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Message from the Chairman

Formosan Union Chemical Corporation (below referred to as FUCC) reexamines its practices in the three dimensions of sustainable development (Environment, Society, Corporate Governance and Economy) and adjusts its sustainability strategies in the process of annual compilation and release of Sustainability Reports with the ultimate goal of realizing the goal of sustainable development.

Looking back on 2023, the global economy was still reeling under the impact of wars, high inflation, and climate change, which posed enormous challenges for industries. Our consolidated revenue reached NT\$ 9,432,293,000, which represents a YoY decrease of 10.77% from NT\$ 10,571,226,000 in 2022. These adverse conditions have galvanized our management team's ongoing efforts to boost innovation and thereby maintain our environmental competitiveness while mitigating the impact of the external environment on the foundation of risk-based thinking. Ongoing quality enhancements, plant safety, and pollution control represent our main approaches in the field of corporate sustainability. In addition, we have made a medium- and long-term commitment to corporate governance, environmental protection, and social concern with a view to implementing our management approaches in the different reporting dimensions. We provide more quantified information and offer detailed descriptions of our commitments and efforts to give our readers a clear understanding of every achievement and milestone of FUCC in the field of CSR.

Corporate Governance

We have established a sound internal audit and control system by embracing integrity principles as our core values to ensure that all our operating activities conform to applicable laws and regulations. We have further appointed a Chief Corporate Governance Officer to safeguard the rights and interests of our customers and shareholders through implementation of financial information transparency and creation of a sound corporate governance system. With a view to ensuring strict legal compliance by all staff members, the Legal Affairs Department of the Company organizes regular training courses to enable employees to update their legal knowledge. In addition, we strive to reinforce corporate governance through implementation of a whistleblower system and thereby encourage company insiders to boldly expose illegal conduct with the goal of building and effective corporate governance system and facilitating prosecution by judicial authorities.

We continue to rely on our Sustainability Committee for the planning and implementation of corporate sustainable development and reporting of relevant results to our stakeholders. Our short-term goal is to complete assessments of the performance of our directors and managerial officers in the field of corporate governance and operations. In the medium- and long-run, we strive to link corporate sustainability and governance personnel performance to compensations and ensure the openness and transparency of this process. In 2023, our subsidiary Hershey Environmental Technology Co., Ltd. was included in the environmental sustainability performance disclosures for that year.

Sustainable Environment

Global climate change has affected the business operations of numerous enterprises in recent years. We are deeply concerned about the impact of climate change on our operating activities. In addition to our active commitment to innovative R&D, we spare no effort to satisfy green product requirements during the whole process ranging from identification of customer needs, R&D, procurement and manufacturing, and after-sale services from the perspective of product life cycle considerations with the ultimate goal of fulfilling our responsibility in the field of environmental protection and setting an example for the whole industry. In line with these efforts, we invest in solar energy plants and other related industries to mitigate environmental damages and make a valid contribution to environmental protection through the production of clean energy. Notable achievements in the field of green energy investments presented in this report demonstrate FUCC's corporate vision. In view of the rising importance of the issue of greenhouse effects, we have been conducting GHG inventories since 2010. We also set annual GHG reduction targets as part of our dedicated efforts to fulfill our environmental responsibility. As of 2023, total reductions in different areas exceed 30%. Concrete achievements are as follows:

- Industrial waste generated by FUCC and United Performance Materials Corp. saw a YoY decrease of 16.35% in 2023.
- Our water withdrawal and water consumption dropped by 13.41% and 4.66%, respectively, compared to 2022.
- Our energy conservation projects have resulted in energy savings of 657.75GJ, which is equivalent to a carbon reduction of 90.26 metric tons CO2e.





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Employee care and social concern

FUCC places strong emphasis on employee rights and workplace safety. At the same time, we design career development blueprints and offer career development training for our employees to broaden their outlook and boost their motivation with the ultimate goal of cultivating more outstanding talent and adding momentum to our sustainable development initiatives. Concrete achievements in 2023 are as follows:

- verage employee training hours amounted to 21.26% in 2023, which marks a YoY increase of 21.35%.
- Zero-accident record for eight consecutive years
- Organization of one trade union and four labor-management meetings in 2023 No serious labor-management disputes
- No human rights-related grievances, legal incidents, or grievances related to sexual harassment or labor rights violations were lodged or reported in 2023.

