



CH2 Operational Governance

2.1 Corporate Governance GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-20, 2-21

2.2 Economic Performance GRI 3-3, 201-1, 201-4

2.3 Risk Management GRI 2-25, 2-26, 2-27, 3-3

Performance Highlights

- Corporate Sustainability Report Awards at the 17th Taiwan Corporate Sustainability Awards (TCSA) in 2024: "Platinum Award - Traditional Manufacturing Industries"
- Comprehensive Performance Category at the 17th Taiwan Corporate Sustainability Awards (TCSA) in 2024: "Taiwan Top 100 Sustainable Enterprises Award"
- Ranked top 6~20% among listed companies in the 11th Corporate Governance Evaluation.
- Annual total sales **132,904 MT**
- The Gulei Petrochemical Project has officially begun production.

Material Topics

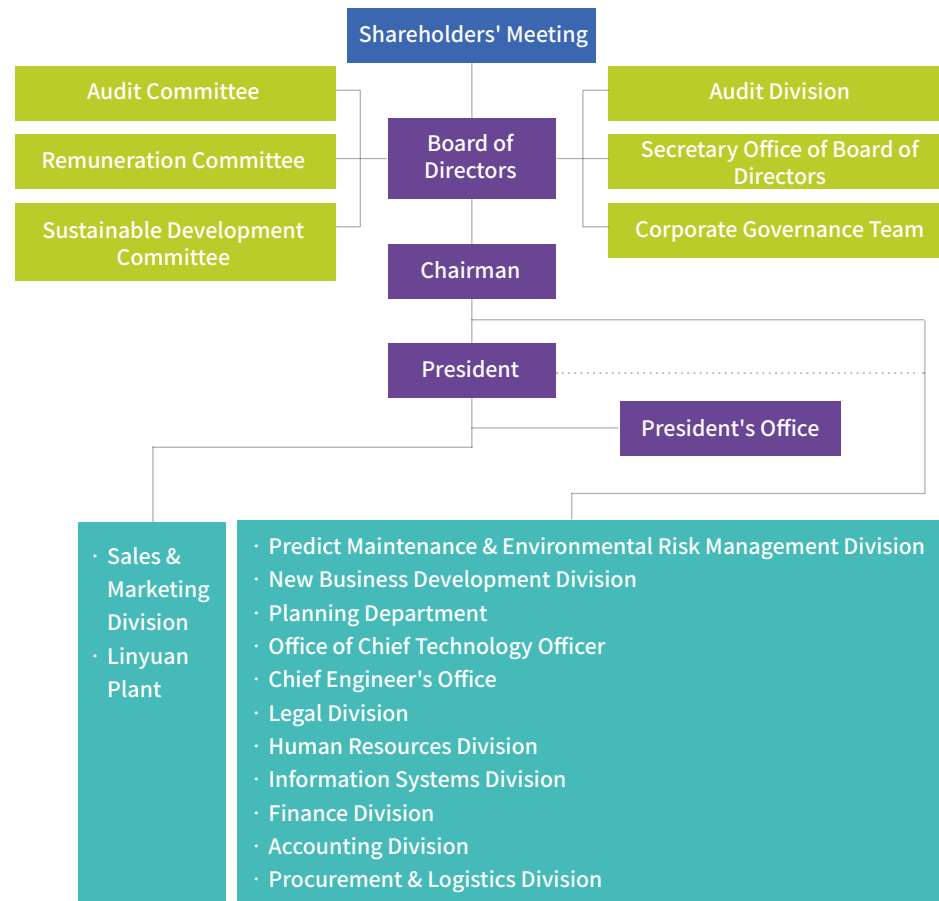
Economic Performance

SDGs Correspondence



2.1 Corporate Governance

Governance Structure GRI 2-9



Note: In terms of organizational framework, the Procurement & Logistics Division, Group Accounting 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 of Directors Operation GRI 2-9, 2-10, 2-11

The Board of Directors is the Highest Governance Body of the Company, and the Company strictly requires the Board Members to comply with laws and regulations,

acting in accordance with the law as the highest operational guideline.

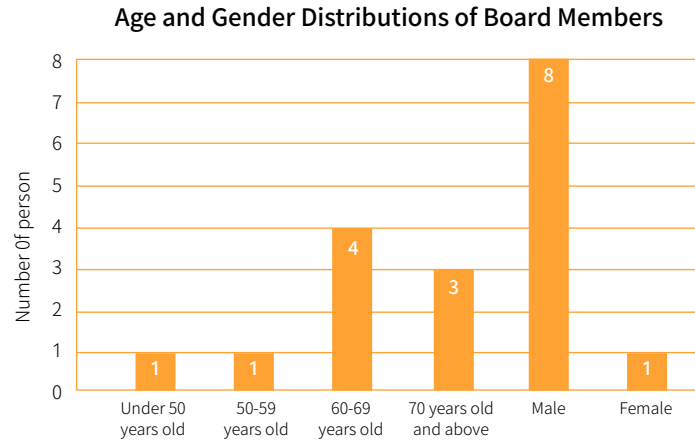
We adopt the candidate nomination system for the directorial (including independent directors) election. The Board along with shareholders holding over one percent of the total issued shares may propose the candidates to add to the List of Candidates for Directors and Independent Directors. After candidate qualification by the Board, the proposal is presented at the meetings of shareholders for shareholders to vote on from the List of Candidates for Directors and Independent Directors. The current board of directors was elected in 2022 and is composed of nine directors with rich experience in their respective professional fields. Among them, four positions are assigned to independent directors, who make up 44% of the Board.

The directors of the Company serve a term of three years and may be reelected for consecutive terms. Please refer to the table below for information about the Board of Directors members.

| | |
|-----------------------------------|---|
| The term of the current committee | May 27, 2022 to May 26, 2025 |
| Member | ※Directors: Quintin Wu (Chairman), Lee, Kuo-Hung, Wu, Pei-Chi (President), Wu, Hung-Chu, Pi, Shu-Chien ※Independent Directors: Chen, Ta-Hsiung, Shen, Shang-Hung, Cheng, Tun-Chien, Chen, Chien-Ping |
| Member Gender | Male: 8 people, Female: 1 person |
| Member Age | 1 person Under 50 years old, 1 person 50-59 years old, 4 people 60-69 years old, 3 people 70 years old and above |

A total of four board meetings were held in 2024 by the Company, with a personal attendance rate (including independent directors) of 94.44% (100% including attendance by proxies). The Board of Directors is led by the Chairman. For more detailed information on its operations, please refer to [Page 23 of the 2024 Annual Report](#) and the company's website's [Board of Directors section](#).

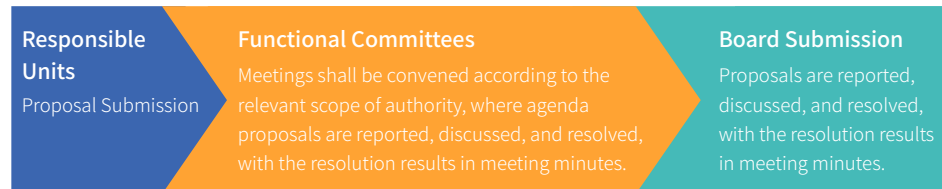
The chairman convenes and chairs at least one board meeting each quarter (please refer to [Rules of Procedure for the Board of Directors Meetings Regulations](#)). Under the Board there are functional committees including "Remuneration Committee", "Audit Committee", and "ESG Committee". Each committee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



Process of Proposal Submission to the Board of Directors 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 of Directors for discussion and resolution. After the meeting, functional committees and the Board Secretariat Office produce the meeting minutes containing the resolution results. The process for submitting board meeting proposals is as follows:

Process of proposal submission to the Board of Directors



Important Board resolutions of 2024 (Please refer to the [Important Resolutions of the Board of Directors](#) on our company's website or the [Pages 110~112 of the 2024 Annual Report](#).)

