CH4 Eco-Friendly

Material Topics

Raw Materials Management, Water Resources Management, Climate Change and Energy Management, Air Pollution Control, Waste Management

Performance Highlights

- The average electricity savings rate in 2025 was 1.91%, outperforming the regulatory requirement of 1.5%.
- Greenhouse gas emissions in 2025 were 101,839 metric tons of CO_2e, a decrease of 13.1% compared to the base year (2017).
- The water consumption per unit of product in 2025 was 3.78 M^3/metric ton;
- The water recycling rate was 97.30%.
- Under the 2025 energy-saving and carbon reduction plan, energy savings reached 11,474 GJ, and carbon reduction was 1,391 metric tons of CO_2e.
- In 2025, 10% of the contracted capacity used solar green power, complying with regulations.

Corresponding SDGs

Certified Management Systems

ISO 14001 Environmental Management Systems
Valid until: 2028.05.08

ISO 50001Energy Management Systems
Valid until: 2025.11.19

4.1 Resource Management

Material Topic: Raw Materials Management, Corresponding Sustainability Principle: Sustainable Development GRI 2-25、3-3

Management Approach and Elements

Importance to APC

Quality control and effective reuse of raw materials can reduce production costs and environmental impact.

Management Approach and Objectives

By monitoring ethylene raw material usage efficiency and controlling jumbo bag recycling, we reduce production costs, minimize waste generation, and lower environmental impact.

Strategy

- Raw material usage efficiency monitoring
- Material recycling and reuse

Management Impact

Positive/Negative Impacts

- Positive actual impact - Improving raw material usage efficiency and reducing costs
- Positive potential impact - Actively seeking alternative raw materials

Negative Remediation and Preventive Measures

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Management Approach Targets and Performance

2025 Targets

- Ethylene usage efficiency ≤ 1.009
- Equipment operation rate ≥ 96.6%
- Jumbo bag recycling rate ≥ 78%
- Recycled waste film roll reuse ≥ 60 metric tons

2025 Performance

- Ethylene usage efficiency: 0.9991 (✓)
- Equipment operation rate: 98.34% (✓)
- Jumbo bag recycling rate: 78.3% (✓)
- Recycled waste film roll reuse: 74.22 metric tons (✓)

Short-term Targets (<3 years)

- Ethylene usage efficiency ≤ 1.009
- Equipment operation rate ≥ 96.6%
- Jumbo bag recycling rate ≥ 78%
- Recycled waste film roll reuse ≥ 60 metric tons

Mid-to-Long-Term Targets (≥ 3 years)

- The Kaohsiung Intercontinental Container Terminal (ICT) Project Phase 2 can improve raw material supply flexibility and increase daily ethylene supply by about 19%

Evaluation of Management Approach

Effectiveness Evaluation

- Ethylene efficiency is included in quality targets to control execution achievement rate
- Packaging material recycling and reduction are incorporated into daily management

Management Approach Adjustments

- Regularly review ethylene efficiency execution performance at weekly plant affairs meetings
- The Finishing Section tracks jumbo bag recycling rates monthly

Raw Material Usage

APC's Linyuan Plant produces Low Density Polyethylene resin, Ethylene Vinyl Acetate copolymer resin, and other products. The major raw materials are ethylene and vinyl acetate, and the major secondary material is mineral spirits; No renewable raw materials are used for the major raw materials, and the products are not recycled for reuse.

Major Raw Material Usage at the Linyuan Plant for the Past Three Years

Raw Material Category	Unit	2023	2024	2025
Ethylene	MT	109,548	112,125	121,275
VAM	MT	25,163	20,964	20,174

Material Usage and Recycling GRI 301-1、301-2

The Linyuan Plant's product packaging formats are divided into bag packaging and container bag transportation. Bag packaging materials include PE bags, jumbo bags, container bags, top sheets, and stretch films, with no renewable materials used. To reduce the environmental impact caused by product packaging materials, packaging materials such as PE bags, container bags, top sheets, and stretch films are recycled and reused by customers themselves, mainly serving as temporary packaging for customers' finished products or sundries. Jumbo bag packaging materials are recycled and reused by the Linyuan Plant; transportation companies bring the jumbo bags back to the Linyuan Plant along the way when delivering goods. The average number of uses for each jumbo bag is about 4 times.

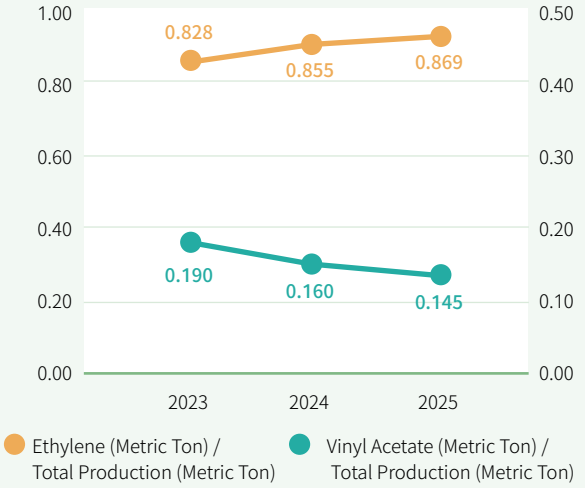
Usage and Recycling Rates of Various Product Packaging Materials for the Past Three Years GRI 301-3

Packaging Material Category	Unit	2023		2024		2025	
		Usage	Recycling Rate	Usage	Recycling Rate	Usage	Recycling Rate
PE Bag	MT	458	Recycled by customer	423	Recycled by customer	416	Recycled by customer
Top Sheets and shrinkable films	MT	55	Recycled by customer	52	Recycled by customer	44	Recycled by customer
Flexible intermediate bulk container	MT	136	78.3 %	206	79.5 %	136	78.3 %

Note:
1. Jumbo bag recycling rate = (Number of recycled jumbo bags / Number of jumbo bag packaged products sold), based on domestic sales for recycling calculation.
2. A small portion of the jumbo bags recycled by customers is cut by customers, and a small portion is stained during transportation, causing the recycling rate to be unable to effectively increase. We will communicate and coordinate with customers to ensure the recycled jumbo bags can be reused.
3. Customers have not specified container bag packaging for shipment for many years, so the statistics on container bag usage have been suspended.

Due to EVA product line adjustments and increased demand for LDPE products in 2025, the total production volume was 139,546 metric tons, a 6.44% increase compared to 2024. In coordination with production and sales adjustments, the vinyl acetate usage per unit of product decreased, while the ethylene usage per unit of product increased; EVA will gradually develop towards high value-added and high VA content products.

Major Raw Material Usage per Unit of Product at the Linyuan Plant for the Past Three Years



Implementing the Circular Economy

Scraps such as dross and dirty waste generated during the production process that cannot be profitably recycled and regenerated, as well as "waste film rolls" generated by blown film during the quality inspection process, are all handed over to cooperative businesses for subsequent processing and reuse, and supplied to other industries in need, implementing resource circulation and extending product value, and effectively reducing environmental impact. **The Linyuan Plant had 288.6 metric tons of scraps and 74.2 metric tons of waste film rolls in 2025.**

Water Resources Management

Material Topic: Water Resources Management, Corresponding Sustainability Principle: Sustainable Development GRI 2-25、3-3

Management Approach and Elements

Importance to APC

Global warming has led to extreme weather. In recent years, government units, stakeholders, and the company internally have gradually paid attention to water resources management. Through water-saving measures and water-saving plans, precious water resources are circulated, recycled, and reused.

Management Approach and Objectives

- Focusing on source process improvements, supplemented by end-of-pipe treatments, to enable water resources circular reuse.
- Continuously implementing water-saving measures, emission reductions, and water recycling management.

Strategy

- Water recycling rate management tracking
- Continuous management tracking of water consumption per unit of product
- Continuous management tracking of water-saving related process improvement cases
- The data boundary for water resources management is the Linyuan Plant, with a data coverage rate of 100%.

Management Impact

Positive/Negative Impacts

- Positive actual impact - Improving the water recycling rate reduces production costs
- Negative actual impact - The collection of water consumption fees increases production costs

Negative Remediation and Preventive Measures

- Cooperating with the public sector's phased water-saving plans, the plant implements three-stage water-saving measures, which can save 10% of water consumption.
- Continuously track and manage water recycling rates, water consumption per unit of product, and water-saving process improvement cases.

Management Approach Targets and Performance

2025 Targets

- Water recycling rate > 95%
- Water consumption per unit of product: < 4.0 M^3 / metric ton

2025 Performance

- Water recycling rate: 97.3% (✓)
- Water consumption per unit of product: 3.78 M^3 / metric ton (✓)

Short-term Targets (<3 years)

- Water recycling rate > 96%
- Water consumption per unit of product: < 3.9 M^3 / metric ton

Mid-to-Long-Term Targets (≥ 3 years)

- Water recycling rate > 97%
- Water consumption per unit of product: < 3.8 M^3 / metric ton
- Annual water-saving related process improvement cases ≥ 1

Evaluation of Management Approach

Effectiveness Evaluation

- Water saving statistics
- Water bills
- Regular calibration of flow meters
- Tracking and managing water consumption per unit of product via ISO 9001

Grievance Mechanism

- "Sustainable Development Section" on the APC official website
- Environmental impact grievance channel

Management Approach Adjustments

- Explain the implementation status of independent water saving and the water-saving rate at regular plant affairs meetings, and conduct rolling reviews.
- Discuss the implementation progress and construction methods of water-saving related improvement cases at regular technical exchange meetings.

Water Resources Sources for the Linyuan Plant

Water Resources Risk Level: Low-Medium (10~20%)

Water Resources Sources: Third-party water Category: Freshwater (≤ 1,000 mg/l Total Dissolved Solids)
Tap water: Supplied by the Gaoping River Weir via the Fengshan Reservoir
Pure water: Supplied by the Taiwan VCM Corporation

1. Adopted the water risk assessment tool developed by the World Resources Institute (WRI).
2. The data boundary for water resources management is the Linyuan Plant, with a data coverage rate of 100%.
3. The Company defines areas with water stress exceeding 40% as water-stressed areas, serving as an important basis for water management and risk response.

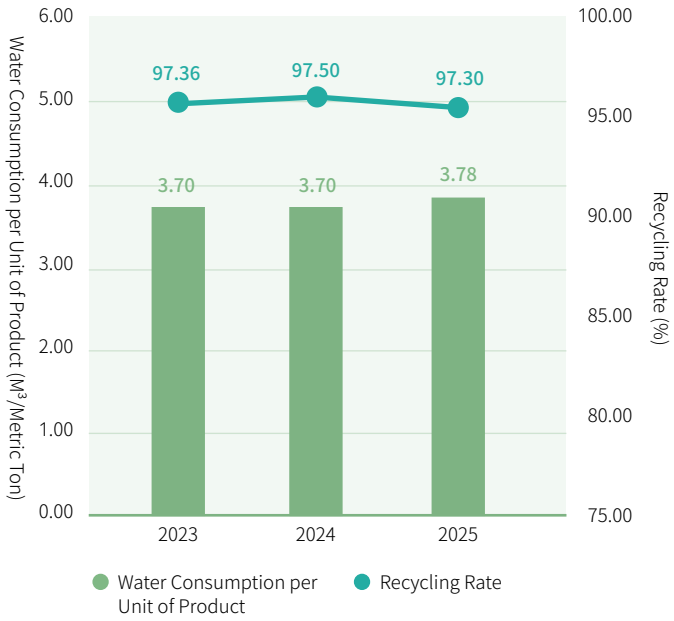
Item	2024	2025	Variance
Linyuan Plant Total Water Withdrawal (Thousand Cubic Meters)	485.689	527.110	Increase 8.5%
Linyuan Plant Water Discharge Volume (Thousand Cubic Meters)	170.558	180.667	Increase 5.9%
Linyuan Plant Total Water Consumption (Thousand Cubic Meters)	315.131	346.443	Increase 9.9%
Water Recycling Rate (%) (Reuse Rate, R2)	97.50	97.30	Decrease 0.2%
R2 = (Total circulated water + Total recycled water + Rainwater withdrawal + Condensate withdrawal - Cooling tower internal circulation volume) / (Total withdrawal + Total reused water + Total circulated water - Cooling tower internal circulation volume) x 100%			

Note: Information re-compiled. 1. After assurance by a third-party verification unit, water withdrawal (newly incorporating pure water and water truck loads).
2. The water recycling rate is now presented using the R2 calculation method.

GRI 2-4 GRI 303-1、303-3、303-4、303-5 SASB RT-CH-140a.1

The water consumption per unit of product in 2025 was 3.78 M^3/metric ton, an increase of 2.16% from the previous year, but still below the target value of 4.0 M^3/metric ton. The recycled and reused water at APC's Linyuan Plant includes condensate recovery and cooling tower cooling water circulation and reuse. Calculated based on the water usage indicators stipulated in the "Directions for Review of Water Consumption Plans" announced by the Ministry of Economic Affairs, the water recycling rate (R2) in 2025 was 97.30%, a decrease of 0.2% from the previous year. The water consumption per unit of product and the water recycling rate of APC's Linyuan Plant for the past three years are shown in the figure. In recent years, with abundant rainfall, the water resources risk in the Kaohsiung area has decreased. The company still values the potential impacts of extreme weather, and we will continue to be fully prepared and implement water resources management.