Based on our philosophy of giving back to society in a spirit of gratitude, we not only strive to maintain stable revenues but are also eagerly devoted to making contributions to society. In addition to fixed budget allocations for harmonious neighborhood relations, we participate in local community activities in the vicinity of our plants and support local infrastructure development through donations.oal of cultivating more outstanding talent and adding momentum to our sustainable development initiatives. Concrete achievements in 2023 are as follows:

- Donation of NT\$ 1.79 million to the Good Neighbor Fund of Linyuan Petrochemical Park
- Donation of NT\$ 230,000 for the promotion of sports and indigenous culture

- Donation of NT\$ 350,000 for social care initiatives
- Donation of NT\$ 500,000 for life education efforts

The mission of an enterprise is to create value and make contributions to society. Looking ahead, we will continue to harness our professional competencies and technologies and rely on supply chain sustainability concepts for our unwavering efforts in realizing our sustainable development mission in line with global technology trends by adopting sound business models with an equal emphasis on industrial safety, environmental protection, community management, employee care, and friendly workplace issues in fulfillment of our role as a corporate citizen.

Chairman

Shen-Tsai Hwang





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This report which features disclosures for the sustainability indicators in the four major dimensions of governance, economy, society, and environment covers the period from July 1 to December 31, 2023. Our subsidiary Hershey Environmental Technology Co., Ltd. (below referred to as "Hershey Environmental") was included in the consolidated report disclosures for that year. We have adopted the GRI Standards: 2021, SASB Standards and the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" as required by the competent government authority for the compilation of this report to ensure the full disclosure of the company's sustainable development achievements in sync with the UN Sustainable Development Goals (SDGs). The goal is to report strategies and activities in the fields of economy, environment, and society to our stakeholders in a conscientious manner and demonstrate our firm determination to implement our sustainability and achieve sustainable development.

Report Review

The information and data covering domestic and international sustainability issues in the economic, environmental, dimensions in this report have been collected by the Sustainability Committee, which is directly subordinate to the President. Material topics affecting the company have been identified through stakeholder engagement and analysis based on a clear understanding of issues of concern to stakeholders obtained by relying on diversified channels. Management approaches and performance information were compiled based on these topics. Upon compilation and organization, this data was reviewed and confirmed by the Sustainability Committee.

After approval by the Chairman and President and ratification by the board, we communicated this data to our stakeholders via open channels. The financial data disclosed in this report has been derived from the annual report which has been audited and attested by Deloitte. As for the ISO 9001 International Quality Management System, the ISO 14001 Environmental Management System, and the ISO 45001 Occupational Health and Safety Management System, the Company has passed certification audits conducted by the Metal Industries Research & Development Center of the Ministry of Economic Affairs. KPMG has been commissioned to carry out limited assurance procedures and issue a report for specific performance indicators (below referred to as "Assurance Subject Matter Information") pursuant to the Taiwan Standard on Assurance Engagement 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) released by the R.O.C. Accounting Research and Development Foundation. The limited assurance report issued by the CPA can be found in the appendix.

Report Preparation Principles and Outline

We have identified issues of concern to our stakeholders through an in-depth analysis of key economic, environmental, and social issues on the global stage. In addition, relevant departments have been enlisted to engage in discussions and screening of issues with reference to the Company's operating strategies. The results are presented in this report.

The data pertaining to performance in the economic and financial management dimensions in this report has been derived from our consolidated financial statements. All financial data in the report is presented in New Taiwan Dollars. The scope of disclosure for environmental performance indicators encompasses the FUCC Linyuan Plant in Kaohsiung, the Pingtung Plant of United Performance Materials Corp., and Hershey Environmental. Our disclosure of social performance indicators focuses on FUCC and United Performance Materials operating sites in Taiwan including the FUCC Corporate HQ in Taipei and the Linyuan Plant in Kaohsiung and the United Performance Materials Pingtung Plant and Corporate HQ in Taipei. Overseas business locations and joint ventures have not been included in the scope of disclosure. If the provided information exceeds the aforementioned scope, a detailed explanation will be given in the respective chapter. It should further be noted that the disclosures in Chapter 6.1.1 on community care are limited to FUCC. The remaining chapters include relevant information for United Performance Materials.

