at the 8th Corporate Governance Evaluation. (3) Rated A in ESG ratings by Cathay Securities. (4) Awarded the certificate of the top 500 exporters 2021 by the Bureau of Foreign Trade, MOEA.	11. Continuously participate in sustainability-related ratings.

### Shareholder rights and interests and information transparency

The stock transfer for the 2023 Annual General Meeting will be closed until April 1, 2023. The major shareholders of APC consist of individuals and other corporate entities. For the names, shareholding amounts, and percentages of shareholders holding 5% or more of the equity, or the top ten shareholders, please refer to [p. 102](#) of the **APC Annual Report 2022**.

Committed to providing shareholders with transparent and real-time corporate information, we hold investor conferences and the AGM regularly and publish the annual report and ESG report every year. Additionally, we post information regarding our business performance, financial information, and material information on TWSE’s Market Observation and Post System (MOPS). We have also set up the “Investors section” on our Chinese and English websites to disclose information relating to the company’s governance, business announcements, financial statements, investor conferences, and latest news. Furthermore, we gather shareholders’ opinions and report them to the management team for the reference of making decisions.

We value the rights and interests of foreign investors and the trend of enterprise internationalization. Therefore, since 2018, we began to enhance information disclosures in English in the annual report and on the MOPS and corporate website. By actively establishing various unfettered two-way communication channels with shareholders, we maintain the rights and interests of shareholders in real action.



### IP rights management

We established the Intellectual Property (IP) Rights Management Plan on 12 August 2020 to manage the trade secrets relating to production and operations and intellectual property, such as the outcomes and copyrights from R&D to enhance the Company’s competitive strengths. The performance in IP rights management is reported to the Board at least once a year. The “accomplishment and status of IP rights management” was reported to the 7th Board meeting on 2 November 2022 to realize the Company’s IP rights management policy.

#### Patent management

##### 1 Innovation patent and invention application platform

We have established the “Innovation Patents and Inventions Application Platform” to keep a full record of and store the innovative ideas and experiment outcomes from R&D. R&D outcomes are submitted to the relevant officers for review before forwarding to the chief R&D officer (CRDO) to determine the need for patent application.

**Performance in 2022: 0 patent application.**

##### 2 Trademark management

Disputes over the rights of our existing registered trademarks suggest either a third-party’s infringement of our trademark rights or a third-party’s claim for opposition, invalidation, or revocation of our trademarks. As this will seriously affect our sales and eventually revenues, apart from reviewing the suitability of the management of our trademark application process, we need relevant countermeasures for trademark maintenance and trademark dispute handling.

Currently acquired trademarks: 2 in Taiwan and 4 in mainland China.

**There was no trademark dispute in 2022.**

## 2.2 Economic performance

Material issue: Economic performance; Corresponding sustainability principle: Innovative technology GRI 3-3