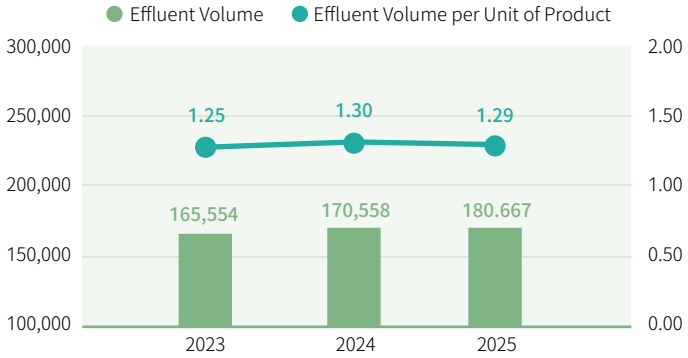
Water Consumption per Unit of Product and Water Recycling Rate at the Linyuan Plant for the Past Three Years



Effluent Management GRI 303-2

The Linyuan Plant's process involves gas compression reaction to form solid polyethylene resin products. Inside the plant, tap water is used for cooling equipment, pelletizing cooling, and cleaning product storage tanks, and is then collected in the blending pool. Therefore, the discharged water can be pollution-free and discharged at levels superior to legal regulations. It is discharged through underground pipelines into a dedicated sewage sewer system to the Linyuan Industrial Park Wastewater Treatment Plant for processing operations.

In 2025, the effluent volume was 180,667 M^3, an increase of 5.9% compared to 2024. The effluent volume per unit of product was 1.29 M^3/metric ton, a decrease compared to 2024, mainly due to a 26% increase in Low Density Polyethylene (LDPE) capacity and a 6.44% increase in total capacity.

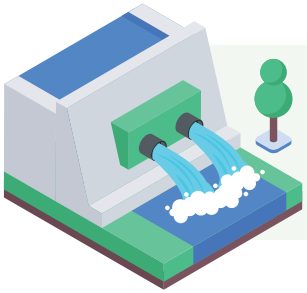


The main testing items for the Linyuan Plant's effluent include suspended solids, chemical oxygen demand, and pH value. The regularly tested and declared items are all lower than the sewer water quality standards.

The test results for major water quality items of the effluent from APC's Linyuan Plant over the past three years are shown in the table:

Unit: mg/L

Testing Item	2023	2024	2025	Effluent Standards
Suspended Solids	5.51	11.29	3.90	≦ 25
Chemical Oxygen Demand	32.77	38.57	20.78	≦ 90
pH Value	7.46	7.39	7.60	6~9



The test items for effluent water quality control in 2025 were all within the passing range, with no violations of the discharge permit.

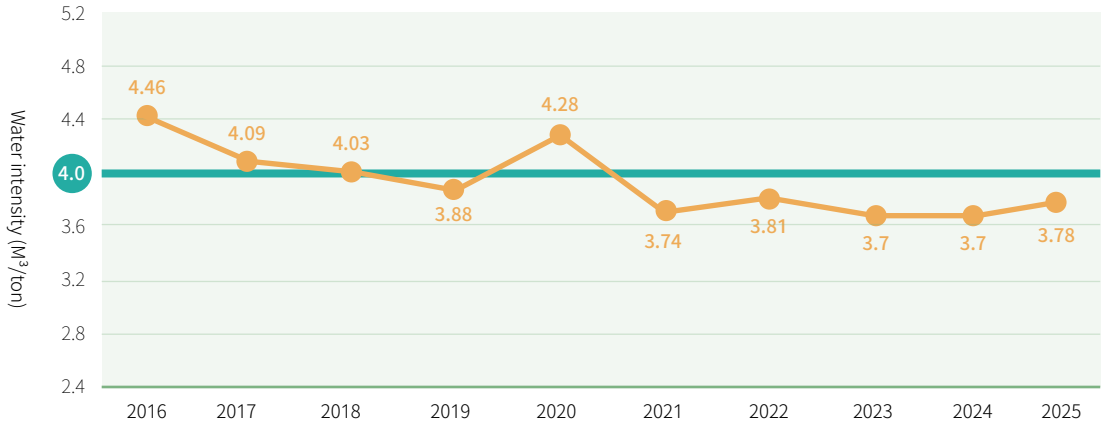
GRI 303-2 SASB RT-CH-140a.2

Water-Saving Measures

APC's main water consumption is for process heat removal equipment and vaporization heat loss from cooling towers. Over the years, water-saving plans have been successively implemented, such as converting absorption chillers to electric types, waste heat recovery, pelletizing soft water management, and increasing the cooling water concentration cycle. In 2025, due to maintaining the efficiency of heat exchanger equipment and improving leaking equipment, the water consumption per unit of product remained at the previous year's level. In recent years, abnormal climate changes due to global warming have led to increasingly severe domestic water shortage situations. In response to the water shortages, in addition to gradually implementing phased water restriction measures, the government has also actively integrated wastewater volumes from various processing zones and industrial parks to further plan and build wastewater recycling plants.

However, after evaluating the construction and operating costs of a wastewater recycling system for this plant, the construction of a small-scale wastewater recycling system was temporarily suspended. We are developing plans to coordinate with the government's wastewater recycling policy, partially adopting reclaimed water from government-built wastewater recycling plants as in-plant water usage, to achieve a win-win advantage for both the government and the enterprise. SASB RT-CH-140a.3

Linyuan Plant Water Intensity Trend



Note: The 2025 target value for water intensity is 4.0 M^3/ton.

Response measures of APC Linyuan Plant to the government's phased water rationing measures:

Stage 1

- Advocate water conservation among employees
- Recycle office washing water for watering plants
- Use discharged pelletizing water and cooling water for low-grade water purposes

Stage 2

- Increase the cycles of concentration in cooling towers (from 5.5 to 7.5 times)
- Reduce the frequency of fire water testing and postpone fire drills
- Reduce the makeup water for pelletizing in production lines
- Suspend non-essential cleaning of product storage tanks and floors

Stage 3

- Temporarily suspend water supply for employee showers
- The distillation and purification system can only be started when the recovery tank reaches a high liquid level

The three-stage measures can save about 10% of water consumption, supplemented by purchasing groundwater via water trucks if necessary.

4.2 Climate Change and Energy Management

Material Topic: Climate Change and Energy Management, Corresponding Sustainability Principle: Sustainable Development GRI 2-25、3-3

Management Approach and Elements

Importance to APC

Extreme weather impacts human life and property, which is an issue the world must face. Regarding the direction of EU policies, enterprises need to prepare and respond in advance.

Improving energy efficiency and reducing greenhouse gas emissions are matters that enterprises must implement immediately.

Management Approach and Objectives

Establish the ISO 50001 Energy Management Systems to improve energy efficiency through energy-saving measure improvements and energy performance indicator monitoring, and voluntarily inventory and monitor greenhouse gas emissions to meet voluntary greenhouse gas reduction commitments and regulatory compliance, analyzing climate change risks and opportunities to reduce financial losses in production operations caused by extreme weather.

Strategy

- Formulate energy-saving and carbon reduction commitments
- Improve energy usage efficiency
- Regulatory compliance
- Climate change risk response

Management Impact

Positive/Negative Impacts

- Positive actual impact - Investing in renewable energy to comply with regulatory requirements
- Positive potential impact - Investing in renewable energy to achieve green power goals
- Negative actual impact - Soaring energy prices and rising electricity rates
- Negative potential impact - Carbon fee collection increasing production costs

Negative Remediation and Preventive Measures

- Cooperate with the Group's Energy and Resource Management Department to review in-plant energy-saving and carbon reduction plans year by year
- Plan and install generator equipment to ensure backup power is available when power supply is interrupted
- Build 494 kW solar power equipment for self-consumption
- The Group conducts green power strategy planning and execution, and APC legally used 2.5 million kWh of solar green power in 2025

Management Approach Targets and Performance

2025 Targets

- Greenhouse gas emissions per unit of product < 0.739 metric tons CO_2e/metric ton
- Energy consumption per unit of product < 5.77 GJ/metric ton
- Legally use 10% of contracted capacity in green power (2.5 million kWh)
- 2025 energy-saving and carbon reduction plan, reducing carbon by 1,685 metric tons CO_2e
- Build a 494 kW solar power site for self-consumption in 2025

2025 Performance

- Greenhouse gas emissions per unit of product: 0.730 metric tons CO_2e/metric ton (✓)
- Energy consumption per unit of product: 5.64 GJ/metric ton (✓)
- Procured 2.515 million kWh of solar green power and wheeled it for use (✓)
- 2025 energy-saving and carbon reduction plan, reducing carbon by 1,391 metric tons CO_2e (✗)
- Build a 494 kW solar power site for self-consumption in 2025 (✗)

Explanation and Optimization of Unmet Targets

- Due to a 6.4% increase in annual capacity and differences in the evaluation of energy-saving and carbon reduction cases, process operation conditions will be optimally adjusted to reduce energy consumption per unit of product.
- The 494 kW solar power for self-consumption construction project was delayed to Q2 of 2026 due to delays in the procurement inquiry process. The procurement inquiry process will be reviewed to prevent similar occurrences.

Short-term Targets (<3 years)

- Greenhouse gas emissions per unit < 0.739 metric tons CO_2e/metric ton
- Energy consumption per unit of product < 5.77 GJ/metric ton
- 2026 energy-saving and carbon reduction plan, reducing carbon by 930 metric tons CO_2e

Mid-to-Long-Term Targets (≥ 3 years)

- Greenhouse gas emissions per unit < 0.730 metric tons CO_2e/metric ton
- Energy consumption per unit of product < 5.59 GJ/metric ton
- 2030 target emissions: 0.634 (metric tons CO_2e/metric ton)
- Reduce carbon by 27% by 2030 compared to the base year, and achieve carbon neutrality by 2050

Evaluation of Management Approach

Effectiveness Evaluation

- Incorporate energy-saving and carbon reduction management plans into the energy management system to control execution progress
- Supervise, measure, and control energy performance indicators, reviewing differences monthly
- "Energy User Energy Conservation Audit System Declaration Form" from the Energy Administration
- "Greenhouse Gas Inventory Registration and Management Regulations" from the Ministry of Environment, voluntarily conducting greenhouse gas inventory

Grievance Mechanism

- "Contact Us" mailbox on the APC website
- Stakeholder concerned issues questionnaire survey

Management Approach Adjustments

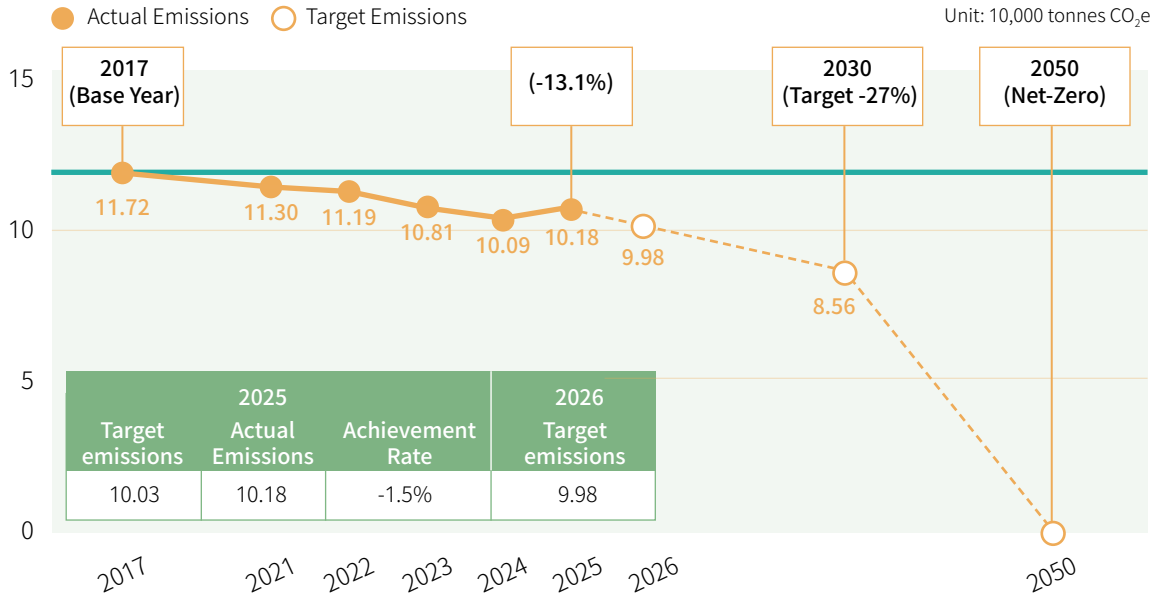
- USI Group technical exchange meeting
- Energy management system management review meeting

Climate Change Risk Management GRI 2-23、2-24

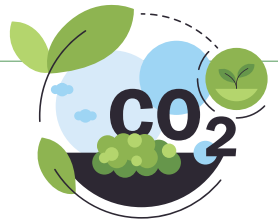
Facing the impacts of climate change, carbon reduction has become a globally shared goal. The USI Group set a 2030 carbon reduction target in early 2022 to "reduce carbon emissions by 27% by 2030 compared to 2017," and further established "net-zero by 2050" as a long-term corporate target in 2023. To achieve the corporate sustainability vision, the USI Group is actively implementing corresponding response strategies and management mechanisms with practical actions. The Group fully implements ISO 14064-1 greenhouse gas inventory and verification/assurance, and plans to execute carbon reduction plans. The Group is also actively developing external renewable energy sites. In 2025, the solar grid-connected capacity was increased to 9 MW, with an annual power generation exceeding 11.25 million kWh, and is expected to further reach an installation scale of 12 MW by 2027.