Additionally, we have established the "Board Secretariat Office" under the Board of Directors to plan and prepare matters relating to the Board meeting so as to enhance the efficiency of board meeting and help implement Board resolutions.

Performance of the board member diversity policy

I. Performance of the Board Diversity Policy GRI 2-10

In accordance with "Corporate Governance Best Practice Principles" Article 20 of "Corporate Governance Best Practice Principles", diversity should be considered for the Board of Directors composition and 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 administration management
- ✓ Ability to conduct crisis management
- ✓ Knowledge of the industry
- ✓ An international market perspective
- ✓ Leadership ability
- ✓ Ability to decision-making

In addition to the above eight abilities, considering the increasing global focus on corporate governance and environmental protection topics, the diversity of the Board of Directors aims to encompass expertise in "legal" and "environmental" aspects. In addition to the above eight professional abilities required for carrying out their duties, and in response to the increasing global concerns about topics relating to corporate governance and environmental protection, three directors are also "legal" and "environmental" specialists. All current members have the knowledge, skills, and qualities required for their duties, and they each have expertise in finance accounting, international markets, legal, environmental, and more.

II. Targets for Management of Board Diversity GRI 2-17

To recruit external excellent talent into the Board of Directors to achieve the Board diversity, the number of seats for Independent Directors was added from original 3 to 4, and elected on May 27, 2022. Mr. Chen, Chien-Ping is the newly appointed Independent Director, with a master's degree in Business Administration from the University of California, USA. He has previously served as the Chairman of Ta Chong Commercial Bank and has extensive experience in the financial industry. He specializes in financial risk control, which would contribute to the improvement of the deliberation quality of finance-related proposals by the Board of Directors and thus accomplishing the aim of the board diversity policy.

The board diversity goals aim to respond to the global trend of increasing emphasis on corporate sustainable development. The company plans to add board members who are well-versed in these specialized fields to enhance the company's sustainable competitiveness and make the board's functionality more complete. (Performance of the Board Member Diversity Policy: [Pages 37~40 of the 2024 Annual Report](#) and the [Company's website](#)).

III. Performance of the Board Member Diversity Policy GRI 2-17

Please refer to the table below for the diversity of the Board of Directors members, in which Director Pi, Shu-Chien is Female.

| Name of Director | Gender | Core Item of Diversity | | | | | | | | | |
|------------------|--------|---------------------------------------|--------------------|---------------------|-------------------|---------------------------|----------------------|--------------------|-------------------------|-------|--------------------------|
| | | Ability to make operational judgments | Finance Accounting | Business Management | Crisis Management | Knowledge of the industry | International Market | Leadership Ability | Decision-making Ability | Legal | Environmental protection |
| Quintin Wu | Male | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lee, Kuo-Hung | Male | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Wu, Pei-Chi | Male | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Wu, Hung-Chu | Male | ✓ | | ✓ | ✓ | | | ✓ | ✓ | | |
| Pi, Shu-Chien | Female | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Chen, Ta-Hsiung | Male | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Shen, Shang-Hung | Male | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ |
| Cheng, Tun-Chien | Male | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | |
| Chen, Chien-Ping | Male | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | | |

Note1: The proportion of directors with employee status in the Company is 22%, while independent directors account for 44%.

Note2: None of the four Independent Directors have served consecutive terms exceeding three terms.

Enhancement of Director's Professional Competence GRI 2-17

To enhance the professional competence of directors (including Independent Directors), the Company regularly provides information on related training courses to directors and assists them in continuing education. An internal training course totaling 6 hours is planned. On July 11, 2024, a 3-hour lecture on "Digital Reinvention Creating a New AI Future - Generative AI Application Case Sharing" will be conducted by Jason Tsao, CTO of Microsoft Taiwan. Additionally, on October 16, 2024, a 3-hour training course on "Carbon Trading Mechanisms and Carbon Management Applications" will be led by Dr. Liu, Che-Chiang from the Chung-Hua Institution for Economic Research. In 2024, all directors also participated in various external courses, with total hours of continuing education amounting to 66 hours. All directors complied with the training hours stipulated by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". Please refer to [Pages 26~28](#) of the 2024 Annual Report for detailed information on the continuing education courses and their durations.



A 3-hour training course on "Digital Reinvention Creating a New AI Future - Generative AI Application Case Sharing."



A 3-hour training course on "Carbon Trading Mechanisms and Carbon Management Applications."

Avoidance of Conflicts of Interest of the Board of Directors GRI 2-11, 2-15

The Company places a high value on Corporate Governance. To ensure the independence and objectivity of the Board of Directors' decisions, a comprehensive mechanism for avoiding conflicts of interest has been established, as described below:

1 System Regulations: The company has established the Rules of Procedure for the Board of Directors Meetings Regulations, the Code of Ethical Conduct for Directors and Managerial Officers, the Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct, which clearly stipulate the avoidance measures directors should take in the event of conflicts of interest. (Please refer to Rules of Procedure for the Board of Directors Meetings Regulations, 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).

2 Meeting Procedure: The Board of Directors will strictly implement the recusal procedure when discussing proposals that involve a conflict of interest with the directors. The meeting chairman will remind the relevant directors to leave the meeting and, if the chairman himself has a conflict of interest, will designate another director to preside.

3 Information Disclosure: The Board Secretariat Office will detail the recusal situation of directors in each meeting and include the relevant information in the meeting minutes.

4 Annual Report: The company has duly completed the procedure for the avoidance of conflicts of interest of the Board of Directors, and relevant details can be found in the company's Annual Report - Board of Directors operation. For the responses

to the conflicts of interest between Board of Directors members and stakeholders, please refer to the "Member Information of the Board of Directors", "Shareholders Among the Top Ten in Shareholding Ratio", and "Related Party Transactions" in the 2024 financial statements. Please refer to the 2024 Annual Report "Member Information of the Board of Directors" and "Shareholders Among the Top Ten in Shareholding Ratio" and the 2024 Financial Statements "Related Party Transactions".

5 Continuous Improvement: The company will continuously review and enhance the mechanism for avoiding conflicts of interest to ensure the transparency and fairness of Corporate Governance.

6 The Board of Directors' performance in avoidance of conflicts of interest in proposals in 2024 is as follows:

| Name of Director | Motion Content | Reasons for Avoidance due to Conflicts of Interest | Participation in Voting | Note |
|--|---|--|-------------------------|---|
| Quintin Wu Wu, Pei-Chi Pi, Shu-Chien Shen, Shang-Hung Cheng, Tun-Chien | The Proposal of abolition on directors of non-compete restriction at the Shareholders' Meeting. | Directors recusing themselves from the proposal were also the directors with non-compete restrictions. | Abstained from voting | The 1st meeting in 2024 March 7, 2024 |
| Wu, Pei-Chi | Non-compete behavior of managers. | A conflict of interest with directors. | Abstained from voting | The 1st meeting in 2024 March 7, 2024 |
| Quintin Wu Wu, Pei-Chi | Donation to the "USI Education Foundation". | Directors recusing themselves from the proposal were also the directors of the Foundation. | Abstained from voting | The 1st meeting in 2024 March 7, 2024 |
| Wu, Pei-Chi | Non-compete behavior of managers. | A conflict of interest with directors. | Abstained from voting | The 4th meeting in 2024 November 6, 2024 |

The Board of Directors Performance Evaluation Implementation Status GRI 2-18

Set assessment methods and approaches for the performance of the Board of Directors, execute regular self-assessment of the performance of the Board as a whole, individual directors, and Functional Committees every year. The Board Secretariat Office is responsible for conducting these assessments through self-evaluation, using the assessment results as a reference for the company's review and improvement.