Management Approach and Its Components	Impact Management	Targets and Performance of Management Approach	Evaluation of Management Approach
<p style="text-align: center;"><b>Significance to APC</b></p> <hr/> <p>Operational growth is key to sustainable development. It affects the expectation of investors, employee care, industry development, and corporate growth.</p> <p style="text-align: center;"><b>Management Practice and Target</b></p> <hr/> <p>Enhance product competitiveness and operational performance through continual product R&amp;D and innovation and market expansion to maintain continual corporate growth and corporate sustainable development.</p> <p style="text-align: center;"><b>Strategy</b></p> <hr/> <ul style="list-style-type: none"> <li>· Product R&amp;D and innovation</li> <li>· Strengthening market expansion</li> <li>· Enhancing brand awareness or brand value</li> </ul>	<p style="text-align: center;"><b>Positive/Negative Impacts</b></p> <hr/> <p>Positive Actual Impact: Steady growth in financial performance</p> <p style="text-align: center;"><b>Processes to remediate and prevent negative impacts</b></p> <hr/> <p>NA</p>	<p style="text-align: center;"><b>2020 Performance</b></p> <hr/> <ul style="list-style-type: none"> <li>· EPS NT\$1.90</li> <li>· ROE: 9.88%</li> <li>· Annual total sales: 133,345MT</li> </ul> <p style="text-align: center;"><b>2021 Performance</b></p> <hr/> <ul style="list-style-type: none"> <li>· EPS NT\$5.22</li> <li>· ROE: 22.5%</li> <li>· Annual total sales: 132,462MT</li> </ul> <p style="text-align: center;"><b>2022 Performance</b></p> <hr/> <ul style="list-style-type: none"> <li>· EPS NT\$2.43</li> <li>· ROE: 9.75%</li> <li>· Annual total sales: 130,414 MT</li> </ul> <p style="text-align: center;"><b>Planning Medium- &amp; Long-Term Goals</b></p> <hr/> <ul style="list-style-type: none"> <li>· The ethylene underground pipeline project of the Kaohsiung ICT Project Phase II continues and will be completed in 2023Q4.</li> <li>· The equipment test of the EVA production facilities in the Gulei Petrochemical Zone started in 2022Q3, and feedstock test will be completed in 2023Q1.</li> <li>· Integrate the products and production lines of USI, APC, and Gulei to enhance market influence.</li> </ul>	<p style="text-align: center;"><b>Effectiveness Assessment</b></p> <hr/> <ul style="list-style-type: none"> <li>· Financial statements and annual reports</li> <li>· ESG reports</li> <li>· Corporate governance evaluation</li> </ul> <p style="text-align: center;"><b>Grievance Mechanism</b></p> <hr/> <ul style="list-style-type: none"> <li>· “Investor Service” email on the corporate website</li> <li>· Investor Conference</li> <li>· General Meeting of Shareholders</li> </ul> <p style="text-align: center;"><b>Evaluation of the management approach</b></p> <hr/> <p>Review through meetings including executive meetings, production meetings, and development quality meetings to timely adjust the direction of market development.</p>

## Financial performance GRI 201-1

In terms of the consolidated operations in 2022, there was the geopolitical turmoil in Eastern Europe at the beginning of the year, and the oil price surging past US\$100 per barrel around the world also padded the cost of raw materials. The persistent interference from the pandemic also slowed down the global economic recovery. The demand for EVA for solar power was strong at the beginning of the year, which pushed up the EVA price. The price reached the highest point in the first half of the year. Due to the subsequent surge in the price of raw materials, downstream module manufacturers were unable to transfer the cost in time and had weaker demand, which in turn affected the demand for packaging films. After shoe manufacturers also had less orders, which further limited the demand for foaming, the price of EVA in the market had a downturn in the middle of the year. The price stopped falling later, but it did not have a significant rebound. The price again went down afterward, before stabilizing at the end of the year. In terms of annual sales volume, the sales of LDPE/EVA reduced by 2% YoY, while the average sales price increased by 5%. In production, both ethylene and VAM's production cost increased as the price of raw materials went up. The combined annual output of LDPE/EVA reduced by 4% over last year to about 130,000 MT. We also continued to build our process safety management system (PSM) and reinforce the relevant education and training of personnel. In order to the government's policy on energy conservation and carbon emissions reduction, we started to carry out the inventory and verification of greenhouse gas. We have started to plan our green power strategy, test efficiency and discuss energy conservation measures of major energy-consuming equipment, and continued to refine our practices in emission reduction.

Summarizing the operating results for the year, it is clear that inflation issues and supply-demand status have resulted in that the increase in sales price of products has not been able to maintain the same pace as the surging materials costs, which narrowed margin.

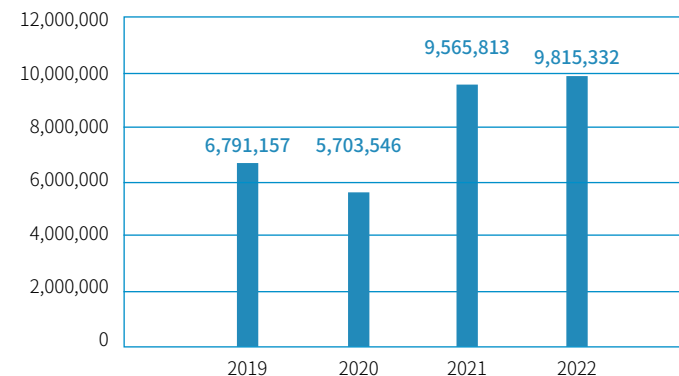
Consolidated Financial Information in Past 4 Years (unit: NT\$ thousands)