APC has planned a carbon reduction path following the Group's 2030 carbon reduction target. The greenhouse gas emissions in 2025 have decreased by 13.1% compared to the base year (2017). In the future, we will more actively execute energy saving and carbon reduction plans. The mid-term carbon reduction strategy will move towards low-carbon energy transition, energy efficiency improvement, intelligent monitoring, and renewable energy installation and use. The long-term carbon reduction strategy will continue to focus on low-carbon fuels, carbon capture and utilization technologies, and negative carbon emission technologies to implement the net-zero target and promote sustainable development.

1. 2017 is designated as the base year for total greenhouse gas emissions.
2. Based on the 2022 ISO 14064-1 external verification results, the 2017 base year carbon emissions were revised to 117,228 tonnes CO_2e (before revision: 110,863 tonnes CO_2e).



2025			2026
Target emissions	Actual Emissions	Achievement Rate	Target emissions
10.03	10.18	-1.5%	9.98



Carbon Reduction Planning and Actions

Short-term: Execute energy saving and carbon reduction plans, replace energy-saving equipment, and use green power

Mid-term: Low-carbon energy transition, intelligent energy efficiency improvement, and solar power equipment installation

Long-term: Carbon capture technologies, negative carbon emission technologies, and low-carbon fuel use

APC actively responds to climate change challenges by incorporating them into the company's core governance framework. The Board of Directors serves as the highest governance body, with its subordinate "Sustainability Development Committee" responsible for strategic review and supervision, and risk monitoring implemented through the "Risk Management Team." In addition, APC integrates ESG performance into the executive compensation system to strengthen the accountability of organizational climate actions. In terms of strategy and risk management, APC references the IFRS S2 standards to establish a comprehensive process for identifying, evaluating, and analyzing the financial impacts of climate risks. To achieve the sustainability vision, the Company clearly defines the carbon reduction pathway for the consolidated entity: with 2017 as the base year, aiming to reduce carbon by 27% by 2030, and moving towards net-zero by 2050. Through specific response actions such as equipment replacement, renewable energy installation, and production optimization, along with regular disclosure of carbon emission data, APC demonstrates its determination to build climate resilience and promote sustainable development across the value chain. GRI 201-2

Climate Change Management Framework

Category	Management Strategy and Action
Governance	✓ Governance Body: APC's Board of Directors is the highest governance body responding to climate change and supervises climate change management actions. The subordinate Sustainability Development Committee is chaired by an independent director and annually reviews the company's climate change strategies and targets, manages climate change risk and opportunity actions, reviews implementation status, and reports to the Board. ✓ Management Level · Group Business Management Meeting: Chaired by the Chairman, irregularly conducts promotion planning and achievement reporting on major energy saving and carbon reduction policies. · Group's Equipment Preventive Maintenance Environmental Risk Control Division Quarterly Meeting: As the highest unit executing energy management for the USI Group, it reports to the Chairman on promotion plans and progress every quarter and makes decisions. · Risk Management Team: Annually reports risk identification results to the Board. The identification content covers risks caused by issues such as global climate change, energy, and related fiscal and taxation matters. · Remuneration Committee: Annually reviews executive performance related to ESG (including climate change issues) and integrates climate-related goals into executive performance evaluations and compensation systems to monitor the realization of climate-related goals.
Strategy	✓ Identify Risks and Opportunities: Identify material items based on the likelihood and impact of risk and opportunity items. ✓ Assess Potential Financial Impact: Conduct potential financial impact assessments on identified material risks and opportunities. ✓ Scenario Analysis: Set net-zero plans based on what can be achieved under different scenarios.
Risk Management	✓ IFRS S2: Evaluate climate-related risks and opportunities that can reasonably be expected to affect the company, and information on the current and anticipated impacts on the business model and value chain. ✓ Identification Results: Reference the IFRS S2 framework to identify risks and opportunities, communicate with respective responsible units, and have executives confirm the annual promotion items. The company sets qualitative and quantitative evaluation criteria based on the nature, likelihood, and potential impact level of risks to identify, evaluate, prioritize, and monitor climate-related risks and opportunities.
Metrics and Targets	✓ Group Carbon Reduction Targets: Set 2017 as the base year, reduce carbon emissions by 27% by 2030 compared to the base year, and achieve net-zero by 2050. ✓ Climate Response Strategies: Equipment replacement, renewable energy equipment installation, production scheduling optimization, building HVAC planning, Energy Management Systems, and extreme climate emergency response plans. ✓ Greenhouse Gas Emission Disclosure: Disclose Scope 1, Scope 2, and Scope 3 emission data in the ESG report annually, and regularly review the reasons for increases or decreases.

Group Promotes Internal Carbon Pricing GRI 2-23、2-24

To respond in advance to the government's carbon fee policy, effectively tackle climate change, and reduce carbon risks, the USI Group introduced an internal carbon pricing system in 2024. The implementation scope covers all plant sites in Taiwan. The price references the domestic carbon fee pricing basis, initially set at NT$300 per tonne of carbon, with rolling reviews for phased increases.

This system mainly integrates carbon costs into the corporate decision-making and investment evaluation processes, assesses the impact of carbon emissions on business operations, accelerates the execution of carbon reduction measures, and drives low-carbon investments.

To ensure the effective implementation of the mechanism, the Group conducts regular annual management and confirms the execution status. In May 2025, the Group completed the verification of each unit's actual performance in incorporating carbon pricing into project evaluations, ensuring that the mechanism can be substantially transformed into a driving force for low-carbon transition, thereby achieving the enterprise's long-term sustainable development goals.

Response to IFRS Sustainability Disclosure Standards

The "Roadmap for Promoting the Adoption of IFRS Sustainability Disclosure Standards in Taiwan" published in August 2023 states that listed companies in Taiwan will apply the IFRS Sustainability Disclosure Standards in three phases starting from 2026. The USI Group established a cross-departmental IFRS project task force in 2024 and reports its implementation status to the Board of Directors of USI Corporation for control on a quarterly basis. The IFRS project task force is comprehensively led by the Group CFO, with cross-departmental cooperation between the "Operational Impact Task Force" and the "Financial Impact Task Force" to evaluate the potential financial impacts and effects of material risks and opportunities on the company. APC is a member of the Operational Impact Task Force. It has completed the Phase 2 items in 2025 and is expected to disclose relevant information in the sustainability information chapter of the annual report to be published in 2028.

Phase/ Task	Phase 1: Analysis and Planning (Completed)	Phase 2: Design and Execution (Completed)		Phase 3: Adoption	Phase 4: Adjustment and Improvement
Schedule	2024 Q4	2025 Q2	2025 Q3	2025 Q4	2027 Q3 ~ Q4	2028 Q1
Execution Item Summary	● Establish a cross-departmental task force for adopting IFRS Sustainability Disclosure Standards ● Preliminarily identify material differences and impacts between current sustainability information and IFRS Sustainability Disclosure Standards ● Preliminarily identify the reporting entity ● Formulate the adoption plan	● Identify sustainability-related risks and opportunities topics ● Assess the potential impacts of sustainability-related risks and opportunities on current and anticipated financial positions ● Assess whether sustainability-related information constitutes material financial information, and incorporate it into disclosure aspects such as metrics and targets, risk management, and strategy	● Inventory sustainability-related data required to be collected within the Company's reporting boundary and value chain ● Establish linkages between sustainability-related data and data used for financial reporting information (e.g., input values and parameters, etc.)	● Revise and adjust company processes, financial and non-financial reporting processes, information systems, supply chain management processes, internal controls, and daily operational tasks of various departments	● Pilot the preparation of the sustainability information special chapter in the annual report ● Continuously update internal control operation manuals related to IFRS sustainability information and conduct education and training	● Disclose relevant information in the sustainability information special chapter of the 2026 annual report in accordance with the provisions of the IFRS Sustainability Disclosure Standards, and complete the public announcement and filing simultaneously with the 2026 financial statements.

Climate Risk and Opportunity Identification GRI 201-2

To strengthen climate risk management and align with international standards, the Company references the IFRS S2 "Climate-related Disclosures" standard to evaluate the impacts of climate-related risks and opportunities on corporate strategy and financial conditions. Through scenario analysis, key factors are identified, and countermeasures are incorporated into the business decision-making process. Physical risks reference the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) "Atlas of Key Climate Change Indicators in Taiwan: AR6 Statistical Downscaling Edition" and research data from the National Science and Technology Center for Disaster Reduction, adopting the IPCC AR6 combined with scenarios of "Shared Socioeconomic Pathways (SSP)" and "Representative Concentration Pathways (RCP)."

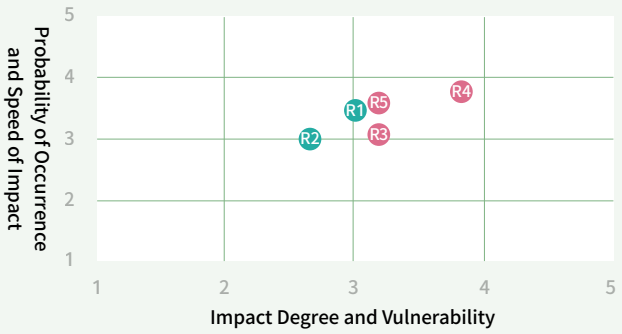
The Company chooses the SSP5-8.5 (very high greenhouse gas emissions) scenario as the baseline, expecting carbon dioxide emissions to double by 2050, and conducts financial impact analysis targeting disasters such as "high temperatures," "flooding," and "drought." Transition risks reference the World Energy Outlook (WEO) report published in 2021 by the International Energy Agency (IEA). The report divides scenarios into three types based on different energy trends and climate policies: STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions). Among them, NZE assumes all countries will achieve net-zero emissions by 2050, making it the most aggressive scenario for promoting reduction measures.

In addition, reference is also made to the "Taiwan's Pathway to Net-Zero Emissions in 2050" issued by the National Development Council in 2022 to echo the national carbon reduction pathway and ensure the Company retains resilience for sustainable operations under the impacts of extreme climate change. To ensure the evaluation results fit operational realities, the Company distributed questionnaires to high-level unit executives to evaluate 5 climate risks across four dimensions: "Impact Degree," "Probability of Occurrence," "Vulnerability," and "Speed of Impact." Simultaneously, 5 climate opportunities were evaluated based on "Impact Degree" and "Probability of Occurrence." After questionnaire statistics, quantitative model analysis, and plotting 2D scatter plots, 5 key material issues that need to be prioritized in risk management and strategic planning were ultimately identified:

3 high-priority risks: R1 Transition Risk - Carbon Fee Levy, R4 Physical Risk - High Temperatures and Unstable Energy Supply, R5 Physical Risk - Extreme Wind, Rain, and Flooding

2 high-potential opportunities: O1 Introduction of Low-Carbon Energy, O5 Enhance Corporate Reputation and Brand Awareness

For the aforementioned material climate issues, APC initiated scenario simulations and financial impact assessments, and formulated corresponding response strategies and management mechanisms. To ensure the effectiveness of risk management, the Company performs regular annual monitoring of climate change-related risks. The execution results are compiled into the company's risk management operation status and reported annually to the Audit Committee and the Board of Directors. This ensures the effective implementation of risk management measures, aiming to accurately grasp and reduce operational impacts brought by extreme climates, and strives to build a resilient climate change culture.