The overall internal performance assessment results for the Board of Directors, individual directors, and Functional Committees in 2024 are as follows:

(1) Overall Board Performance

| Aspect of Evaluation | Score (Note) | Results and Descriptions |
|--|--------------|--|
| Level of involvement in company operations | 4.67 | The overall evaluation results of the Board of Directors indicated that the average scores of the five major aspects were all above 4.6 points, with the evaluation results being [Good] . |
| Enhancement of the Board of Directors' decision-making quality | 5 | |
| Composition and Structure of the Board of Directors | 5 | |
| Selection and Continuing Education of Directors | 5 | |
| Internal Controls | 5 | |

(2) Individual Director Performance

| Aspect of Evaluation | Score (Note) | Results and Descriptions |
|---|--------------|--|
| Alignment with the corporate goals and missions | 4.85 | The results of the directors' self-evaluation showed that the average scores of the six major aspects were all above 4.6 points, with the overall evaluation result being [Good] . |
| Awareness of directors' responsibilities | 4.74 | |
| Level of involvement in company operations | 4.70 | |
| Development and communication of internal relationships | 4.67 | |
| Professional and Continuing Education of Directors | 4.78 | |
| Internal Controls | 4.74 | |

(3) Performance assessment of the Audit Committee

| Aspect of Evaluation | Score (Note) | Results and Descriptions |
|--|--------------|---|
| Level of involvement in company operations | 4.75 | The self-assessment results of the Audit Committee showed that the average scores of the five major aspects were all above 4.7 points, with the overall evaluation results being [Good] . |
| Awareness of the responsibilities of the Audit Committee | 4.88 | |
| Enhancement of the Audit Committee's decision-making quality | 4.92 | |
| Composition and selection of Audit Committee members | 5 | |
| Internal Controls | 4.75 | |

(4) Performance assessment of the Remuneration Committee

| Aspect of Evaluation | Score (Note) | Results and Descriptions |
|---|--------------|--|
| Level of involvement in company operations | 4.67 | The self-assessment results of the Remuneration Committee showed that the average scores of the four major aspects were all above 4.6 points, with the overall evaluation results being [Good] . |
| Awareness of the responsibilities of the Remuneration Committee | 4.50 | |
| Enhancement of the Remuneration Committee's decision-making quality | 4.67 | |
| Composition and selection of Remuneration Committee members | 5 | |

(5) Performance assessment of the ESG Committee

| Aspect of Evaluation | Score (Note) | Results and Descriptions |
|--|--------------|--|
| Level of involvement in company operations | 5 | The self-assessment results of the ESG Committee showed that the average scores of the four major aspects were all above 4.7 points, with the overall evaluation results being [Good] . |
| Awareness of the responsibilities of the ESG Committee | 4.75 | |
| Enhancement of the ESG Committee's decision-making quality | 4.75 | |
| Composition and selection of ESG Committee members | 4.75 | |

Remarks: 1. Score range: 0-5, 5 is the highest mark. The performance evaluation for the period from January 1, 2024 to December 31, 2024.

2. The performance evaluation results of the overall Board of Directors, individual director members, and Functional Committees were reported to the Board of Directors in the first quarter of 2025.

Recommendation and implementation:

In view of the increasing global focus on E (Environmental), S (Social), and G (Governance) related topics, the Company, following the "Sustainable Development Action Plan for Listed Companies (2023)" issued by the Financial Supervisory Commission, is promoting the phased disclosure of Greenhouse Gas inventory and assurance information by listed companies to build corporate Greenhouse Gas inventory capabilities. The Company has actively implemented various measures, and the directors provide relevant invaluable advice. In addition to continuously enhancing corporate governance efficiency, the Company is also carefully planning and executing the implementation of carbon reduction goals and the development of green power strategies. We are utilizing AI technology for more efficient management to help the business reduce issues and risks, aiming to meet international standards and 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, the Board made a resolution on May 9, 2019 to assign Director of Legal Division, Chen, Yung-Chih to be the Chief Corporate Governance Officer (CCGO) as the top officer of the Company's corporate governance. Director Chen, Yung-Chih has over 20 years of experience as a practicing attorney and more than 10 years of experience as the head of legal affairs in listed companies. His main responsibilities include handling affairs related to the meetings of the Board of Directors and Shareholders' Meetings according to the law, preparing minutes for these meetings, assisting directors in taking office and continuing education, providing information needed by directors in conducting business, assisting directors in complying with laws and regulations, reporting to the Board of Directors on the results of reviewing whether the qualifications of Independent Directors are in compliance with relevant laws and regulations during their nomination, appointment, and tenure, and handling affairs related to changes in directors. In 2024, Chief Corporate Governance Officer Chen, Yung-Chih completed 23 hours of continuing education. Please refer to Page 27 of the 2024 Annual Report.

Functional Committees GRI 2-9, 2-13

APC has established three functional committees under its Board of Directors: the Audit Committee, the Remuneration Committee, and the ESG Committee. These committees are responsible for developing and reviewing policies related to their respective responsibilities, thereby enhancing corporate governance.

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

Audit Committee

The term of the current committee commenced on May 27, 2022 and will end on May 26, 2025. All four seats of the committee are taken by all independent directors of the Company. A total of 4 committee meetings were held in 2024, with a 94% personal attendance rate (100% including attendance by proxies). Please refer to Page 28~33 of the 2024 Annual Report for more information regarding Audit Committee operation.

Remuneration Committee

① The term of the current committee commenced on June 2, 2022 and will end on May 26, 2025. All three seats of the committee are taken by the independent directors of the Company.

② The Committee holds meetings at least twice annually. Three committee meetings were held in 2024, with an 89% personal attendance rate of members. For more information regarding the committee's operation, please visit the Company's official website Remuneration Committee, refer to Pages 53~56 of the 2024 Annual Report, or link to the Market Observation Post System (MOPS).

③ The Committee periodically reviews the (1) salary and remuneration policy, system, standard, and structure, and (2) performance evaluation of directors and managers, and determines and assesses the salary and remuneration of directors and managers with references to factors such as the median level in the industry, individual's duration of engagement, responsibilities, achievement of personal goals, salary and remuneration for equivalent positions, accomplishment of the Company's short-term and long-term business goals, and the Company's financial condition, then submits the results to the Board of Directors for approval. GRI 2-20

④ For information regarding the remuneration of directors and senior executives, please refer to Pages 15~19 of the 2024 Annual Report.

- Salary and Remuneration: The remuneration for directors covers remuneration, director profit sharing, and income for professional practice; and the compensation for managers includes the monthly salary, fixed-amount bonuses, year-end bonus, employee profit sharing, annual special bonus, and pension contribution and benefit payments by law. The profit sharing for directors and employees are subject to Article 18 of the articles of incorporation. GRI 2-19
- The annual total compensation ratio and ratio of the percentage change in total compensation in 2024 were 4.08:1 and 141.50% respectively. GRI 2-21
- Performance Evaluation:

(1) The aspect of evaluation for directors covers the alignment with the corporate goals and missions, awareness of directorial responsibilities, level of involvement in company operations, development and communication of internal relationships, professional and continuing education, and internal controls, with additional performance evaluations specifically for the ESG Committee.