Item	Basic Element	2019	2020	2021	2022
Direct economic value	Income (including net sales, investment income, and gain on sale of assets)	6,956,778	5,878,383	9,838,486	10,191,795
	Operating costs	5,607,864	4,411,844	5,834,461	6,468,607
Distributed economic value	Employee wages and benefits	379,530	361,699	401,024	389,657
	Payments to providers of capital	665,984	857,480	1,803,975	722,804
	Payments to government (including income tax, fines, land value tax, and house tax)	158,622	196,503	668,221	656,892
	Community investments	3,795	4,875	6,873	7,898
Economic value retained		50,725	45,982	1,123,932	1,945,937

## Distribution of profit

In 2022, the revenue was NT\$9,815,332 thousand, income tax (excluding estimates) was NT\$663,597 thousand, accounting for 6.76% of the revenue, distributable earnings were NT\$4.36 billion, and the cash dividend was NT\$1.2 per share. Our revenues and dividend distributions in the past for years are shown below:

Revenues in Past 4 Years (unit: NT\$ thousands)

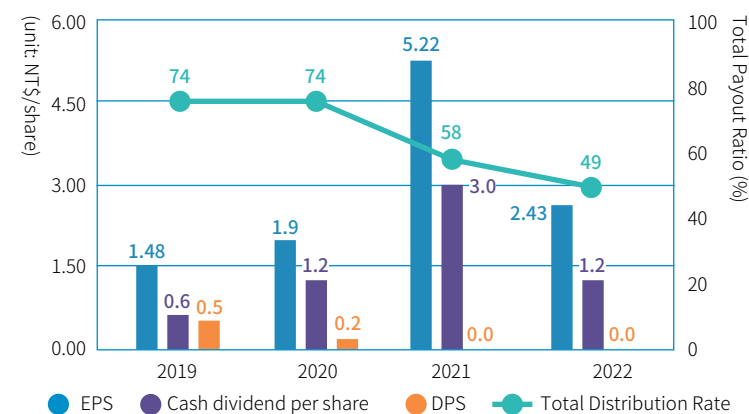


Financial statements over the years:

<https://www.apc.com.tw/zh-tw/dirServices/frmServices3.aspx>



Dividend Distributions in Past 4 Years



Stock prices and dividends over the years:

<https://www.apc.com.tw/zh-tw/dirServices/frmServices5.aspx>



## Major investments

### 1 Gulei Project

#### Investment objective

- Many changes have emerged in the global petrochemical industry in recent years. They included the rise of the petrochemical industry in emerging regions and shale oil mining in North America, which have brought not only huge impacts to the energy structure and petrochemical material supply but also significant changes to development of the petrochemical industry across the Taiwan Strait.
- To get prepared for future trends and challenges, petrochemical companies of Taiwan and China co-established the Gulei Integrated Refinery Project to achieve the vertical integration of the mid- and down-stream products.

#### Investment Item

We engage in the production and sales of the following petrochemical products:

1. Ethylene, propene, butadiene
2. Ethylene vinyl acetate copolymer (EVA)
3. Ethylene oxide (EO)
4. Ethylene glycol (EG)

#### Investment amount and efficiency

- After the approval of the relevant competent authorities, re-investment in the Gulei Port Economic Development Zone Project in Zhangzhou, Fujian Province, mainland China, was made through a third region with a maximum amount of NT\$6 billion.
- In the future, the project can stabilize upstream materials supply, vertically integrate steam cracking, petrochemical intermediate materials, and plastic products, reduce transportation costs, and enhance competitive niche to facilitate deployment in the Greater China market and sales competition in the international market.

#### Progress of Investment Items

- The steam cracker is the core processing unit, and hot commissioning was completed smoothly in August 2021.
- The first shipment of ethylene monomers from Gulei Petrochemical was already sold to Taiwan in November 2021.
- Fujian Gulei Petrochemical Co., Ltd. started commercial operations in December 2021.
- The the mid-term delivery of EVA facility of the Gulei Project was completed in October 2022\*

Note: Intermediate delivery refers to the delivery of a construction project in the middle of the construction period. It suggests that the contractor has completed the construction of all processing routes, including running the pressure and utilities test, while the remaining projects will not affect the trial run.