Report Preparation Management Process

Stage	Topic	Competent unit
Collection of issues	1.Determination of stakeholders 2.Collection of topics of concern 3.Determination of material topics	Sustainability Committee
Compilation and organization	Compilation of management approaches and performance information	Sustainability Committee
Preparation of the first draft	Report compilation	Sustainability Committee / relevant operating departments
Review and finalization	Internal review of the report	Sustainability Committee
Publication	Reporting to the Chairman/ publication	Sustainability Committee

• There are no major revisions to this report caused by organizational structure or reporting period scope changes. In case of alteration or adjustment of relevant data or contents, a detailed explanation is provided at the respective location in the text.



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Publication Date and Frequency

FUCC releases reports on an annual basis.

Publication dates are as follows: Previous issue: September 2023

This issue: August 2024

Next issue (projected): August 2025

Contact method

This report can be accessed and viewed by all interested parties on the corporate website in electronic format in Traditional Chinese. We have selected this eco-friendly, paperless format in line with our responsibility as a corporate citizen.

free to download the report (in PDF-format) via this link http://www.fucc.com.tw/ fucc/fucc_index_csr1.asp



Please don't hesitate to contact us if you have any questions or suggestions regarding this

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FUCC stakeholder section

http://www.fucc.com.tw/fucc/fucc_index_retailer1.asp



Investor services section

http://www.fucc.com.tw/fucc/fucc_index_service.asp



Contact information section

http://www.fucc.com.tw/fucc/fucc_index_contact.asp



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1.1 Company Profile



FUCC

Company name: Formosan Union Chemical Corporation Date of establishment: June 21, 1973

Registered capital: NT\$ 4,770,163,000

Revenue: NT\$ 6,602,635,000

Industry category: chemical industry (publicly listed company) Corporate HQ: 14F, No. 206, Sec. 2, Nanking E. Rd., Taipei City

Key subsidiary

United Performance Materials

Company name: United Performance Materials Corp. Registered capital: NT\$ 919,372,000

Revenue: NT\$ 1,694,384,000

Industry category: chemical industry

Corporate HQ: 13-5F, No.206, Sec.2, Nanking E. Rd.,

Zhongshan Dist., Taipei City

Operating site: Pingnan Plant, Pingtung

Annual production capacity (in metric tons): alkylation products 135,108/resin products 32,074 Pesticides and others 2,161

Note: The above production capacity categories are identical to those indicated in the consolidated financial statement

FUCC Operating Sites FUCC Linyuan Plant: No.9, Shihua 3rd Rd., Linyuan Dist., Kaohsiung **United Performance** Materials Pingnan Plant: No. 10, Jingjin Rd., Fangliao Township, **Pingtung County**

Formosan Union Chemical Corporation was established in 1973. The Company was officially listed on TWSE in 1986. Its Corporate HQ is located on Nanjing East Road in Taipei City. FUCC is the largest manufacturer of raw materials for detergents worldwide. Its manufacturing base is situated in the Linyuan Industrial Park.

Over the more than four decades since its inception, FUCC has been firmly committed to developing new products, reinforcing quality control procedures, and reducing environmental impacts with the ultimate goal of offering its customers with the highest quality products. The Company has been able to weather numerous storms such as the oil crisis and several recessions by relying on the concerted and dedicated efforts of all staff members. These endeavors are closely intertwined with the gradual implementation of sustainable operations and active opening up of new green markets. The Company has also made investments in the fields of environmental remediation and green power generation and has thereby successfully installed green energy facilities and developed numerous special-purpose remediation agents for the soil and groundwater remediation market. We owe our success and achievements to our hard-working and deeply dedicated employees.

In the future, we will maintain an active commitment to innovation. We will do our utmost to fulfill our corporate responsibility in the field of sustainability and create maximum value for our stakeholders.