(2) The performance evaluation of Senior Executives covers the finance aspect (operating revenue, operating profits, and net income before tax), customers aspect (customer satisfaction, service quality, key market development, and others), products aspect (branding, quality innovation, and others), talents aspect (talent cultivation, potential development, and others), safety aspect (zero pollution, zero emissions, zero occupational hazards, zero accidents, zero breakdowns, and others), and project aspect (digital transformation, energy-saving and carbon reduction, circular economy, net zero emissions, and others).

(3) Related indicators linking to sustainable performance require the President to plan with at least a 20% weight, and must include climate-related items with at least 5%. Other Senior Executives should plan for relevant sustainable performance indicators with no less than 5%.

| Evaluation Target | Performance Indicator | Implementation Method (Weight) |
|-------------------|---|---|
| President | Financial Performance (50%) | — |
| | Market and Customers (20%) | — |
| Senior Executives | Sustainable Development Performance (30%) | Talent Cultivation Programs (10%) Energy Conservation and Carbon Reduction Effectiveness (10%) Occupational Safety and Health (10%) |
| | Sustainable Development Performance (15%) | Talent Cultivation Programs (5%) Energy Conservation and Carbon Reduction Effectiveness (5%) AI Smart Manufacturing (5%) |

Note 1: 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).

Note 2: 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 2-13, 2-14

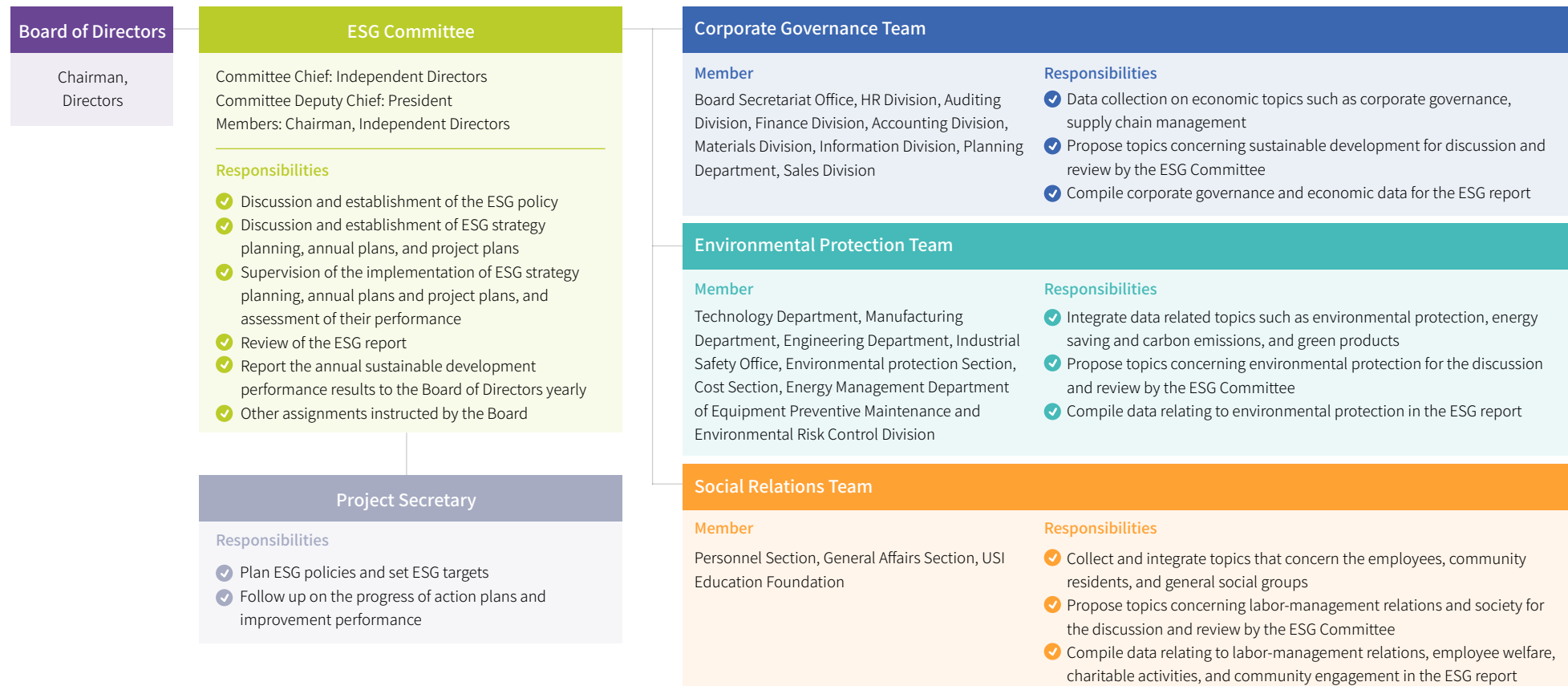
The term of the current committee commenced on June 2, 2022 and will end on May 26, 2025. The committee consists of a total of four members include the Chairman, President, Independent Director Cheng, Tun-Chien and Chen, Chien-Ping.

The three implementation teams of the Committee include corporate governance, environmental protection, and social relations.

The ESG Committee holds meetings at least twice annually. Two meetings were held in 2024, with a 100% personal attendance rate of members. The meeting results were reported to the Board of Directors.

Please refer to [Pages 83 of the 2024 Annual Report](#) or the [Sustainable Development](#) section of the Company's website for more information regarding committee operation.

The organizational structure, composition, and responsibilities of the ESG Committee are illustrated below:



ESG Committee Annual Tasks and Next-Year Annual Plan GRI 2-16

- 1 Completed the GHG inventory and verification for the consolidated companies.
- 2 Promote various energy-saving and carbon reduction initiatives within the company. The GHG emissions in 2024 have been reduced by 13.9% compared to the base year, with an annual achievement rate of 106.9%.
- 3 Implementation results of the Energy Saving and Carbon Reduction Program: Saved electricity: 7,265 GJ, Saved steam: 1,475 GJ, Reduced carbon: 1,076 MT CO₂e.
- 4 Waste intensity: 0.0025 MT/MT, reduced by 41.86% compared to the previous year.
- 5 The recycled plastic products passed ISO 14021 certification and obtained the SGS Green Label.

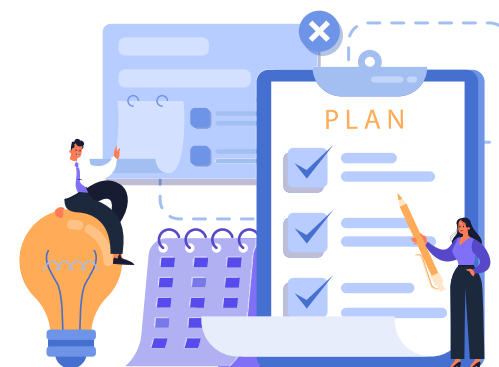
- 6 Implement the Occupational Health and Safety goals of "zero occupational accidents," with the total cumulative of zero lost-time due to disabling injury reaching 6.31 million hours, and the record continues to be maintained.
- 7 Donated NT\$3 million to the USI Education Foundation to support caring for vulnerable groups, remote townships education, assist community development, and promote domestic cultural development.
- 8 Passed the Occupational Safety and Health Administration's "Occupational Health and Safety Management System Performance Review," with a recognized effective period of 3 years starting from November 12, 2024.
- 9 Passed the ISO 45001 (including TOSHMS) certification.
- 10 Obtained the Healthy Workplace and pollutants certification and Health Promotion mark, with an effective period of 3 years.