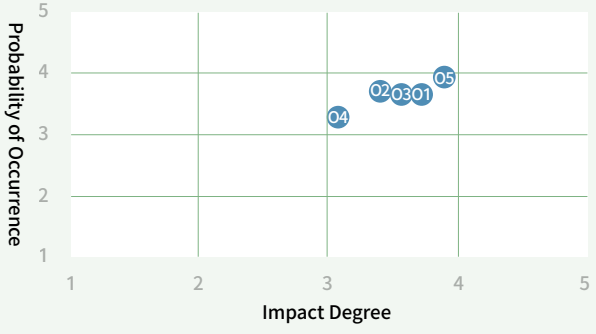


Transition Risk

- ★ R1 Carbon Fee Levy
- R2 Changes in Customer Behavior

Physical Risk

- R3 Drought and Water Shortage
- ★ R4 High Temperatures and Unstable Energy Supply
- ★ R5 Extreme Wind, Rain, and Flooding



Opportunity

- ★ O1 Introduction of Low-Carbon Energy
- O2 Low-Carbon Product Innovation and Market Expansion
- O3 Energy Efficiency Improvement and Process Carbon Reduction Optimization
- O4 Water Resource Use Efficiency Management
- ★ O5 Enhance Corporate Reputation and Brand Awareness

In response to the uncertainties brought about by climate change, APC has identified major climate physical risks, transition risks, and climate-related opportunities relevant to its operations, and evaluated their potential impacts on company business, operational strategies, and financial performance across different time scales.

Based on its own operational characteristics and industrial environment, the Company defines the time scales as follows:

Short-term (under 1 year): 2026 Mid-term (over 1 year to under 5 years): Before 2030 Long-term (over 5 years): 2030 to 2050

Sustainability and Climate-Related Risk and Opportunity Items Reasonably Expected to Have an Impact

Type	Item	Description	Timeframe of Potential Impact	Where it is concentrated in the business model / value chain	Impact on the business model / value chain
Transition Risk	**Carbon Fee Collection**	According to the "Climate Change Response Act" , Taiwan will officially start collecting carbon fees from 2025. The targets of the levy are enterprises with annual carbon emissions exceeding 25,000 metric tons. APC's Linyuan Plant is a carbon fee collection unit, and the high annual carbon fee will increase operating expenses. Continuing to expand low-carbon and energy-saving projects can reduce the impact of this risk.	Short, medium, and long term	· Suppliers · Own operations · Customers	**Current | Business Model, Value Chain** · Formulate a low-carbon transition plan · Establish an internal carbon pricing mechanism, incorporate potential carbon fee expenditures into the annual operating cost budget, and evaluate its specific impact on gross profit and cash flow. · Actively plan and execute the "voluntary reduction plan" **Expected | Business Model, Value Chain** · Accelerate the promotion of the company's low-carbon transition policy · Upstream suppliers may pass on carbon fee costs, leading to an increase in raw material procurement costs (green premium). · Downstream customers have increasingly strict requirements for "low-carbon products" or "green supply chains." If carbon reduction requirements cannot be met, there may be a risk of losing orders.
Physical Risk	**High temperatures and unstable energy supply**	As climate change intensifies, continuous increases in annual average temperatures and a significant increase in the number of high-temperature days have become a common global trend. According to data from the Central Weather Administration , both Taiwan's annual average temperature and the frequency of high-temperature events are showing a significant upward trend, indicating that high summer temperatures may become a normal source of risk in the future. High temperatures increase the risk of unstable power supply from public electricity retailing enterprises. We will regularly maintain and service power equipment to increase resilience against power instability.	Long term	· Suppliers · Own operations · Customers	**Current | Business Model, Value Chain** · It is necessary to strengthen the inspection and maintenance of in-plant backup generators or Uninterruptible Power Supply (UPS) systems to cope with sudden power supply load reductions or power outages. **Expected | Business Model, Value Chain** · Increased demand for air conditioning and cooling in plants and offices leads to an increase in electricity consumption and daily operating costs (electricity bills). · Capital expenditures need to be budgeted to replace old energy-consuming equipment and introduce smart energy management systems to improve energy efficiency. · The costs invested by upstream suppliers to enhance climate resilience may lead to a rise in procurement costs. · If downstream customers are forced to suspend work due to high-temperature power rationing or sudden power outages, they may reduce procurement volumes and order frequency.

Type	Item	Description	Timeframe of Potential Impact	Where it is concentrated in the business model / value chain	Impact on the business model / value chain
Physical Risk	**Extreme wind, rain, and flooding**	According to observations from the Central Weather Administration and IPCC reports, typhoons, heavy rainfall, and localized torrential rain events have increased significantly in Taiwan in recent years. This not only causes repeated flooding in urban and low-lying areas but also brings immediate and severe impacts to industrial operations, belonging to acute physical risks.	Medium and long term	· Suppliers · Own operations · Customers	**Current | Business Model, Value Chain** · Inventory the flooding potential of operational sites, incorporate potential flood control facility construction, disaster damage repair expenditures, and insurance costs into the annual operating cost budget, and evaluate their specific impact on gross profit and cash flow. **Expected | Business Model, Value Chain** · Accelerate the upgrading of protection resilience of the company's operational sites and the promotion of climate adaptation policies. · Upstream suppliers may suffer plant damage or traffic interruptions due to extreme rainfall and flooding, resulting in delayed raw material supply and supply chain disruption risks, leading to an increase in procurement and transportation costs. · Downstream customers have increasingly strict requirements for "supply chain climate resilience" and "stable delivery capability." If extreme weather causes production halts or delivery delays, there may be risks of breach of contract compensation or loss of orders frequency.
Opportunity	**Introduction of low-carbon energy**	Driven by stricter global climate policies and the 2050 net-zero carbon emission goal, the structure of corporate energy use is rapidly transforming. The introduction of renewable energy has become an important opportunity for enterprises to achieve carbon reduction commitments and maintain international competitiveness. For carbon-intensive manufacturing industries, through self-building or purchasing renewable energy such as solar, wind, and geothermal energy, indirect energy greenhouse gas emissions generated during power usage can be effectively reduced.	Short, medium, and long term	· Suppliers · Own operations · Customers	**Current | Business Model, Value Chain** · Inventory the potential for renewable energy installation in the plant area, and incorporate capital expenditures for related equipment installation and green power procurement costs into the annual operating budget. **Expected | Business Model, Value Chain** · Expand the usage ratio of low-carbon and renewable energy. · Upstream suppliers may face pressure from brand manufacturers to increase the ratio of green power usage, prompting them to increase renewable energy procurement, thereby leading to an increase in operating costs.
	Enhance corporate reputation and brand awareness	By developing and promoting low-carbon, environmentally friendly innovative products and services, we actively respond to the rising green demands of consumers. This move can not only serve as a way for enterprises to expand into sustainable emerging markets but also stand out in highly competitive existing markets relying on the differentiation advantage of green value, comprehensively enhancing market competitiveness.	Short, medium, and long term	· Own operations · Customers	**Current | Business Model, Value Chain** · Invest R&D resources in sustainability-related products. **Expected | Business Model, Value Chain** · As market demand for low-carbon and energy transition rises, continuously develop various emerging sustainable products. · Given the strong demand from downstream customers for "green manufacturing" and "low-carbon products," prioritize winning green procurement opportunities and expanding market share by providing low-carbon products.

Strategic decisions and financial impacts of sustainability and climate-related risks and opportunities

Type	Item	Financial Impact	Response Strategy
Transition Risk	**Carbon fee collection**	This risk may have short-, medium-, and long-term impacts. The material financial impacts for the current period are as follows: · This year, based on the carbon fee collection regulations announced by the Ministry of Environment, the estimated carbon fee expenditure (operating expense) according to emissions is NT$6,138 thousand. · To reduce carbon emissions and cope with the impact of carbon fees, this period's capital expenditure was NT$41,987 thousand and operating expenses were NT$47 thousand, which were used to replace old motors, boilers, chillers, and other energy-saving equipment, resulting in an increase in non-current assets and cash outflows from investing activities. · Although depreciation expenses and cash outflows increased in the short term due to equipment investment, in the long term, through improved energy efficiency, lower electricity expenses, and reduced carbon fee costs, it will help optimize overall operational efficiency and maintain profitability.	· The Company introduced internal carbon pricing, set at a shadow price, and incorporated carbon costs into investment evaluations to increase the execution opportunities for carbon reduction projects. · Establish Energy Management Systems to analyze various figures and seek room for improvement. · Add rooftop solar equipment for self-generation and consumption, scheduled for completion in Q2 2026.
Physical Risk	**High temperature and unstable energy supply**	This risk may have a long-term impact. The material financial impacts for the current period are as follows: · To ensure the operational stability of production equipment under extreme weather, routine maintenance and calibration of core equipment such as compressors, generators, and chillers were strengthened this period, resulting in related maintenance costs of NT$13,877 thousand. · Considering the long-term trend of global warming and power supply resilience, a capital expenditure of NT$31,667 thousand was invested this period for new installations and replacements of electromechanical and air-conditioning equipment to strengthen long-term operational stability, resulting in an increase in non-current assets. · By strengthening the resilience of energy infrastructure and equipment, although short-term capital expenditures and maintenance costs increase, it can effectively reduce business interruption losses caused by high-temperature shutdowns or power rationing in the future.	· Continuous replacement of old transformers · Regular maintenance of power supply equipment · Regular maintenance of compressors · Purchase of substation spare parts (e.g., insulators) · Regular maintenance of chillers
	Extreme wind, rain, and flooding	This risk may have medium- and long-term impacts. The material financial impacts for the current period are as follows: · To respond to the potential increased risk of flooding under the long-term trend of climate change, the regular dredging project for the plant's drainage system was executed this period, and related maintenance costs of NT$858 thousand were paid; additionally, to reduce the financial risk of disasters caused by extreme weather, insurance investments this period increased by NT$1,946 thousand compared to the previous year. · Considering the protection needs for long-term physical risks, the "Improvement of Rainwater Ditch Covers" project is expected to be executed in 2030, and the "Installation of Flooding Sensors" is expected to be completed in 2041 to achieve smart water level monitoring and early warning mechanisms. · Through preventive dredging, insurance transfer, and hardware facility enhancement, the Company is committed to reducing recovery costs and business interruption risks during medium- and long-term extreme weather events, maintaining long-term financial soundness.	· Collection of water consumption fees: Implement water-saving improvement plans. · Plant flooding response: 1. Unobstructed inspection of in-plant ditches and stormwater retention ponds 2. Plant environment cleanup to prevent foreign objects from falling into ditches 3. Inspection of rainwater discharge gates 4. Regular cleaning of silt in plant rainwater ditches 5. Improvement of rainwater ditch covers · Installation of flooding sensors · Reduce water usage and water consumption: In cooperation with the Kaohsiung City Government's implementation of phased water rationing, the Linyuan Plant coordinated to execute three-stage water-saving measures, which can save about 10% of water consumption.

Type	Item	Financial Impact	Response Strategy
Opportunity	**Introduction of low-carbon energy**	This opportunity's impact timeframe is short, medium, and long term. The material financial impacts for the current period are as follows: · To increase energy autonomy and implement energy transition, capital expenditure this period was NT$19 thousand to build a solar photovoltaic system for self-consumption in the plant area, resulting in an increase in non-current assets and cash outflows from investing activities. · To achieve the annual carbon reduction target, the green power procurement plan was executed this period, with power purchase expenditures totaling NT$12,550 thousand, reflected in annual operating expenses. · Through self-built solar power and green power procurement, although the Company increases power purchase costs in the short term, in the long term, it can reduce reliance on traditional fossil fuels, effectively avoid the impact of future carbon fee cost increases, and enhance corporate green competitiveness and brand value.	· Installation of solar photovoltaics for self-consumption. · Priority is given to natural gas fuel sources for steam supply selection. · Pay attention to and participate in the renewable electricity market. · Procure green power.
	Enhance corporate reputation and brand awareness	This opportunity's impact timeframe is short, medium, and long term. The material financial impacts for the current period are as follows: · As market demand for transition rises, the corresponding operating revenue contribution of sustainability-related products (including photovoltaic-grade EVA film raw materials) for this period amounted to NT$499,234 thousand.	· Actively develop various new products to meet market demand: · ISO 14021 recycled product material certification. · Photovoltaic-grade EVA products, used as raw materials for solar module encapsulation films. · In the feasibility assessment stage of all product development, the requirements of relevant laws and regulations such as FDA, CNS, JIS, and the EU Restriction of Hazardous Substances (RoHS) Directive are incorporated to ensure that the developed products meet the regulatory standards for human health and environmental impact; at the same time, passing the Substances of Very High Concern (SVHC) testing to obtain "REACH" certification.