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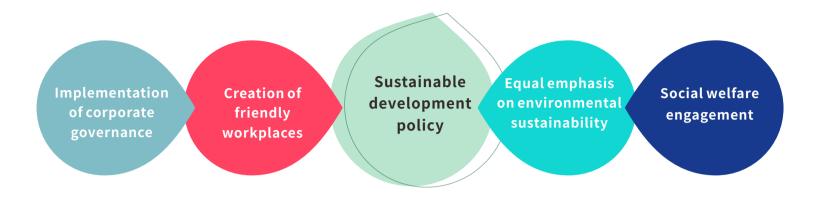
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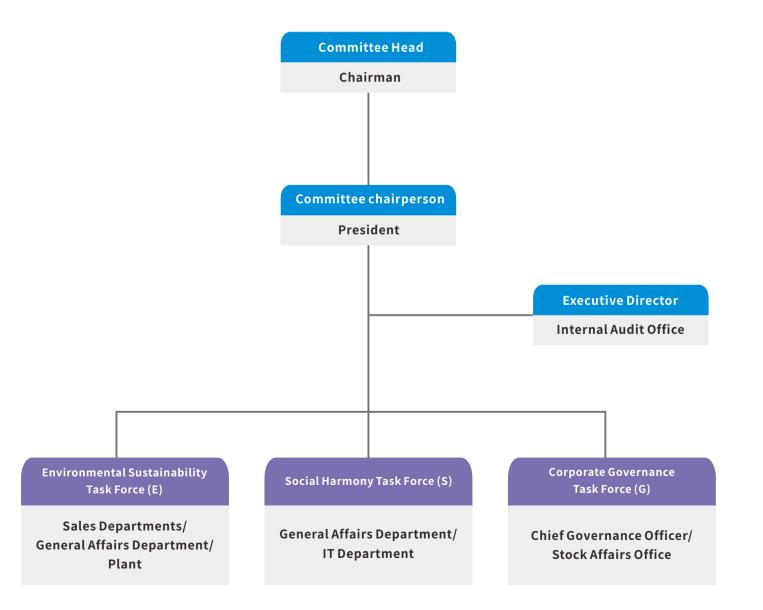
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1.2 Sustainable Development Strategy



We are actively committed to promoting sustainable development and upholding the spirit of mutual prosperity and co-existence. Sustainability concepts are implemented in our operational decision-making processes and measures through concrete actions in the dimensions of ethical corporate governance, employee care, emphasis on environmental issues, and community care with the ultimate goal of fulfilling social responsibility and creating sustainable value for the enterprise.



Sustainable Development Committee

We have adopted the Sustainable Development Best Practice Principles ratified by our Board of Directors as our guiding policy and benchmark for sustainable development in the environmental, social, and corporate governance (below referred to as "ESG") dimensions. The goal is to facilitate the smooth implementation of sustainable development-related matters while ensuring effective communication with and positive responses from our stakeholders. We have formed a Sustainable Development Committee with the Chairman serving as Committee Head in charge of supervising committee operations. The President and Internal Audit Office director hold the positions of Committee Chairperson and Executive Director, respectively. The ESG Task Forces are comprised of the staff members of different units. This Committee is responsible for the formulation, implementation, and supervision of sustainable development objectives and strategies, preparation of sustainability reports, verification of relevant contents, and other matters associated with the execution of sustainable development initiatives. Sustainable corporate development-related matters are listed as long-term objectives. Finally, task force performance and target achievement are regularly reviewed by the Committee Chairperson and Executive Director and quarterly reports on task and plan implementation status are delivered to the Board of Directors.