11 Sustainability Activities and Awards:

- (1) Honored with the Platinum Award - "Traditional Manufacturing Industries" of Corporate Sustainability Report Awards at the 17th Taiwan Corporate Sustainability Awards (TCSA) and "Taiwan Top 100 Sustainable Enterprises Award" of comprehensive performance categories at the 17th Taiwan Corporate Sustainability Awards (TCSA).
- (2) Ranked top 6~20% at the 11th Corporate Governance Evaluation.
- (3) Reported green procurement and was awarded as an "Outstanding Unit in Net-Zero Green Living" by the Environmental Protection Bureau of Kaohsiung City.
- (4) Honored by the Occupational Health and Safety Administration as the top 10% outstanding enterprise in the "Proactive Evaluation of Occupational Health and Safety Indicators in Corporate Sustainability Reports".
- (5) Won the "Net-Zero Industry Competitiveness - Excellence Award" at the 3rd meeting in 2024.

2025 Work Plan

- 1 Continue to promote various energy-saving and carbon reduction initiatives within the company.
- 2 Continue participating in sustainability-related evaluation activities.
- 3 Continue participating in community participation activities.
- 4 Publication of the Chinese version of the 2024 ESG Report in August.
- 5 Publication of the Chinese version of the TCFD report in August.
- 6 Publication of the English version of the 2024 ESG Report in September.
- 7 Participate in group tasks related to the implementation of IFRS Sustainability Disclosure Standards.
- 8 Promote operational activities related to the internal control of sustainability information.



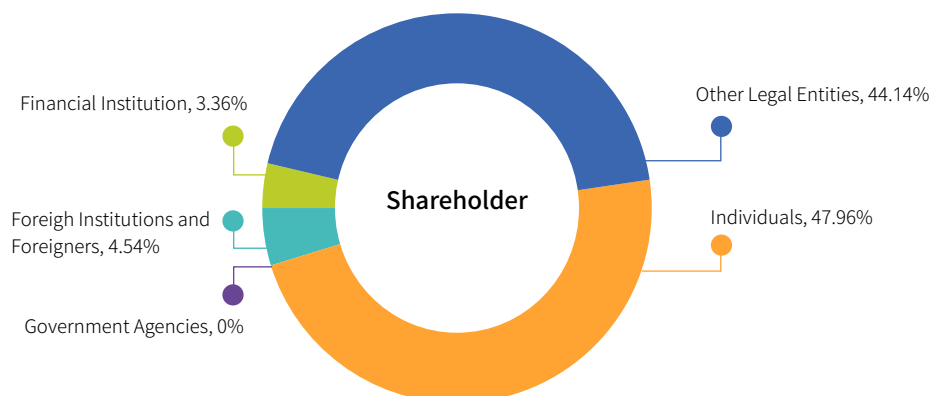
Shareholder Rights and Information Transparency

As of March 30, 2025, the shareholder structure of APC is mainly composed of individuals and other legal entities. For the shareholder structure and the list of major shareholders (note), please refer to the company's official website Shareholder Structure.

Note: Shareholders holding more than five percent of the equity or among the top ten in shareholding ratio.

APC is committed to providing shareholders with transparent and real-time corporate information. Every year, we organize investor conferences and shareholders meetings regularly, publish annual reports and ESG reports, and list operating performance, financial statements, and significant news on the MOPS of Taiwan Stock Exchange. We also set up the "Investor Services" web page in both Chinese and English, where the Company's governance status, business announcements, financial statements, investor conferences, and updates on group dynamics are disclosed. Moreover, we continuously collect shareholder opinions to provide feedback to the management team for decision-making references.

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 the Company 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

APC established the Intellectual Property Rights Management Plan on August 12, 2020 to oversee the trade secrets relating to production operations and intellectual property from the outcomes and copyrights of R&D process to enhance the Company's competitive advantage. The performance in IP rights management is reported to the Board of Directors at least once a year. The "IP Management Practices and Implementation Status" will be reported to the 4th Board of Directors meeting on November 6, 2024, to implement the company's Intellectual Property Rights management policy.

Patent Management

(1) Innovation patent and invention application platform

We have established an "Innovation Patents and Inventions Application Platform" to keep a full record of and store the innovative ideas and experiment outcomes during R&D process. R&D outcomes are submitted to the relevant officers for review before forwarding to the chief R&D officer to determine the need for patent application.

Performance in 2024: 0 patent applications.

(2) Trademark Management

In case of disputes regarding the rights of the Company's existing registered trademarks, it signifies that either the Company's trademark rights have been unlawfully infringed upon or have faced objections, assessments, or annulments raised by others. As this could significantly impact the Company's sales and eventually its revenues, it is necessary not only to reassess the adequacy of the current trademark application management but also to devise corresponding countermeasures for trademark maintenance and disputes as they arise.

Current acquired trademarks: 3 in Taiwan (including 1 ISO 14021:Pre-consumer Recycled Content Green Label) and 4 in Mainland China.

There was no trademark dispute in 2024.

2.2 Economic Performance

Material Topics: Economic performance corresponding with sustainability principles: Innovative Technology GRI 2-25, 3-3

| Management Approach and Components | Impact Management | Targets Execution and Performance of Management Approach | | Evaluation of Management Approach |
|--|---|---|---|--|
| <p>The Significance to Asia Polymer</p> <p>Steady growth in financial performance is the foundation of corporate sustainable development. The Company's business performance affects the expectation of investors, employee welfare.</p> | <p>Positive/Negative Impacts</p> <ul style="list-style-type: none">Positive Actual Impact - Steady Growth in Financial performance | <p>2024 Implementation Goals</p> <ul style="list-style-type: none">Earnings per share after tax >0Return on Equity (ROE) >0Annual Total Production Achievement Rate ≥ 95% | | <p>Effectiveness Assessment</p> <ul style="list-style-type: none">Company Financial Statements and Annual Report, ESG ReportsCorporate Governance Evaluation |
| <p>Management Practice and Objectives</p> <p>Enhance product competitiveness and business performance through continual product R&D and innovation and market expansion to maintain continual corporate growth and sustainable development.</p> | <p>Processes to Remediate and Prevent Negative Impacts</p> <p>—</p> | <p>2024 Performance</p> <ul style="list-style-type: none">Earnings per share after tax loss NT\$ 1.26 (×)Return on Equity (ROE) -6.05% (×)Annual production target achievement rate 98% (✓) | <p>Improvement/Optimization of Unachieved Items</p> <ul style="list-style-type: none">Continuous developing high-profit, high-value products.Enhance equipment maintenance to reduce the number of shutdowns.Implement energy conservation and carbon reduction to reduce Carbon Fee expenditure.Strengthen management to avoid penalty expenses.Monitor market information and adjust strategies at any time. | <p>Grievance Mechanism</p> <ul style="list-style-type: none">"Investor Service" mailbox on the company websiteInvestor Conferences, Shareholders' Meeting |
| <p>Strategy</p> <ul style="list-style-type: none">Product R&D and innovationStrengthen market expansionIncrease brand awareness or brand value | | <p>Short-Term (< 3 years) Goals</p> <ul style="list-style-type: none">Promote on-site audit mechanisms for supplier facilities; annual target: ≥ 2 suppliersAchieve a 100% signing rate of commitment letters from existing suppliersLocal procurement rate: ≥ 70%Supplier and contractor evaluation pass rate: ≥ 90% | <p>Adjust Management Approach</p> <p>Reviews through related meetings including executive meetings, production meetings, and development quality meetings to adjust the direction of market development in a timely manner.</p> | |
| | | <p>Medium- Long-Term (≥ 3 years) Goal Planning</p> <ul style="list-style-type: none">Conduct on-site audits at supplier facilities; annual target: ≥ 4 suppliersEstablish a supplier communication platform with support and planning provided by professionalsAchieve a 100% signing rate of commitment letters from existing suppliersLocal procurement ratio: ≥ 70%Supplier and contractor evaluation pass rate: ≥ 90% | | |