Resilience Assessment of Climate-Related Risks

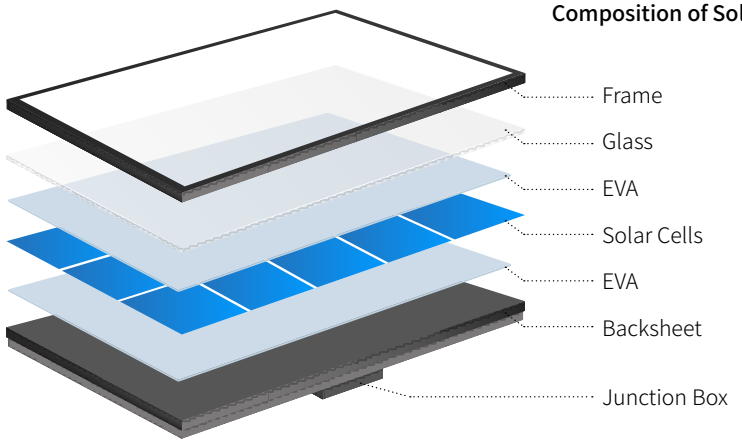
Risk	Main Assumptions	Selected Scenarios	Evaluated Impacts and Resilience Capabilities
Transition Risk Carbon Fee Collection	1. Taiwan will continue to adopt the "2050 Net-Zero Emissions Pathway" . The Company expects to reduce carbon emissions by 27% by 2030 and achieve carbon neutrality by 2050. 2. The Company has proposed a voluntary reduction plan and achieved the designated reduction targets, complying with the designated reduction rate provisions of the technical benchmark in Appendix 2 of the "Designated Greenhouse Gas Reduction Targets for Collection Targets" announcement. 3. According to official reports such as the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and national meteorological observations, in terms of climate models, Taiwan's winter will gradually shorten, the annual total rainfall will gradually increase, and the intensity of torrential rain will show an increasing trend.	1. Stated Policies Scenario (STEPS) 2. Net Zero Emissions (NZE)	**1. Evaluated Impacts** · STEPS: The Ministry of Environment's review committee initially proposed a phased increase in carbon fees, expecting the rate to rise to between NT$1,200 and NT$1,800 after 2030. · NZE: According to IEA research, the effective carbon price in developed countries should reach US$140 (about NT$4,500) per metric ton by 2030. **2. Resilience Capabilities** · Strictly implement the proposed voluntary reduction plan to meet the eligibility requirements for the preferential rates of the Ministry of Environment, reducing the financial impact of carbon fee expenditures. · Actively introduce high-efficiency energy-saving equipment and low-carbon energy, transform the pressure of carbon neutrality into a driving force for process optimization, and consolidate the Company's competitive advantage in the international low-carbon supply chain.
Physical Risk High Temperature and Unstable Energy Supply		SSP 5-8.5	**1. Evaluated Impacts** · An increase in the number of consecutive days of extreme high temperatures will cause cooling demand to remain at a high level for a long time, significantly accumulating the burden of electricity expenditure, and increasing the threat of power rationing or power outages due to regional power grid overloads, which may cause unplanned production line shutdowns and loss of product yield. · A long-term high-temperature environment increases the risk of thermal hazards in the workplace. In addition to affecting the health of frontline personnel, it may also shorten the service life of machinery and equipment due to the long-term full-load operation of cooling equipment. **2. Resilience Capabilities** · Implement equipment maintenance: Strengthen routine maintenance of core equipment such as compressors, generators, and air compressors to ensure the operational stability of production equipment under extreme weather, and effectively reduce future business interruption losses caused by high-temperature shutdowns or power rationing through equipment replacement. · Strengthen plant heat insulation and pipeline insulation efficiency: Continuously execute plant heat insulation paint projects and pipeline hot/cold insulation operations to reduce energy consumption advantage in the international low-carbon supply chain.
Physical Risk Extreme Wind, Rain, and Flooding			**1. Evaluated Impacts** · A substantial increase in the intensity and frequency of extreme rainfall may cause inadequate drainage around the plant area and trigger flooding disasters, directly causing physical losses such as damage to production equipment and raw materials. · Traffic infrastructure damage and logistics paralysis caused by extreme wind and rain will lead to raw material supply interruptions and the inability to ship finished products in a timely manner, thereby affecting overall operational performance and customer fulfillment capabilities. **2. Resilience Capabilities** · Strengthen plant flood control infrastructure and implement elevation projects for key equipment rooms to reduce the risk of damage to physical assets from extreme flooding events. · Optimize supply chain diversification and Business Continuity Planning (BCP): Establish cross-regional backup supplier lists and logistics supporting plans to respond to supply chain disruption crises triggered by extreme wind and rain.

Climate Adaptation Actions

In response to the impacts brought about by climate change, in terms of climate adaptation actions, in addition to combining the technical and R&D capabilities of the USI Group to continuously invest in the development of innovative materials and products, we also actively participate in environmental sustainability activities organized by the Group to mitigate the effects of climate change.

Solar Encapsulation Material - "Photovoltaic Grade EVA"

Composition of Solar Panels



In response to climate change issues in recent years, the market demand for green energy products has been increasing. APC is actively developing the high value-added optoelectronics industry application product "Photovoltaic Grade EVA," which is used in the production of solar module encapsulation films, meeting the demand for solar encapsulation film raw materials and exploring new markets.

In 2025, new production capacity continued to come online in mainland China, leading to global overcapacity and putting heavy pressure on market prices. The photovoltaic grade EVA market faced significant challenges, and the overall market condition showed a trend of "oversupply." APC has adopted a transformation strategy, significantly reducing its reliance on photovoltaic grade products. The revenue share of photovoltaic grade EVA dropped to about 15% in 2025, shifting towards the higher-margin coating grade (Lami-EVA) market, whose revenue share has increased to 44%.

Circular Economy - "ISO 14021 International Low-Carbon Recycled Material Certification"


SGS
ENVIRONMENTAL CLAIMS CERTIFICATE
Recycled Content
ECCS/25/RCC/0001

Echoing the global trends of circular economy and sustainable development, Asia Polymer Corporation (APC) passed the ISO 14021 international recycled material certification in February 2025.

This certification involved rigorous document review and on-site audits conducted by the third-party certification unit SGS, resulting in the acquisition of a recycled material certification certificate for Low Density Polyethylene (LDPE) products with an authenticated recycled content of >30%. This product is widely used in high-precision equipment packaging materials, providing processors with high-quality, high-cleanliness, highly stable recycled materials with low-carbon characteristics, thereby driving the industry chain towards the sustainable development of a circular economy.

Biodiversity Policy and Initiatives

Biodiversity is the core foundation for maintaining the stable operation of the Earth's ecosystems and has a crucial impact on key ecosystem services such as climate regulation, the water cycle, soil productivity, and food supply, which further relates to the long-term development and health and well-being of human society. In 2022, countries worldwide reached a consensus at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) to set clear global action directions and management goals for biodiversity conservation by 2030 through the new Global Biodiversity Framework (GBF). Facing the challenges brought by climate change and the continuous loss of biodiversity, the pressure on natural resources is increasing day by day. From the perspective of risk management and sustainable operations, APC is actively strengthening natural capital management. While introducing the Taskforce on Nature-related Financial Disclosures (TNFD) for the first time and formulating the "Biodiversity and Net Zero Deforestation Policy," it also complies with international conventions and initiatives such as the "United Nations Convention on Biological Diversity" and the "Kunming-Montreal Global Biodiversity Framework." We work with upstream suppliers and key business partners to co-create a sustainable future, gradually achieving "No Net Loss (NNL)" and moving towards "Net Positive Impact (NPI)."

Taskforce on Nature-related Financial Disclosures (TNFD)

APC follows the LEAP methodology of the Taskforce on Nature-related Financial Disclosures (TNFD) to systematically identify and evaluate nature-related risks and opportunities. The Company recognizes that the correlation between the state of natural capital and operational activities largely depends on the "geographic location" of the operating sites and the "degree of dependence on and impact on" the ecosystem. Whether it is the operation of our own production sites or the supply and manufacturing process of upstream raw materials in the chemical industry, they may cause direct or indirect impacts on the local ecosystem. Based on this, the Company uses a scientific approach to inventory important operating sites and value chain activities, evaluates their degree of dependence and impact on natural resources, and further identifies high-risk areas and key issues as a basis for subsequent risk management and action strategies. Specific practices are as follows.

TNFD LEAP Methodology Description

Locate Step	Assessment Results
L1 **Identify Business Footprint and Value Chain**	· The APC value chain is located in the mid-to-upstream segment of the chemicals industry. The upstream covers petrochemical raw material suppliers, and the downstream extends to plastic product manufacturers and end-consumers, completely connecting the industry chain from raw material acquisition to product application. · In defining the assessment scope, the Company centers on each operating site and establishes a 1-kilometer radius buffer zone as the analysis area, incorporating potential impacts on stakeholders and adjacent ecosystems around the plant area, and treating it as an indirect impact zone to ensure the completeness and representativeness of the natural capital impact scope. · After converging the aforementioned scope, APC has inventoried 1 main operating site, its operational attributes encompassing functions such as production manufacturing and raw material storage and transportation. The characteristics of relevant sites will serve as an important basis for subsequent evaluations of the degree of dependence on natural resources and environmental impacts.

Locate Step	Assessment Results
L2 Filter Value Chains Highly Dependent on and Impacting Nature	Utilize the ENCORE database recommended by TNFD to compile ecosystem services and impact drivers that have dependency correlations with the APC value chain industries. The identification results for ecosystem services and impact drivers categorized as moderate and above are as follows: · (1) Ecosystem services of concern: Stable water supply, water flow regulation, soil and sediment retention, flood control, rainfall pattern regulation, water purification, storm mitigation · (2) Impact drivers of concern: Disturbances, greenhouse gas emissions, land use, solid waste generation and emissions, air pollutant emissions, soil and water pollutant emissions, water usage
L3 Align with Nature Ecosystem Interfaces	APC utilizes international and national level biodiversity spatial databases, combined with the buffer zone defined in the L1 stage, to systematically analyze the spatial correlation between each operating site and the surrounding ecosystem. By integrating key indicators such as important biodiversity areas, water resource stress, and ecological integrity, the locational sensitivity and species sensitivity of the buffer zone for each site are evaluated to identify whether they belong to ecologically sensitive areas.
L4 Identify Priority Locations in the Value Chain	Based on the two major evaluation factors of "Identification of Highly Dependent and High-Impact Industries" and "Ecologically Sensitive Areas," APC screens priority locations in the value chain. After incorporating the buffer zone analysis of each operating site, a priority classification mechanism is established, divided into the first to third priority levels of concern. The assessment results show that a total of 1 operating site of APC is classified as a second-priority concern site.
E1 Identify Natural Capital, Ecosystem Services, and Impact Drivers	Use the map data cited in the Locate stage to identify surrounding natural capital, and reference literature regarding ecosystem services that may be provided by specific ecosystem assemblages to further unfold the ecosystem services that APC may rely on or impact.
E2 Establish Dependency and Impact Pathways of Operational Activities	To understand our interactive relationship with dependencies and impacts, we reference the Natural Capital Protocol and TNFD guidelines to establish the Dependency Pathway and Impact Pathway for the operational activities of each plant. The relevant explanations are as follows: (1) Dependency Pathway: When potential external environmental or social changes occur, they may impact the natural state, causing changes to the ecosystem services we depend on, which in turn affects APC's operational activities. (2) Impact Pathway: The impact drivers of operational activities lead to changes in the natural state, reducing or losing ecosystem services, thereby triggering external environmental or social changes.
E3 Measure and Assess Dependencies and Impacts	Based on the characteristics of each operating site, APC evaluates its degree of dependence on specific ecosystem services, as well as the potential impacts of relevant impact drivers on surrounding stakeholders and the environment, and conducts systematic analysis and classification through a four-quadrant matrix.
E4 Materiality Assessment	The results of the ecosystem service analysis are as follows: (1) Areas to be monitored: Stable water supply (2) Low-risk areas: Water flow regulation, soil and sediment retention, flood control, rainfall pattern regulation, water purification, storm mitigation The results of the impact driver analysis are as follows: General monitoring areas: Disturbances, greenhouse gas emissions, land use, solid waste generation and emissions, air pollutant emissions, soil and water pollutant emissions, water usage

Assess Prepare Step	Assessment Results
A **Evaluate Risks and Opportunities**	· Based on the TNFD risk and opportunity framework and international report analysis, we have identified and preliminarily evaluated potential risk and opportunity issues in the value chain. For details, please refer to the APC Thematic Report on Nature-related Disclosures. · According to our risk and opportunity evaluation process, we will list and manage the risks and opportunities identified and ranked as moderate or above. For details, please refer to the APC Thematic Report on Nature-related Disclosures.
P **Respond and Report**	· For substantive risks and opportunities, we have formulated corresponding response strategies to address the related impacts, and we regularly follow up on the progress with the responsible units to evaluate the implementation of the strategies. For details, please refer to the APC Thematic Report on Nature-related Disclosures. · In terms of setting nature-related metrics and targets, APC prioritizes focusing on the major driver of climate change, establishing concrete and proactive carbon reduction targets in response to the relevant risks and opportunities. At the same time, addressing the issue of air pollutant emissions, corresponding management targets and control measures have also been established to continuously reduce environmental impacts and strengthen overall environmental management performance.