#### Project Milestones

2022	Oct	Mid-term delivery of EVA facility
2021	Dec	Fujian Gulei Petrochemical Co., Ltd. started commercial operations.
	Aug	Smooth hot commissioning of steam crackers, SM, EO/EG.
	Mar	PP hot commissioning succeeded.
2020	Sep	Intermediate delivery of the PP processing units.
2019	Jun	Project construction started.
	May	Approval of the land for project planning by the Gulei Committee.
2018	Aug	Official approval was granted to the Gulei Refining & Petrochemical Plant Project.
2016	Nov	Established Fujian Gulei Petrochemical Co., Ltd.



Panorama of the Gulei Integrated Refinery Project



Steam cracking unit



EVA production line facility



Celebration of the interim delivery of the 300,000MT EVA facility

## 2 Kaohsiung ICT Project Phase II-Storage and Transportation Investment Project

In response to the Petrochemical Product Storage and Transportation Center Policy of the Kaohsiung Intercontinental Container Terminal (ICT) Project launched by the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd., China General Terminal & Distribution Corporation (CGTD), the ethylene transportation side of Linyuan Plant, will be relocated from the old port area to the Petrochemical Product Storage and Transportation Center of the Kaohsiung ICT Project Phase II. To ensure the steady production and transportation of ethylene, we invested NT\$1.02 billion to build the outgoing pipelines for the ethylene cold storage at the Petrochemical Product Storage and Transportation Center of the Kaohsiung ICT Project Phase II, hoping to continuously provide existing customers with steady ethylene supply after project completion.

### Financial assistance received from government GRI 201-4

On 4 January 2021 the Ministry of Economic Affairs (MOEA) approved our application for the “Action Plan for Accelerated Investment by Domestic Corporations” program to the with the Kaohsiung ICT Project Phase II, enabling us to apply for bank project financing of up to 80% of the amount of project investment. Additionally, we will also receive a subsidy at 0.5% of the financing service charge from the National Development Fund, as if a kind of preferential interest reduction.

With the Kaohsiung ICT Project Phase II investment project, we were granted a project financing credit of NT\$1.419 billion. Apart from disbursing NT\$455 million from the credit, **we also received a subsidy of about NT\$2.06 million from the National Development Fund by the end of 2022.**



## 2.3 Risk management

To strengthen corporate governance, reduce potential operational risks, and ensure steady operations and sustainable development, the Audit Committee and the Board passed the establishment of the “Regulations for Risk Management Policy and Procedure” in December 2020. These Regulations cover the policy, organization, process, category, and mechanism for risk management implemented by the Board, Audit Committee, various risk management units, and the Auditing Division to effectively control risks in business activities so as to improve the effectiveness of risk management and protect the interest of the Company, employees, shareholders, and stakeholders.

### Risk management process GRI 3-3

In terms of the attributes of business and external environment, we design methods to identify risks and establish appropriate measurement methods for the reference of risk management. Each risk management unit continuously monitor the risks in their business and propose countermeasures to senior management to ensure the normal operation of the management framework and risk controls.



### Risk management category

Based on the characteristics of business and operations, we include the following risk categories in management:

Risk	Risk Description	Risk	Risk Description
Financial risk	<ul style="list-style-type: none"> <li>Interest rate risk</li> <li>Foreign exchange risk</li> <li>Property damage risk</li> <li>Endorsement and guarantee risk</li> <li>Receivable risk</li> </ul>	R&D risk	<ul style="list-style-type: none"> <li>Product competition risk</li> <li>Outdated technology and product development delay</li> <li>IP rights and patent rights risks</li> <li>R&amp;D information control risk</li> </ul>
Strategy and operational risks	<ul style="list-style-type: none"> <li>Industrial risk</li> <li>Investment risk</li> <li>Operational interruption risk</li> <li>Materials and goods stock risks</li> </ul>	Human resources risk	<ul style="list-style-type: none"> <li>Compliance risk</li> <li>Human resources management risk</li> <li>Labor cost increase risk</li> <li>Workforce stability risk</li> </ul>
Materials price change and supply chain risk	<ul style="list-style-type: none"> <li>Capture of information on changes in materials prices</li> <li>Materials stock and logistics management</li> <li>Production equipment and spare part plan</li> </ul>	Climate change and environmental risks	<ul style="list-style-type: none"> <li>Assessment of risks and opportunities due to climate change</li> <li>Legal compliance</li> <li>Capture of information on environmental protection laws and regulations</li> </ul>
OH&S	<ul style="list-style-type: none"> <li>Legal compliance and inspection</li> <li>Contractor occupational safety management</li> <li>Education/training and publicity of occupational safety</li> <li>COVID-19 epidemic prevention measures</li> </ul>	Information security risk	<ul style="list-style-type: none"> <li>Preservation of information operations and maintenance systems</li> <li>Education/training and publicity of information security</li> <li>Security protection of customer transactions</li> </ul>
Legal risk	<ul style="list-style-type: none"> <li>Compliance risk</li> <li>Transaction risk</li> <li>Suit settlement</li> <li>Legal compliance awareness and behavior</li> </ul>	Disaster and accident risk	<ul style="list-style-type: none"> <li>Accident response and handling</li> <li>Operational and property/personal loss risks</li> <li>Operational safety risk</li> <li>Operational interruption risk</li> </ul>
Technology risk	<ul style="list-style-type: none"> <li>Information security risk caused by new technology use.</li> <li>Changes in consumption habits and outdated production technology</li> </ul>	Other risks	<ul style="list-style-type: none"> <li>COVID-19 epidemic control</li> </ul>



### Risk management operation

After analyzing the risk within its unit, each risk management unit proposes counteractions and reports the risk status to senior management based on the performance of counteractions. The president or the person he or she designates should report the status of risk management to the Audit Committee and the Board at least once a year.

On 2 November 2022, the head of the sales department reported the status of risk management in 2022 to the Board. Please refer to the [2022 Risk Management Report](#) in the ESG section on our corporate website for more information.

### Internal control and audit systems

The Auditing Division is an independent unit directly under the Board and hires certified internal auditors (CIAs) to the audit team and maintains impartiality in audits. Each year the Auditing Division conducts internal audits according to the audit program approved by the Board, reports the audit findings and matters required for improvement and follow-up to the Auditing Committee and the Board. In 2022 the Auditing Division submitted 49 audit reports and 9 improvement follow-up reports, with a 100% improvement follow-up rate. The improvement results are highlighted below:

Audit Item	Recommendation	Improvement
Sales Cycle	Recommendation for adding the check function to the special offer application program.	Corrections were completed as recommended.
Industrial Safety Cycle	Recommendation for tightening the oversight of contractor in-house management.	
Production Cycle	Recommendation for issuing purchasing orders or signing contractors when outsourcing processing missions.	

### Legal compliance GRI 2-27

In addition to ethical corporate management, we also emphasize legal compliance in all areas. In routine operations, we concern ourselves with and gather the information of the establishment of and amendment to environmental, social, and governance laws and regulations in relation to corporate governance, labor human rights, environmental protection, and OH&S at all times; identify the compliance of the relevant laws and regulations of our operations; revise the relevant documents; and implement risk management or regulatory implementation. SASB RT-CH-530a.1



## Ethical corporate management

To establish a corporate culture for ethical corporate management, we have established the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Code of Conduct and Ethics for Directors and Officers”.

✓ **Applicability: Directors, officers, employees, or those with actual control over the company**

### Forms of unethical behavior

Neither directly or indirectly offer, promise, request, or accept any undue or improper advantage nor seek or maintain advantage through unethical behavior such as breach of trust, illegal act, or breach of fiduciary duties.

Forms of advantage: Money, endowments, commissions, positions, services, preferential treatment, or kickbacks in any form or any name.

For employees to understand compliance-related topics, we set up the “Ethical Corporate Management” unit on the corporate website to publicize ethical behavior, continuously organize related education and training activities, and hold departmental routine meetings to publicize the information and trends regarding the latest regulatory and statutory requirements for employees to acquire information regarding new laws and regulations and amendments of existing laws and regulations. The Legal Division also provides legal consultation and recommendations. Additionally, apart from arranging internal training or irregular external training courses, we also invite external legal experts to give talks or seminars to enrich employees’ knowledge and competencies in business-related policies and regulations. Moreover, we offer related courses in the orientation training for new employees and request them to sign the statement of no corruption.