Financial Performance GRI 201-1

The consolidated operational performance this year showed that crude oil prices surged to a peak in the first quarter before fluctuating downward, though overall remaining above the high level of US\$ 70 per barrel. The price of naphtha rose due to the significant capacity expansion of Mainland China's naphtha cracking plants, resulting in increased ethylene procurement costs for the company compared to last year. In the EVA market, Mainland China's significant capacity expansion has also had an impact, not only continuously improving its EVA self-sufficiency rate and causing fierce price competition in the domestic market but also severely crowding out imported materials. On the demand side, due to the US-China trade conflict and the slowdown in Mainland China's economic growth, particularly in photovoltaic demand which grew less than expected, and the slump in footwear exports, the supply and demand situation for EVA in the Asian Region is gradually changing. After stabilizing and rebounding in the first quarter, the EVA market trend turned downward again in the second quarter, reaching a 5-year Low, with the prices of some general grades even falling below production costs at times. Fortunately, in recent years, our company has continued to develop differentiated products in response to Mainland China's significant expansion of EVA production capacity. Among them, coating-grade EVA sales increased by 26% over last

year, as this type faces a higher production technical bottleneck and currently, Mainland China's domestic products supply only a small amount for low-end applications. Our company continues to expand the market and enhances efforts to develop the Southeast Asia region market to reduce price competition in the Mainland China's general-grade market. Additionally, by timely monitoring market dynamics, we flexibly adjust production line capacity when the EVA market is unfavorable, increasing LDPE production volume, and maintaining full production and sales for the entire year.

The annual total sales volume of LDPE/EVA increased by 4% over the last year, while the average selling price dropped by 13%. In terms of production, the total production of LDPE/EVA for the year was approximately 131,000 MT, a decrease of 1% from the previous year. The process improvement for the development of hot melt adhesive products has been completed, reaching the stage of quantitative commercial production, and is gradually being promoted to application markets. This effort aims to align with the group's sales strategy and enhance the flexibility of future production portfolios. Summarizing the operating results for the year, the decrease in sales price and the rise in raw material costs have resulted in a narrowed product margin.

Consolidated Financial Information in the Past 4 Years

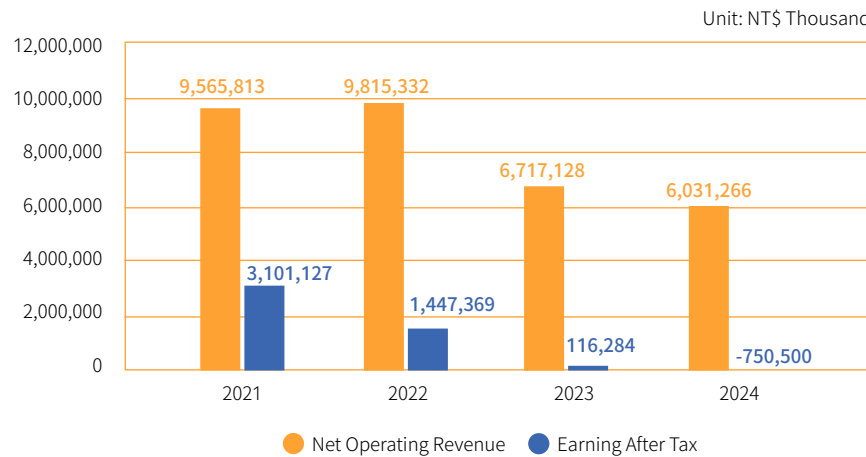
Unit: thousand dollars

| Item | Basic Element | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|--|-----------|------------|-----------|------------------|
| Direct Economic Value Generated | Revenue (including net sales, financial investment income, and asset sales income) | 9,838,486 | 10,191,795 | 6,915,808 | 6,206,248 |
| Distributed Economic Value | Operating Costs | 5,834,461 | 6,468,607 | 5,418,126 | 5,813,213 |
| | Employee Salaries and Benefits | 401,024 | 389,657 | 365,135 | 319,044 |
| | Payments to Investors | 1,803,975 | 722,804 | 276,297 | 160,897 |
| | Payments to Governments (including income tax, fines, land value tax, and house tax) | 668,221 | 656,892 | 229,908 | 9,100 |
| | Social Welfare Investment | 6,873 | 7,898 | 8,247 | 5,869 |
| Retained Economic Value | | 1,123,932 | 1,945,937 | 618,095 | -101,875 |

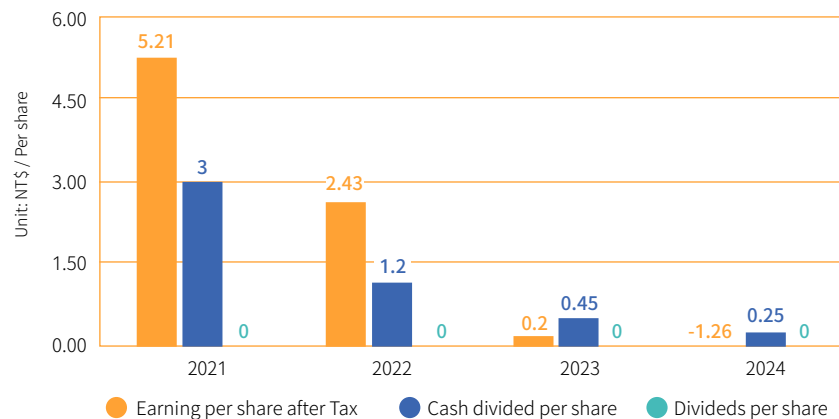
Distribution of Profit

In 2024, the operating revenues were NT\$ 6,031,266 thousand, income tax (excluding estimates) was NT\$ 236,204 thousand, accounting for 3.92% of the operating revenues, and the distributable earnings were NT\$ 2.76 billion. A cash dividend of NT\$ 0.25 per share is proposed. The charts below show the operating revenues and dividend distribution of APC over the past four years:

Asia Polymer's operating revenues and earnings after tax for the past four years



Asia Polymer's divided distributions for the past four years



Major Investments

① Gulei Project

Investment Purpose

Many changes have emerged in the global petro-chemical industry in recent years, 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 Mainland China co-established the Gulei Integrated Refinery Project to achieve the vertical integration of the mid and down-stream products.

Investment Item

The project engages in the production and sales of the following petrochemical products.

1. Ethylene, Propylene, Butadiene
2. Ethylene Vinyl Acetate Copolymer (EVA)
3. Ethylene Oxide (EO)
4. Ethylene Glycol (EG)

Investment Amount and Benefits

- 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 will stabilize upstream material supplies, 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.