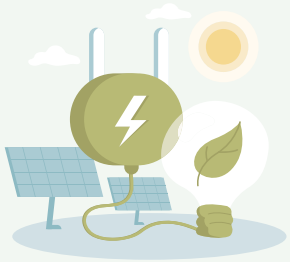
Energy Management

The USI Group voluntarily set energy management goals in 2016, following Taiwan's energy development policies, and continues to track international trends and national regulations for dynamic reviews. After weighing internal and external factors, the USI Group set its 2030 carbon reduction goal in early 2022 as a 27% reduction in carbon emissions by 2030 compared to 2017." The Group's 9 domestic core production plants have successively introduced the ISO 50001 Energy Management Systems since 2018 and obtained certification. This effectively manages energy performance, continuously implements energy-saving and carbon reduction improvement actions, aiming to exert influence and further reduce environmental impacts.

The USI Group holds an annual "plant technology exchange meeting" and several "northern/Kaohsiung plants resource integration meetings." Through technology sharing and problem discussion among plants, resource sharing is achieved, enhancing the track record of energy conservation and carbon reduction. The 2025 plant technology exchange meeting was held in October, featuring case presentations in the form of a competition. With "Industrial Safety and Environmental Protection," "Equipment Preventive Maintenance," and "Energy Saving and Carbon Reduction" as core themes, the event progressed from plant technology case submissions to written reviews. Ultimately, 7 cases were presented in the finals. The top three outstanding cases were jointly voted on by senior Group executives and the presenting plants, with the Group Chairman awarding certificates and prize money. Through evaluation and rewards, exchange and benchmark learning, we aim to collectively elevate the Group's technical level. In 2025, led by Plant Manager Hsieh, Section Manager Lin Hsu, and Engineer Huang Chun-Jung of the Production Process Section from APC, presented the "Line 3 Chiller Replacement Project," which received an Honorable Mention rating from top Group executives, demonstrating excellent performance.


Prevent air pollution emissions, regular leak detection of equipment components


Solid waste generation - proper disposal by outsourced qualified vendors



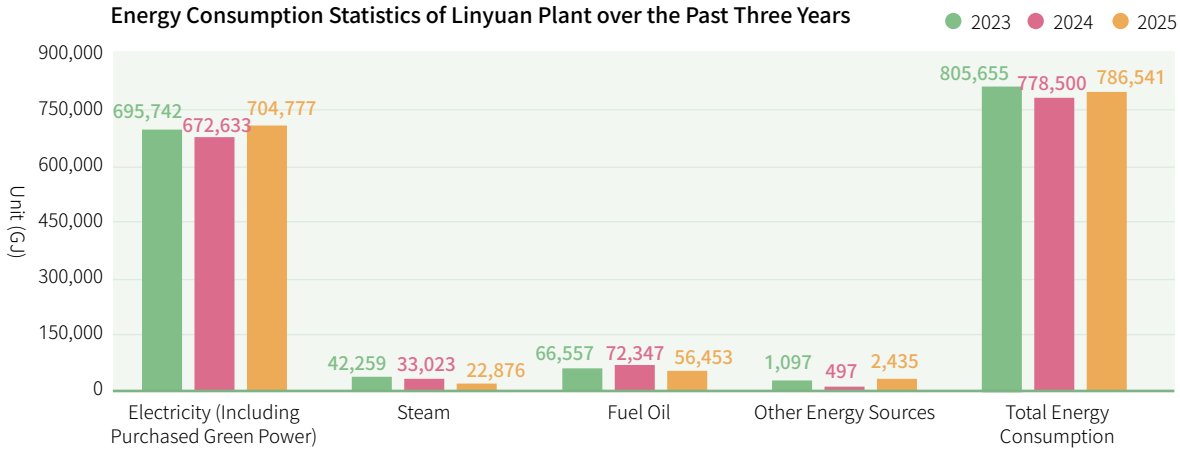
Energy saving rates of APC Linyuan Plant over the past three years are shown in the table:

Year	2023	2024	2025
Energy Saving Rate (%)	1.13	1.6	1.91

1. The energy saving rate in 2025 was 1.91%. Statistical average energy saving amount in 2025 was 1.91%, complying with the "Energy Administration's 1.5% Annual Average Energy Saving Regulation."
2. Energy saving rate (including Taipower's demand bidding, demand bidding energy savings 1,102,894 kWh)

Energy Use GRI 302-1、302-3

In 2025, the data boundary for energy management was the Linyuan Plant area, with a data disclosure coverage rate of 100%. The internal energy use at APC Linyuan Plant is categorized into electricity, steam, fuel oil, and other energy sources. The energy consumption statistics and energy intensity over the past three years are shown in the figures:



Note: 1. Unit heating value conversion coefficients: GRI 2-4
Announced by the Energy Administration, MOEA: Electricity 860 Kcal/kWh; Unit conversion: 1Kcal=4.187 K.J
Fuel oil (Mcal/ton), SGS test report: Steam boiler (H7201): 10,640, Thermal oil boiler (H6102): 7,565
Provided by steam suppliers (Kcal/kg): Steam 679.22 (2025); 679.22 (2024); 679.47 (2023)

2. (Electricity/Steam/Fuel oil) energy consumption = (Electricity/Steam/Fuel oil) usage × Unit heating value conversion coefficient × 4.187×10^{-6} (GJ/KJ)
3. Data sources for energy consumption such as electricity, steam, fuel oil, and production volume: Monthly production statistics, with bills as vouchers.
4. The energy used by the Company is non-renewable energy.
5. Information restatement: Fuel oil renamed to process emission oil, updated 2023-2024 other energy heating value conversion coefficients (Kcal/L): Gasoline (7,520), Diesel (8,629), LPG (5,958); Natural gas: 8,755 Kcal/M^3.

Total energy use in 2025: 786,541 GJ, YoY growth 1.03% SASB RT-CH-130a.1

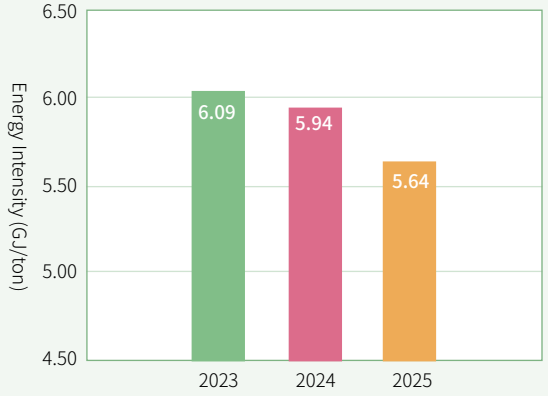
The increase in total production capacity led to an increase in energy consumption, but energy intensity decreased. Continuously replace old equipment, implement energy-saving plans, and introduce AI process control to improve energy efficiency.

Electricity energy usage (including purchased green power) 704,777 GJ, accounting for 89.6%

Purchased green power (renewable energy) usage 9,056 GJ, accounting for 1.2%

Self-produced energy (solar power) 1,874 GJ
Total self-generated and self-consumed energy 0 GJ
All electricity generated by APC's solar equipment in 2025 was sold wholesale to Taipower

Energy Intensity of Linyuan Plant over the Past Three Years



Note: 1. Energy intensity = Total Energy Consumption (GJ) / Total Production Volume (tonnes)
2. Source: "Energy Conservation Audit System Report of Energy Users" of the Energy Administration

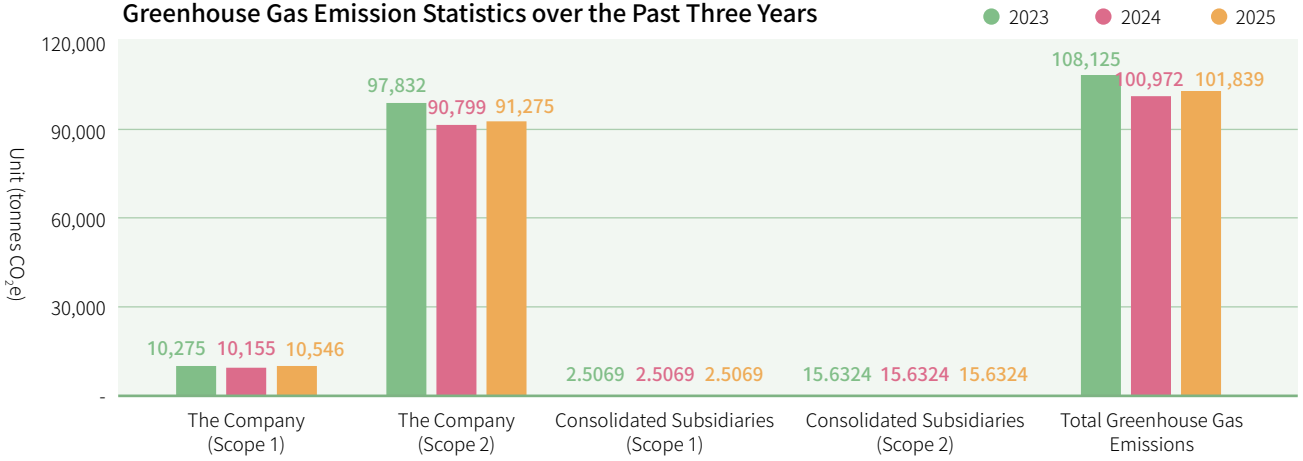
The energy intensity in 2025 was 5.64 GJ/ton, a decrease of approximately 5.1% compared to 2024. The main factors were smooth in-plant processes, increased production capacity, reduced frequency of equipment cleaning, and the implementation of energy saving and carbon reduction plans, all driving down the energy intensity. Additionally, adjusting the product mix in response to market demand changes, Low Density Polyethylene (LDPE) capacity increased by 26% compared to 2024; while Ethylene Vinyl Acetate Copolymer (EVA) capacity decreased by 3%.

Because EVA has a higher average energy intensity than LDPE, the adjustment based on product demand—lowering EVA capacity and increasing LDPE capacity—along with factors such as fewer annual equipment failures, were all key to reducing energy intensity.

Greenhouse Gas Management

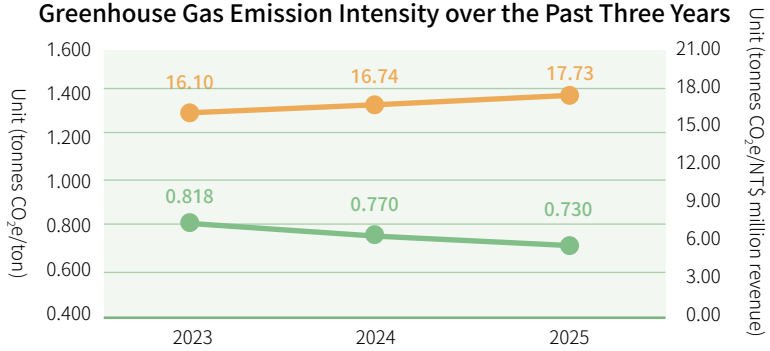
APC commissioned a verification body in Q3 2022 to complete the verification of its greenhouse gas inventory in accordance with ISO 14064-1, and registered it on the designated website of the Ministry of Environment. According to the competent authority's regulations, APC's consolidated financial statement entities must complete their greenhouse gas inventory by 2025 and assurance by 2027. APC had already completed the greenhouse gas inventory and assurance for the consolidated financial statement entities in Q2 2024. The operational boundary of the Linyuan Plant includes direct, indirect, and other indirect greenhouse gas emissions. The main greenhouse gas emissions belong to five categories: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), and Sulfur Hexafluoride (SF_6). Ultimately, carbon emissions are presented as CO_2e converted using the Global Warming Potential (GWP) from the IPCC Sixth Assessment Report. Furthermore, in response to the "Carbon Fee Levy," the Ministry of Environment announced three sub-laws including the carbon fee charging regulations on April 29, 2024. APC submitted a "Voluntary Reduction Plan" application in 2025 and was approved for preferential rates by the central competent authority. APC will continue to implement energy saving and carbon reduction performance, review it annually according to the planned carbon reduction path, and strive towards the Group's 2030 carbon reduction target and 2050 net-zero target. GRI 305-1、305-2、305-4

Greenhouse Gas Emission Statistics over the Past Three Years



Note 1: Electricity emission factor: Calculated based on 2025's 0.466 (kg CO_2e/kWh); Purchased steam emission factor: Calculated based on 2025's 0.1486839492 (tonnes CO_2e/ton)
Note 2: Greenhouse gas emissions: Scope 1 refers to direct emissions from processes or facilities. Scope 2 refers to indirect energy emissions, such as purchased electricity (supplied by Taipower) and purchased steam (supplied by FPC Linyuan Plant).
Note 3: Greenhouse gas emissions = (Energy fuel usage) × (Emission factor announced by the Ministry of Environment) × (IPCC GWP required by the Ministry of Environment)
Note 4: Converted to carbon dioxide emission equivalents based on Version 6.0.4 of the Greenhouse Gas Emission Factors announced by the Ministry of Environment and the GWP values from the 2013 IPCC Fifth Assessment Report.
Note 5: Data boundary: Asia Polymer Corporation (Taipei Office, Linyuan Plant), APC (BVI) Holding Co., Ltd. , USI International Corp , USI Trading (Shanghai) Co., Ltd (USITA), APC Investment Corporation (APCIC).
Note 6: Information restatement: The scopes for the past three years are presented as "Consolidated Parent and Subsidiary Companies." Since the carbon emissions of the inventoried sites do not exceed 5% of the total emissions, and there are no major operational changes, the emission data from the first year (2023) will be used for calculation.