To enforce ethical corporate management and ethical behavior, we continuously publicize business integrity and ethics and organize related training courses. In 2022 we organized a total of **353** hours of education and training relating to ethical corporate management (including the Fair Trade Act, prevention of workplace violence (bullying), online copyrights and use of legal software, and the Trade Secrets Act) for a total of **134** participants.



List of Related Legal Training Courses in 2022

Item	Course name	Hours	Person	Total hours
1	Integrity Talk: Fair Trade Act: Regulations and Case Study	3	82	246
2	Integrity Talk: Prevention of Workplace Violence (Bullying)	2	48	96
3	Integrity Talk: Online Copyright and Legal Software Use	2	1	2
4	Integrity Talk: Trade Secrets Act: Introduction and Case Study	3	1	3
5	Integrity Talk: HR Personnel Labor Regulations Study	3	2	6
<b>Total</b>			<b>134</b>	<b>353</b>

**Governance in 2022:** Non-compliance with the relevant laws and regulations.

**Social in 2022:** Linyuan Plant was fined NT\$180,000 by the Kaohsiung Labor Affairs Bureau for violation of the Occupational Safety and Health Act.

**Environmental in 2022:** Linyuan Plant was fined NT\$425,000 by the Kaohsiung Environmental Protection Bureau for violation of the Air Pollution Control Act.

The offence and improvement are described as follows:

Item	Authority	Offence	Date	Amount of fine (NT\$10,000)	Improvement
1	Kaohsiung Labor Standards Inspection Office	On 22 January 2022, the explosion panel of the pipeline connecting heat recovery steam bumping tank V-1227 and heat exchanger E-1227 of the reactor in production line 2 broke. (Violation of Article 36 of the Occupational Safety and Health Act)	24 January 2022	Lockout	Application for re-opening. Re-opened on 17 June 2022. Improvement: 1. Wrap up the explosion panel with aluminum foil to prevent rainwater from entering. 2. Remove the equipment sharing the same safety valve and the front and rear pipeline diaphragm valves. 3. Organize training for safety equipment maintenance and diaphragm valve removal. 4. Revise the related SOPs of safety equipment maintenance.
2	Kaohsiung Labor Standards Inspection Office	On 28 March 2022, the explosion panel of reactor R-1201 in production line 2 broke. (Violation of Article 36 of the Occupational Safety and Health Act)	31 March 2022	Lockout	Application for re-opening. Re-opened on 19 April 2022 1. Replace the explosion panel. 2. Examine catalysts when they are not used for 10 days and release them to cold storage when they are not used for 14 days to prevent deterioration. 3. Arrange education and training to strengthen personnel training.
3	Kaohsiung Labor Standards Inspection Office	On 28 March 2022, the explosion panel of reactor R-1201 in production line 2 broke because of failure to assess its hazards, reaction characteristics, and take necessary actions. (Violation of Article 43 of the Occupational Safety and Health Act)	4 May 2022	18	1. Examine catalysts when they are not used for 10 days and release them to cold storage when they are not used for 14 days to prevent deterioration. 2. Arrange education and training to strengthen personnel training.
4	Kaohsiung Environmental Protection Bureau	On 29 March 2022, significant particulate pollutants spread into the air when the explosion panel of the safety device reacted to a pressure surge of reactor R-1201 as a result of a significant reaction burst when adding catalyst deteriorated after prolonged storage in the tank during the resumption of the manufacturing process of production line 2 after the plant shutdown due to a power outage on 3 March 2022. (Violation of Article 32, paragraph 1, of the Air Pollution Control Act).	5 May 2022	22.5	1. Examine catalysts when they are not used for 10 days and release them to cold storage when they are not used for 14 days to prevent deterioration. 2. Arrange education and training to strengthen personnel training.
5	Kaohsiung Environmental Protection Bureau	On 1 August 2022, the chief of the Industrial Safety Office was found acting as the class A dedicated air pollution control specialist and class-1 manager of occupational safety and health affairs at the same time by the Kaohsiung Environmental Protection Bureau during the onsite audit of the employment of responsible specialists. (Violation of Article 34, paragraph 4, of the Air Pollution Control Act).	28 December 2022	20	Application for replacement of the dedicated air pollution control specialist on 11 August 2022. Approval of the Kaohsiung Environmental Protection Bureau on 24 August 2022.