Investment Item Milestones

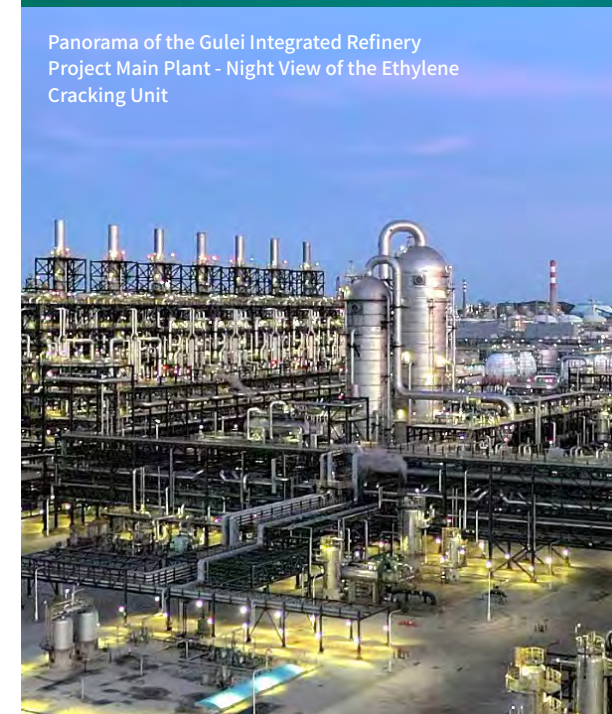
- May 2023 ● Gulei Integrated Refinery Project has been completed and fully operational
- October 2022 ● Intermediate delivery of the EVA plant
- December 2021 ● Fujian Gulei Petrochemical Co., Ltd. started commercial operations
- August 2021 ● Smooth hot commissioning of steam cracking units, SM, EO/EG
- March 2021 ● PP hot commissioning succeeded
- September 2020 ● Intermediate delivery of the PP processing units (Note 1.)
- June 2019 ● Project construction started
- May 2019 ● Approval of the land for project planning by the Gulei Committee
- August 2018 ● Official approval was granted to the Gulei Integrated Refinery Project in Zhangzhou, Fujian
- November 2016 ● Established Fujian Gulei Petrochemical Co., Ltd.

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.



Panoramic View of the West Side of the Gulei Petrochemical Zone



Panorama of the Gulei Integrated Refinery Project Main Plant - Night View of the Ethylene Cracking Unit

2 Investment Plan for Storage and Transportation of Kaohsiung Intercontinental Container Terminal Phase II

In response to the Petrochemical Product Storage and Transportation Center Policy of the Kaohsiung Intercontinental Container Terminal Project launched by the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd., China General Terminal & Distribution Corporation, the ethylene transportation side of the Linyuan Plant, will be relocated from the old port area to the Petrochemical Product Storage and Transportation Center of the Kaohsiung Intercontinental Container Terminal Project Phase II. To ensure the steady production and transportation of ethylene, APC invested NT\$ 10.2 billion to build the outgoing pipelines for the ethylene cold storage at the Petrochemical Product Storage and Transportation Center of the Kaohsiung Intercontinental Container Terminal Project Phase II. This project is to be completed by 2025 and will transition to commercial operation, hoping to continuously provide existing customers with a steady ethylene supply.



Panorama of China General Terminal & Distribution Plant at Intercontinental Container Terminal Phase II



China General Terminal & Distribution Plant at Intercontinental Container Terminal Project Phase II: Ethylene Storage Plant

Financial Assistance Received from Government GRI 201-4

On January 4, 2021, the Ministry of Economic Affairs approved APC application for the "Action Plan for Accelerated Investment by Domestic Corporations" program to the Kaohsiung Intercontinental Container Terminal 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 a form of preferential interest reduction.

The project financing credit has been fully drawn by the end of 2024, with a subsidy of **approximately NT\$ 2.23 million obtained from the Government's National Development Fund in 2024.**

2.3 Risk Management

To strengthen the Company's corporate governance, reduce potential operational risks, and ensure the steady operations and sustainable development, the Audit Committee and the Board of Directors passed the establishment of the "Regulations for Risk Management Policy and Procedure" in December 2020. These Regulations cover the policy, structure, 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

Based on the characteristics of the Company's business and various aspects of the internal and external environment, we establish appropriate measurement methods to identify risks as the basis for risk management, and each risk management unit continues to monitor the risks of its business and propose countermeasures to report to senior management to ensure that the management structure and risk controls functions operate normally.



Risk Management Category

Based on the characteristics of APC's business and operations, include the following risk categories into management:

| Risk Category & Risk Description | Financial Risk | Information Security Risk | Climate Change and Environmental Risks | Disasters and Accidents Risk | Legal Risk | Strategy and Operational Risks |
|----------------------------------|--|--|--|--|--|--|
| | <ul style="list-style-type: none"> Interest Rate Fluctuation Risk Exchange Rate Fluctuation Risk Property Loss Risk Endorsement Guarantee Risk Accounts Receivable Risk | <ul style="list-style-type: none"> Information Operation and Maintenance System Information Security Education, Training and Publicity Customer Transaction Security Protection | <ul style="list-style-type: none"> Risk and Opportunity Assessment due to Climate Change Legal Compliance Understanding of Environmental Laws and Regulations Information | <ul style="list-style-type: none"> Contingency Handling for Unexpected Events Operational, Property, and Personnel Loss Risk Employee Operational Safety Risk Operational Disruption Risk | <ul style="list-style-type: none"> Compliance with Laws and Regulations Risk Transaction Risk Dispute Resolution Awareness and Behavior of Compliance with Laws | <ul style="list-style-type: none"> Industry Risk Investment Risk Operational Disruption Risk Raw Materials and Finished Goods Inventory Risk |
| | Price of Raw Materials and Supply Chain Risk | Human Resources Risk | Technology Risk | Occupational Safety and Health | R&D Risk | Other Risks |
| | <ul style="list-style-type: none"> Changes in Price of Raw Materials Raw Material Inventory and Logistics Management Production Equipment Spare Parts Plan | <ul style="list-style-type: none"> Compliance with Laws and Regulations Risk Risk of Human Resources Shortage Risk of Employee Workforce Stability | <ul style="list-style-type: none"> Information security risks arising from the adoption of new technology. Changes in market consumer habits and lagging production technology. | <ul style="list-style-type: none"> Compliance Audit Contractor Occupational Safety Management Occupational safety education and training publicity Occupational accidents and safe working hours Implementation of the Year Group Safety and Environmental Audit Plan | <ul style="list-style-type: none"> Product Competition Risk R&D Information Control Risk Technological Lag and Product Development Delay Intellectual Property and Patent Risk | <ul style="list-style-type: none"> Severe Special Infectious Diseases (COVID-19) |

Risk Management Operations GRI 2-24

Each risk management unit analyzes the relevant risks within its unit, proposes countermeasures, and regularly reports the execution results and risk status to senior management. The president or a designated person must report on the Company's risk management operations to the Audit Committee and the Board of Directors at least once a year.

On November 6, 2024, the head of the Sales & Marketing Division reported the 2024 risk management operations to the Board of Directors. Please refer to the ESG section [2024 Risk Management Operations Report](#) of the Company's website and the [Risk and Opportunity Action Plan and Implementation Tracking](#) for the report contents.

Information Security Policy GRI 2-23

- ISO 27001 Information Security System: Since 2014, an ISO 27001:2013 information security management system has been established and continuously operated and promoted. An impartial external organization, BSI Taiwan, has been engaged for audits. It has successfully passed certification for 10 consecutive years, with the current certificate valid from July 4, 2023, to October 31, 2025. At the same time, the auditing division of USI Group conducts internal information security audits twice a year.
- NIST CSF Cybersecurity Management Framework: Incorporate the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST).
- Based on the ISO 27001 Information Security System, supplemented by the NIST CSF Cybersecurity Management Framework, to strengthen Risk control, enhance cybersecurity resilience, and possess the ability to endure, contain, and rapidly recover from cybersecurity incidents, thereby continuously providing critical operational services.

Internal Control and Internal Audit System GRI 2-23

The Auditing Division of APC is an independent unit that reports directly to the Board of Directors. It recruits professional colleagues who have obtained international internal auditor certification to join the audit team, upholding an impartial and independent spirit in conducting business. The division regularly attends the meetings of the Audit Committee and the Board of Directors to assist management in inspecting and reviewing the internal control system, as well as measuring operational effectiveness and efficiency. It formulates and implements the annual audit plan based on identified risks. The Internal Audit is the designated unit responsible for handling the Audit Committee mailbox and the report hotline for illegal, unethical, or dishonest behavior.