Greenhouse Gas Emission Intensity over the Past Three Years



Direct greenhouse gas emissions (Scope 1) 10,548 tonnes CO_2e, accounting for 10.4%
Data boundary: Consolidated parent and subsidiary companies

GRI 305-1 SASB RT-CH-110a.1 Assurance Report

Energy indirect greenhouse gas emissions (Scope 2) 91,291 tonnes CO_2e, accounting for 89.6%
Data boundary: Consolidated parent and subsidiary companies GRI 305-2

APC's total greenhouse gas emissions in 2025 were 101,839 tonnes CO_2e, an increase of 0.86% from 2024. The emission intensity was 0.730 tonnes CO_2e/ton, a decrease of 5.19% from 2024. This was mainly due to adjusting the product mix in response to market demand changes, process pressure reduction adjustments, fewer equipment failures, and an increase in total capacity. Another representation of emission intensity: 17.73 tonnes CO_2e/NT$ million revenue, an increase of 5.91% compared to the previous year, primarily because product selling prices remained low, leading to reduced annual revenue. Based on ISO 14064-1 indicators and referencing ISO 14064-1:2018 Annex H, an identification and evaluation of indirect emissions for categories 3 to 6 were conducted. Among them, 4 items in Category 3 (including: upstream freight transportation, domestic product transportation inventory, employee commuting, and business travel) and 9 items in Category 4 (purchased goods) belong to Scope 3. The greenhouse gas emissions were 325,207 tonnes CO_2e.

2025 APC Scope 3 Greenhouse Gas Emissions

Item	Emissions (MT CO_2e)
Category 3.1- Transportation of upstream freight - Vinyl Acetate Monomer (VAM)	495.4081
Category 3.1- Transportation of upstream freight - Other 5 items (domestic procurement)	7.9512
Category 3.1- Transportation of upstream freight - Other 5 items (external procurement)	47.1222
Category 3.2 - Inventory of domestic product transportation (domestic sales)	805.2524
Category 3.2- Inventory of domestic product transportation (export sales)	6,620.7237
Category 3.3- Employee commuting (bus, car, motorcycle)	208.5071
Category 3.5- Employee business trips (high-speed rail, train, taxi, car, motorcycle	0.6061
Subtotal	**8,185.5708**
Category 4.1-Purchased goods (Raw materials)-Ethylene	228,576.7770
Category 4.1-Purchased goods (Raw materials)-Vinyl Acetate	66,450.1036
Category 4.1-Purchased goods (Raw materials)-Other electricity	21,407.8710
Category 4.1-Purchased goods (Raw materials)-Tap water	109.2461
Category 4.1-Purchased goods (Raw materials)-Sulfuric acid	9.8173
Category 4.1-Purchased goods (Raw materials)-Lubricating oil	423.7920
Category 4.1 - Purchased Goods (Raw Materials) - Green Electricity (Solar Energy)	24.1692
Category 4.4-Disposal of solid waste (Removal Category D + Category R)	3.3556
Category 4.4-Disposal of solid waste (Incineration)	16.0812
Subtotal	**317,021.2130**
Total	**325,206.7838**

Other indirect greenhouse gas emissions (Scope 3) 325,207 tonnes CO_2e
Data boundary: Parent company only

GRI 305-3 Assurance Report

Energy Conservation Actions and Benefits GRI 302-4

A total of 5 energy-saving and carbon reduction management plans were implemented in 2025, as shown in the figure:

Process Improvement

1. Line 3 chiller replacement
2. Packaging machine replacement (power saving for automatic warehouse packaging tower related equipment)

Savings

Electricity: 770,842 kWh
Carbon reduction: 365 metric tons CO_2e

Equipment Improvement

1. E-1115 steam saving
2. E-1111/E-1211 energy-saving improvement
3. L4 conveying system depressurization energy-saving project

Savings

Electricity: 1,933,114 kWh
Steam: 611 metric tons
Carbon reduction: 1,026 metric tons

A total of 2,703,956 kWh of electricity and 611 metric tons of steam were saved; the energy savings amounted to 11,474 GJ, and the carbon reduction amounted to 1,391 metric tons of CO_2e, as shown in the table:

Category		Process Improvement	Equipment Improvement	Total
Energy Savings	Electricity (GJ)	2,776	6,960	9,736
	Steam (GJ)	---	1,738	1,738
Reduced carbon	(MT CO_2e)	365	1,026	1,391

Note: 1. The calculation method of the energy-saving and carbon reduction plan is calculated by converting to the annual energy savings.
2. Energy Administration, Ministry of Economic Affairs【 announcement: Electricity 860 Kcal/kWh; Steam supplier provision: Steam 679 Kcal/kg, unit conversion factor $4.187x10^{-6}$ (GJ/KJ).

Greenhouse gas emission reductions are all Scope 2 energy indirect emission reductions. GRI 305-5

APC's Linyuan Plant cooperates with the government's energy conservation policy and the Group's energy management goals to formulate energy-saving and carbon reduction plans and targets. Monthly statistics on the execution results of energy-saving and carbon reduction plans are used for progress control, and through the Group's "resource integration meetings" and "technical exchange meetings", resources and experiences are shared with other companies in the Group to learn from each other and promote practical and effective energy-saving and carbon reduction plans.

2026 Energy-saving and Carbon Reduction Plan

It is estimated that 8 energy-saving and carbon reduction measures will be implemented, saving about 1.59 million kWh of electricity and 983 metric tons of steam, and reducing carbon by 930 metric tons of CO_2e. The investment amount for the 2026 energy-saving and carbon reduction plan is NT$71 million.

Category	Energy-saving Management Plan	Plan Target Value	Total Energy Savings of Plan	2025 Target Carbon Reduction
Process Improvement	1. MRT energy-saving improvement	Steam 983 metric tons	Electricity 1,590,000 kWh Steam 983 metric tons	930 MT CO_2e
Equipment Improvement	2. Addition of solar power equipment 3. Line 2 extruder motor replacement 4. Line 1/2 After Cooler booster water pump replacement 5. C-7301A air compressor replacement 6. Line 4 conveying air compressor energy-saving improvement 7. Line 1/2 pelletizing water pump replacement 8. Line 3 pelletizing water pump replacement	Electricity 1,590,000 kWh		

Renewable Energy

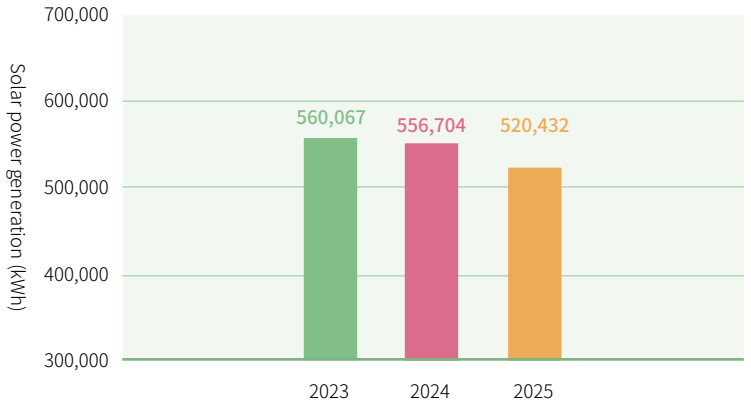
The API Linyuan Plant completed the installation of solar power equipment in June 2011, with an installed capacity of 496.08 kW. The electricity generated by APC's solar equipment in 2025 was 520,432 kWh, which was sold wholesale in its entirety to Taipower. The accumulated power generation by the end of 2025 was about 8.47 million kWh, reducing carbon dioxide emissions by about 4,377 tonnes.

The USI Group is currently coordinating plans to lead its companies toward complying with the requirement to complete green power implementation within five years. The approach will use solar power plants uniformly constructed by the Group, and any shortfall will be made up by purchasing green power.

APC procured 2.515 million kWh of solar green power from the USI Group's USI Green Energy Corporation in 2025, with an investment amount of approximately NT$13.879 million, and officially wheeled the green power for use on January 1, 2025. The Linyuan Plant will follow relevant provisions of new regulations and cooperate with the Group's overall planning to achieve the 2050 net-zero target set by the Group.

The Linyuan Plant will complete the construction of 494 kW self-generation and self-consumption solar power equipment in Q2 2026. Coupled with the existing 496 kW solar equipment and the procurement of 2.515 million kWh of solar green power, it has met the regulatory requirement to use 10% of contract capacity as green power.

Solar Power Generation of Linyuan Plant over the Past Three Years



4.3 Emissions Management

Material Topic: Air Pollution Control, Corresponding Sustainability Principle: Sustainable Development GRI 2-25、3-3

Management Approach and Elements

Importance to APC

Air quality remains an issue of public concern in the petrochemical industry. The emission of air pollutants not only impacts compliance with environmental regulations but also affects ambient air quality and public health.

Management Approach and Objectives

Through VOCs leak detection of equipment components and equipment air pollutant emission reduction improvements, APC's Linyuan Plant monitors and improves air pollutant emission quality to meet the control standards of government air pollution regulations and improve the air quality surrounding the plant area.

Strategy

- Equipment component leak inspection
- Air pollution emission improvement
- Regulatory compliance

Management Impact

Positive/Negative Impacts

- Negative actual impact - Air pollution control is not implemented

Negative Remediation and Preventive Measures

- Increase the frequency of regular equipment component inspections, raising the monthly inspection points from 420 to 500.
- Add Liquid-Gas Oxidizers paired with air pollution control equipment to effectively reduce emissions of particulates, nitrogen oxides, and volatile organic compounds.
- Conduct regular monthly equipment maintenance to reduce equipment failure rates.

Management Approach Targets and Performance

2025 Targets

- Regular inspection of equipment components, inspecting 450 points per month
- Process air pollution emission improvement plan
- Air pollutant emissions per unit of product (kg/metric ton), target control values:
  Nitrogen Oxides (NOx): <0.0418
  Sulfur Oxides (SOx): <0.0458
  Volatile Organic Compounds (VOCs): <0.2214

2025 Performance

- Regular inspection of equipment components, inspecting 875 points per month (✓)
- Air pollutant emissions per unit of product (kg/metric ton):
  NOx: 0.0374 (✓) SOx: 0.0092 (✓) VOCs: 0.1976 (✓)

Short-term Targets (<3 years)

- Regular inspection of equipment components, inspecting 500 points per month
- Add Liquid-Gas Oxidizers paired with air pollution control equipment to replace old steam boilers, reducing air pollution emissions of nitrogen oxides (NOx) below 30ppm and particulates below 10mg/Nm^3
- Air pollutant emissions per unit of product (kg/metric ton), target control values: NOx: <0.0418; SOx: <0.0458; VOCs: <0.2214

Mid-to-Long-Term Targets (≥ 3 years)

- The Environmental Protection Section inspects 600 VOCs equipment components monthly.
- Air pollutant emissions per unit of product (kg/metric ton), 1% lower than target control values: NOx: <0.0376; SOx: <0.0412; VOCs: <0.1993

Evaluation of Management Approach

Effectiveness Evaluation

Commission qualified testing operators recognized by the National Environmental Research Academy to regularly test air pollutant emissions every year.

Grievance Mechanism

- Environmental impact grievance channel.

Management Approach Adjustments

- Group technical exchange meetings to exchange experiences on environmental pollution control technologies.

Air Pollution Control GRI 305-6

The major air pollutants emitted by the APC Linyuan Plant include nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs), and hazardous air pollutants (HAPs). NOx and SOx are mainly produced by the plant's combustion facilities (e.g., regenerative thermal oxidizer (RTO), steam boiler, thermal oil boiler). The Plant does not generate ozone-depleting substances (ODS). VOCs mainly come from the emissions and leakage of the RTO, flare, storage tanks, equipment cleaning solvents, and components. HAPs mainly originate from the raw material Vinyl Acetate Monomer (VAM). In addition to regularly testing and reporting air pollutants, we have planned the following reduction programs to effectively reduce air pollutants:

Reduce VOCs Emissions

Every quarter, testing organizations certified by the National Environmental Research Academy are commissioned to test equipment components throughout the plant. Independent inspections of equipment components (15,000 points/month) are conducted, including replacing an old initiator pump (one unit) and replacing low-leakage valves and pumps (200 points). Due to the purchase of 2 new FID detectors (TVA-2020), spot-check capacity can reach 800 points/month, which is an increase in quantity compared to previous years.

Ethylene Recovery Process

We have implemented mutual ethylene recovery between different production lines during process shutdowns on each production line.