## Reporting channels GRI 2-25, 2-26

On 9 November 2017 the Audit Committee and the Board passed the proposal to establish the “Regulations for Handling Reports of Illegal and Unethical or Dishonest Behaviors” specifying the reporting and processing procedures and related protection mechanisms. Whistleblowers can report an illegal and unethical or dishonest behavior personally or through the report email or report hotline. All reports will be handled by the responsible units.

### ✓ Report email

“Audit Committee Email” in the “Investor Service” section on the corporate website.

### ✓ Report hotline

(02) 2650-3783

After consolidation the Audit Division reports the acceptance, processing, and improvement of each report to the Auditing Committee. **There was no report of non-compliance in 2022.**

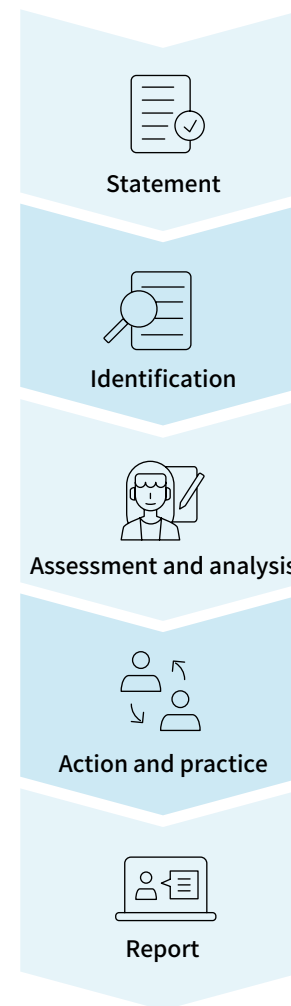
## Human rights policy GRI 2-23

With the approval of the chairman, we establish the human rights policy applicable to APC 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], so as to eliminate prejudicial behavior and human rights violations. Apart from providing employees with a reasonable and safe workplace environment, we ensure employees to enjoy reasonable and dignified treatments at APC.

### Identification and assessment of human rights risk

We identify human rights risks every year and perform compliance checks and assessments of authenticated 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. Because human rights issues involve different units and departments, the HR Division exercises due diligence on people affected by human rights issues.

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 due diligence process GRI 2-24

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: Countermeasures	Action and practice	Draw up different action plans based on the significance of the periodically assessed human rights risks. Follow up the status and performance of action plans and communicate to ensure the effectiveness of human rights management. If there is a human rights violation, provide compensatory measures through system improvement, physical benefits, and counseling.
	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

There was no report of no significant non-compliance in 2022. We will continue to arrange education and training on human rights. Please visit the ESG section of our corporate website for more information regarding our [training for human rights protection](#). After identifying risks based on the approaches to implement the human rights policy, we included a total of 14 human rights issues for this year, including 8 issues of material concerns, with risks covering “excessive working hours” and “workplace inclusion” ([2022 Human Rights Risk Assessment and Management Sheet](#)). The measures implemented to mitigate and compensate for the impacts of human rights risks are as follows:

Topic	Mitigation Measure	Compensation Measure
<b>Excessive working hours</b>	<ol style="list-style-type: none"> <li>When it needs to work extra hours, apart from asking for the agreement of employees, management also allows employees to accept either overtime pay or time off in lieu (TOIL).</li> <li>Additionally, we allow employees to select the reasons for leaving the workplace after regular hours: personal matters or working extra hours.</li> <li>The HRD reviews the overtime work condition of all companies and follow up the reasons for working overtime.</li> </ol>	<ol style="list-style-type: none"> <li>Employees working overtime will receive overtime pay.</li> <li>After understanding the workload and reasons for working overtime of employees, we actively improve and optimize the workflows to enhance work efficiency.</li> <li>Employees working excessive hours will be included in the abnormal workload identification and risk investigation list. We will also arrange health checkups for these employees and adjust the relevant job content and workforce arrangement</li> </ol>
<b>Workplace inclusion</b>	<ol style="list-style-type: none"> <li>Employ persons with disabilities by law.</li> <li>Build an accessible workplace environment for persons with disabilities.</li> <li>Handle insufficient employment based on the regulations of the competent regulations.</li> </ol>	We did not hire the required quota of persons with disabilities. Apart from paying the substitution payment, we also actively recruit qualified persons with disabilities.