Annually, internal control audits are executed according to the audit plan approved by the Board of Directors. A report on the findings from the internal control audits and follow-up improvement actions is submitted quarterly to the Audit Committee and the Board of Directors. For the year 2024, the Audit Office has submitted 49 audit reports and 4 follow-up improvement reports, with all recommended improvements completed.

Compliance with Laws and Regulations GRI 2-27

In addition to ethical corporate management, APC also emphasizes legal compliance in all areas. In routine operations, we continually monitor and collect information about the establishment of and amendment to laws and regulations in areas such as corporate governance, labor human rights, environmental protection, and occupational health and safety from government agencies at all times, along with identifying the conformity of these laws and regulations to our operations, revising relevant documents, and carrying out risk management or enforce regulations. SASB RT-CH-530a.1



Ethical Corporate Management GRI 2-26

- 1 In accordance with legal systems, the company has legally established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct for Directors and Managerial Officers", and the group has set the "Code of Conduct for Employees with Part-Time Jobs" to clearly define standards for ethical corporate management and ensure their implementation.
- 2 Periodically analyze and assess risks of unethical conduct within the scope of business - assess the risks of unethical conduct within the scope of business based on the "Checklist for Assessing Risks of Unethical Conduct." After assessment, there are no significant risks this Year.
- 3 Plan the internal organizational structure, establishing monitoring mechanisms for business activities with higher risks of unethical conduct within the scope of business - The company's financial and accounting departments are separated and have mutual supervision mechanisms. The auditing division conducts audits based on the eight cycles and two major management operations, executing annual audit operations after being approved by the Board of Directors to effectively reduce unethical risks.
- 4 Promotion and Coordination of Ethical Policy Advocacy Training - The company continuously conducts ethical advocacy and educational training, using tests to enhance employees' awareness. As of October 18, 2024, ethical corporate management education and training courses have been held, with a total of 71 employee participants and total training hours amounting to 144 hours, detailed as follows:

- 5 Establish a reporting system to ensure the effectiveness of its implementation - Formulate the "Procedures for Handling Cases of Illegal, Unethical, or Dishonest Conduct" to encourage reporting of any conduct that is illegal or violates the code of ethics or the Ethical Corporate Management Best Practice Principles. Provide multiple reporting channels, allowing employees or external parties to report illegal, unethical, or dishonest actions through the following channels. These reports will be handled by designated personnel, and the identity of the reporter and the contents of the report will be kept confidential.
- 6 Assist the Board of Directors and the President in evaluating whether the preventive measures established for implementing Ethical Corporate Management are functioning effectively, and regularly assess the compliance of related business processes, compiling reports.

List of Relevant Regulatory Training Courses for APC in 2024

| Item | Course Name | Hours | Person | Total Hours |
|--------------|---|-------|-----------|-------------|
| 1 | [Ethics Lecture] Understanding Managers Should Have on Preventing Workplace Unlawful Infringement | 2 | 23 | 46 |
| 2 | [Ethics Lecture] Stop, Look, and Listen to Workplace Ethics | 2 | 21 | 42 |
| 3 | [Ethics Lecture] No-Fault Product Liability | 2 | 25 | 50 |
| 4 | [Ethics Lecture] Practical Cases of Insider Trading and Related Legal Responsibilities | 3 | 1 | 3 |
| 5 | [Ethics Lecture] Introduction to the Trade Secrets Act and Case Analysis | 3 | 1 | 3 |
| Total | | | 71 | 144 |



APC 2024 Governance Aspect

No violations of relevant laws and regulations.

APC 2024 Social Aspect

No violations of relevant laws and regulations.

APC 2024 Environmental Aspect

The Linyuan Plant was fined NT\$ 675,000 by the Environmental Protection Bureau of Kaohsiung City for violating the "Air Pollution Control Act".

The relevant reasons for offense and improvement are described as follows: **GRI 2-27**

| Item | Competent Authority | Reason for Offense (Violation of Regulations) | Date of Disposal | Fine Amount (unit: ten thousands) | Improvement Description |
|------|---|---|------------------|--------------------------------------|---|
| 1 | Environmental Protection Bureau of Kaohsiung City | On May 24, 2024, the Environmental Protection Bureau entered the plant to implement an inspection of Volatile Organic Compound (VOCs) leakage concentration from equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M01). The result indicated that 1 point had equipment component leakage net inspection values exceeding the "Kaohsiung City Equipment Component VOCs Control and Emission Standard" of 2,000 ppm, violating Article 20, Paragraph 1 of the Air Pollution Control Act. | November 1, 2024 | 15 | 1. Strengthen on-site personnel inspection of equipment and components 2. The environmental protection section conducts monthly random testing of equipment components |
| 2 | Environmental Protection Bureau of Kaohsiung City | On May 24, 2024, the Environmental Protection Bureau entered the plant to implement an inspection of Volatile Organic Compound (VOCs) leakage concentration from equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M02). The result indicated that 3 points had equipment component leakage net inspection values exceeding the "Kaohsiung City Equipment Component VOCs Control and Emission Standard" of 2,000 ppm, violating Article 20, Paragraph 1 of the Air Pollution Control Act. | November 1, 2024 | 15 | 1. Strengthen on-site personnel inspection of equipment and components 2. The environmental protection section conducts monthly random testing of equipment components |
| 3 | Environmental Protection Bureau of Kaohsiung City | On May 24, 2024, the Environmental Protection Bureau entered the plant to implement an inspection of Volatile Organic Compound (VOCs) leakage concentration from equipment components in the Low-Density Polyethylene Chemical Manufacturing Process (M03). The result indicated that 1 point had equipment component leakage net inspection values exceeding the "Kaohsiung City Equipment Component VOCs Control and Emission Standard" of 2,000 ppm, violating Article 20, Paragraph 1 of the Air Pollution Control Act. | November 1, 2024 | 15 | 1. Strengthen on-site personnel inspection of equipment and components 2. The environmental protection section conducts monthly random testing of equipment components |
| 4 | Environmental Protection Bureau of Kaohsiung City | On October 11, 2024, during the start-up of the Low-Density Polyethylene Chemical Manufacturing Process (M03), steam was used to purge residual polymers within the pipeline. Due to excessive instantaneous pressure, gas was released from the relief valve of the separator and directed to the exhaust gas combustion tower for treatment by combustion. Incomplete combustion resulted in the instantaneous release of significant particulate pollutants (black smoke), causing air pollution. This action violated Article 32, Paragraph 1, Item 1 of the Air Pollution Control Act. | November 1, 2024 | 22.5 | 1. Enhance personnel educational training 2. Reduce blower pressure. |

Reporting Channels GRI 2-25, 2-26

APC established the reporting handling procedures and related confidentiality mechanisms on November 9, 2017 "Procedures for Handling Cases of Illegal, Unethical, or Dishonest Conduct", as approved by the Audit Committee and the Board of Directors. In case of reporting incidents, reports can be made in person or through the report email and hotline, and will be handled by the designated unit.

Implementation Status:

The Group Auditing Division and Human Resources Division compile a report for the Audit Committee on the receipt, processing, and improvement implementation status. **For the year 2024, the Auditing Division did not receive any report cases.**

Report Email

"Audit Committee Email" in the "Investor Service" section on the APC website.

Report Hotline

1. Group Auditing Division: (02)2650-3783
2. Gender Equality Support Hotline (Group HR Division): (02) 8751-6888 ext. 2609
3. Dedicated Email for Reporting Sexual Harassment and Unlawful Workplace Conduct: usighr@usig.com