Off-site Underground Ethylene Pipelines Ethylene Emptying Recovery

When there is an operation issue that needs to empty the off-site underground ethylene pipelines for maintenance, we recover ethylene to each production line through the in-house ethylene recovery pipelines to reduce air pollution

Process Waste Gas Reduction Improvements

SASB RT-CH-110a.2

- In 2019, the discharge pipeline of the first-stage outlet separation tank of the flash compressor on production line 4 was modified to reflux to the compressor inlet separation tank.
- In 2021, the discharge pipeline of the first-stage outlet separation tank of the booster compressor on production line 3 was modified to reflux to the compressor inlet separation tank.
- In 2022, plans were made to replace the old steam boiler.
- In 2025, a new Liquid-Gas Oxidizer paired with catalytic ceramic filter tubes was added, capable of treating in-plant process discharge oil and process tail gas, reducing emissions of Total Suspended Particulates (TSP), Nitrogen Oxides (NOx), and Volatile Organic Compounds (VOCs).

Air Pollutant Emissions at the Linyuan Plant for the Past Three Years

GRI 2-4 GRI 305-7 SASB RT-CH-120a.1

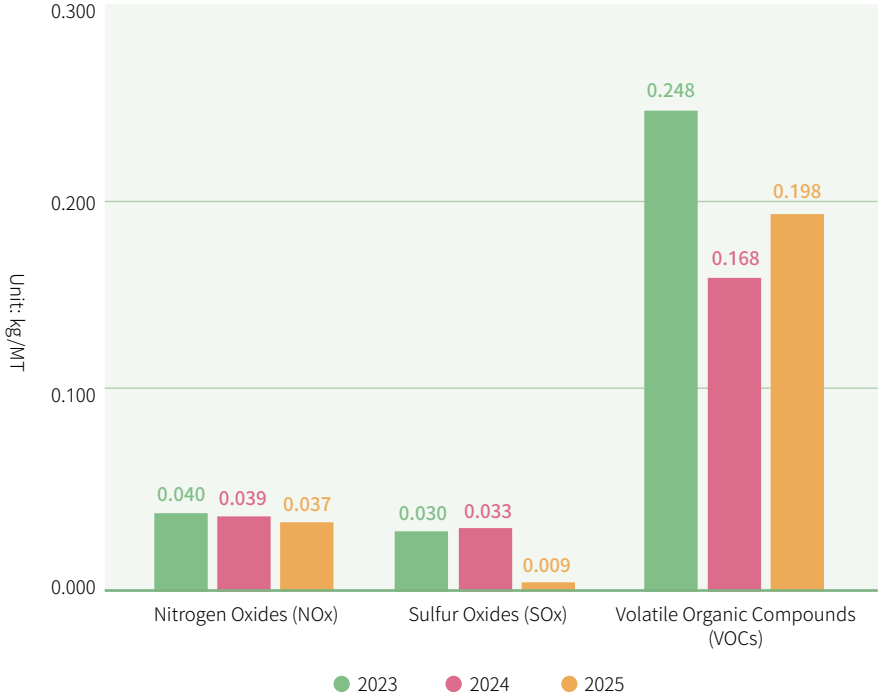
Unit: MT

Year	NOx	SOx	VOCs	HAPs
2023	5.261	3.930	32.754	17.353
2024	5.147	4.261	21.977	8.231
2025	5.216	1.293	27.574	12.392

Description: The SOx emission per unit of product in 2025 decreased compared to 2024. The main reason is that the SOx of the Regenerative Thermal Oxidizer (RTO) equipment was tested as an N.D. (Not Detected) value, leading to a decrease in SOx emissions; The significant increase in VOCs emissions is due to the usage of xylene for equipment cleaning increasing by 3.9 metric tons compared to 2024, and the RTO emission concentration also increasing after testing, resulting in an increase in VOCs emissions. In addition, the Hazardous Air Pollutants (HAPs) related to the process at the Linyuan Plant are Vinyl Acetate Monomer (VAM) and xylene. Currently, there is no control value for Vinyl Acetate Monomer. Xylene is a solvent used for cleaning process equipment and is not a raw material required for the process; therefore, it is not regulated by the Ministry of Environment. Its emission volume is 12.392 metric tons.

Information re-compiled: In 2025, xylene activity data was incorporated into HAPs statistics, and information for 2023 and 2024 was updated.

Air Pollutant Emissions per Unit of Product at the Linyuan Plant for the Past Three Years



The annual pipeline emission test results at the Linyuan Plant are all lower than the emission standards announced by the Ministry of Environment. The 2025 pipeline emission test results of APC are shown in the table:

Pollutant	Unit	Thermal Oil Boiler	Steam Boiler	Emission Standards
Nitrogen Oxides (NOx)	ppm	75	47	100
Sulfur Oxides (SOx)	ppm	4	11	50
Total Suspended Particulates (TSP)	mg/Nm^3	1	13	30

Regenerative Thermal Oxidizer	Emission Standards
2	150
4	100
8	100

Note: Particulates refer to Total Suspended Particulate, abbreviated as TSP.

4.4 Waste Management

Material Topic: Waste Management, Corresponding Sustainability Principle: Sustainable Development GRI 2-25、3-3

Management Approach and Elements

Importance to APC

APC values its corporate image and market competitiveness. Good waste management not only reduces raw material waste, improves production efficiency, and lowers processing costs, but also manifests regulatory compliance and corporate social responsibility.

Management Approach and Objectives

Through promotion and supervision, APC's Linyuan Plant implements waste category classification management, and commissions qualified cleaning companies recognized by the Ministry of Environment to clear waste using appropriate processing methods based on different waste categories. Continuously reduce the generation of industrial waste through process adjustments and personnel monitoring, implement the circular economy, and convert plastic waste into recycled plastic to develop green products, reducing environmental impact.

Strategy

- Waste classification management
- Compliant waste processing
- Waste recycling and reuse
- Apply for ISO certification for recycled products

Management Impact

Positive/Negative Impacts

- Negative actual impact - Improper waste disposal methods

Negative Remediation and Preventive Measures

- Implement in-plant waste classification through promotional or performance evaluation methods.
- Entrust qualified vendors recognized by the Ministry of Environment for processing.
- Vendors process waste using compliant disposal methods according to the waste type, such as: incineration, pyrolysis, landfilling, and physical processing, etc.
- Hand over recyclable and reusable waste to legal resource recycling vendors for removal.
- Regularly compute the amount of waste processed annually and declare the data on the Ministry of Environment's website.

Management Approach Targets and Performance

2025 Targets

- Proper waste disposal rate: 100%
- Waste intensity (metric ton/metric ton): ≤ 0.0030

2025 Performance

- Proper waste disposal rate: 100% (✓)
- Waste intensity (metric ton/metric ton): 0.0029 (✓)

Short-term Targets (<3 years)

- Proper waste disposal rate: 100%
- Waste intensity (metric ton/metric ton): ≤ 0.0030

Mid-to-Long-Term Targets (≥ 3 years)

- Proper waste disposal rate: 100%
- Waste intensity (metric ton/metric ton): ≤ 0.0020

Evaluation of Management Approach

Effectiveness Evaluation

Entrust qualified vendors recognized by the Ministry of Environment for processing, and regularly compute the amount of waste processed annually.

Grievance Mechanism

- Environmental impact grievance channel.

Management Approach Adjustments

- Group technical exchange meetings to exchange experiences on environmental pollution control technologies.

Waste Management GRI 306-3、306-4、306-5

The Company is committed to promoting circular economy policies. Through raw material recycling and reuse, process improvements, and resource circulation management mechanisms, we build low-carbon green products and promote internal and external circulation mechanisms. To implement this policy, the Company established an innovation team starting in 2024, officially devoting efforts to the development and certification of recycled plastic products; And demonstrated concrete results in 2025 by successfully developing 9 recycled plastic products, successfully passing SGS international certification, and obtaining ISO 14021 Pre-Consumer material certification and the SGS Green Mark. The industrial waste generated by APC's Linyuan Plant includes general industrial waste and hazardous industrial waste. Relevant clearance and disposal operations are all commissioned to domestic qualified clearance and disposal companies recognized by the Ministry of Environment to sign clearance contracts. The waste clearance manifests are declared on the Ministry of Environment's website in accordance with the regulations of the "Waste Disposal Act." After the waste leaves the plant, we track whether the disposal vendor completes the waste processing within the legal timeframe, require them to issue proof of proper disposal, and arrange annual on-site visits to waste disposal vendors.

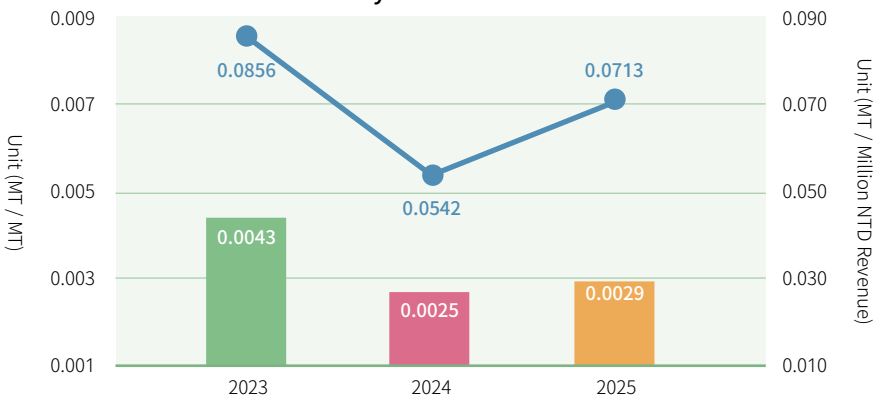
The processing methods for general industrial waste adopt intermediate processing methods such as incineration, pyrolysis, and physical processing depending on the type, while final disposal methods are adopted by the disposal vendor according to the approved methods of their recognized licenses, such as landfilling, or making into recycled oil products or fuel oil. In recent years, to respond to the zero waste resource circulation policy of the Resource Circulation Administration of the Ministry of Environment, we have actively searched for waste recycling and reuse processing methods. Among them, waste wood, waste plastics, and waste bricks are processed in a circular recycling manner, which can ultimately be used as recycled fuel and building aggregates; Scrap iron, through resource reuse pathways, is handed over to legal resource recycling vendors for clearance. The declaration statistics based on the waste clearance manifests on the Ministry of Environment's website are shown in the table on the right:

Disposal Methods and Processing Volumes of Various Wastes at the Linyuan Plant for the Past Three Years

Unit: MT

Disposal Method	Waste Category	2023	2024	2025
Incineration	General domestic garbage, waste plastics, and waste wood mixtures	51.53	40.81	43.49
Physical processing, pyrolysis, incineration	Waste oil mixtures	219.79	157.3	125.65
Physical processing	Waste lubricating oil	48.65	36.72	43.34
Physical processing	General waste chemical mixtures	17.53	16.36	17.05
Physical processing	Waste refractory materials	---	---	0.62
Landfill	Civil engineering or construction waste mixtures	2.9	---	---
Recycling	Waste wood, waste plastics, waste bricks	49.3	24.38	26.49
	Scrap iron	185.34	46.41	152.79
Total Non-Hazardous Waste Volume		575.04	321.98	409.43
Waste Recycling Rate (%)		40.8	21.99	43.8
Hazardous Industrial Waste				
Offshore Processing	Cadmium-containing batteries	---	4.60	---
Recycling Processing	Cadmium-containing batteries	---	0.0	---
Total Hazardous Waste Volume		---	4.60	---
Waste Recycling Rate (%)		---	0.0	---

Waste Intensity for the Past Three Years



- The Linyuan Plant generated no hazardous industrial waste in 2025. SASB RT-CH-150a.1
- The Linyuan Plant had no sudden leakage incidents of oil, fuel, or chemical substances in 2025.
- The proper waste disposal rate at the Linyuan Plant was 100% in 2025.

Environmental Impact Grievance Channel GRI 2-25

APC's Linyuan Plant has formulated the "Communication and Consultation Implementation Procedures" to establish, implement, and maintain the Company's communication, participation, and consultation channels and procedures for environment-related issues, targeting internal parties (individual employees, the enterprise union, Occupational Safety and Health Committee meetings, etc.) and external parties (customers, competent authorities, community residents, environmental groups, etc.).

The internal grievance processing method involves employees raising environmental, safety, and health-related grievance matters through the "Enterprise Union Directors and Supervisors Meeting," "Occupational Safety and Health Committee Meeting," and other meetings. For items requiring promotion or responses, the responsible department reviews and responds. After approval by the environment and occupational safety and health management representative, it is publicized through meetings, education and training, or announcements.

The external grievance processing method refers to external units submitting environmental, safety, and health-related grievances via phone, verbally, or in writing. After being received by any unit at APC's Linyuan Plant, the responsible department verifies the grievance content and logs it in the "Occupational Safety, Health, and Environment Information Log List." If the case is confirmed, it is given an appropriate response and processing. The statistics of logged occupational safety, health, and environment external grievance cases at APC's Linyuan Plant for the past three years are shown in the table:

Item	2023	2024	2025
Number of Grievance Cases	0	0	2
Number of Confirmed Cases	0	0	2

Schematic Diagram of the Linyuan Plant's Environmental Impact Grievance Channels