Sustainable Development Committee Functions	Committee Chairperson Responsibilities
 Formulation of sustainable development objectives and strategies Implementation and supervision of sustainable development tasks Review of sustainable development achievements Handling of other matters concerning sustainable corporate development Review of Sustainability Reports 	 Deliberation and formulation of sustainable development policies Supervision of policy implementation and sustainability report preparation by Sustainable Development Committee members Quarterly reporting of the state of sustainable development operations to the Chairman and the Board of Directors



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As a rule, the Sustainable Development Committee convenes on a quarterly basis to discuss implementation goals and results of different task forces. The aforementioned meeting frequency can be adjusted in a flexible manner as deemed necessary in response to environmental and regulatory changes. In addition to routine attendance by committee members, the committee chairperson may invite task force members to participate in such meetings as required for the discussion of proposal contents. Meeting minutes encompass adopted resolutions and discussion processes of the Sustainable Development Committee. The state of sustainable development in 2023 was reported to the Board of Directors on March 14, May 15, August 11, and November 10. The goal is to intensify our efforts in the field of sustainable development, enhance our disclosure of sustainability information, and boost information security through the operations of this Sustainable Development Committee. We rely on the PDCA management cycle to drive ongoing advances and growth on the sustainable development.

Sustainable Development Committee Task Forces and Relevant Sustainability Issues			
Corporate Governance Task Force	Operational risk management, internal audits, financial performance, information security, legal and regulatory compliance, ethical corporate management, board governance practices		
Environmental Sustainability Task Force	Green products, energy management, GHG emissions, climate change, water resource management, and waste management		
 Social Harmony Task Force 	Customer services, supply chain sustainability, procurement policy, product safety and liability, training & education, employee diversity and equal opportunities, occupational health and safety, employee-employer relations, human rights policy, social welfare activities		



Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) represent a core agenda comprised of 17 goals and 169 targets which serves as a guiding principle for sustainable development practices adopted by member nations and enterprises worldwide.

We have incorporated these sustainable development goals into our business strategies with the ultimate goal of expanding our perspective from the sole focus on financial performance in the past to an equal emphasis on environmental protection, legal and regulatory compliance, increased employee compensation to retain outstanding talent, fostering local development, elimination of workplace inequalities, reduction of wastewater and sewage discharge and GHG emissions, and partnering with suppliers in environmental improvements and fostering of social prosperity and the common good. Looking ahead, we will step up our efforts to realize these sustainable development goals and satisfy the diversified demands of our stakeholders.

UN SDGs (Sustainable Development Goals)	FUCC Goals & Vision	FUCC Response
1 消除貧窮	Donations in support of underprivileged groups	In 2023, we provided donations totaling NT\$ 1.79 million to provide emergency relief for low-income households in neighboring communities and sponsor community activities and thereby give back to local communities through concrete action.
3 良好健康與 社會福利 ◆	Care for employee health and benefits	171 employees participated in general health exams at the Kaohsiung Plant in 2023. No issues were found in these exams which were fully sponsored by the Company.
4 優質教育	Effective utilization of employee competence and achievement of organizational performance goals	We organize employee training and encourage employees to participate in long-term training programs, which has resulted in an increase in average training hours per employee to 21.26 in 2023, marking a rise of 21.35% compared to 2022.

UN SDGs (Sustainable Development Goals)	FUCC Goals & Vision	FUCC Response	
5 性別平等	Adoption of a fair remuneration system without gender-based differences	Male-female salary and executive salary ratio of 1:1	
6 清潔飲水與 衛生設施	Enhanced wastewater discharge efficiency	We made investments totaling NT\$ 6.59 million and NT\$ 240,000 in soil and ground water pollution control measures and wastewater treatment in 2023, respectively.	
7 負擔得起的 清靜能源	13 氣候行動	 Energy conservation and carbon reduction Our energy conservation projects have resulted in energy savings of 657.75GJ, which is equivalent to a carbon reduction of 90.26 metric tons CO₂e. We have implemented climate-related risk governance in line with the TCFD framework. 	



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UN SDGs (Sustainable Development Goals)	FUCC Goals & Vision	FUCC Response
8體面工作與經濟成長	Implementation of human rights policies	 There is no gender-based bias in hiring decisions, performance appraisals, and promotions. Salaries are adjusted in an adequate manner in line with profitability to strengthen the emotional attachment of employees to the Company. We deeply respect labor rights, which includes prohibition of child labor and any form of workplace discrimination. The duties of maternal employees are adjusted in an appropriate manner pursuant to applicable laws to ease the workload of such employees and safeguard their physical health. We have adopted an occupational health and safety management mechanism to effectively reinforce workplace safety.

UN SDGs (Sustainable Development Goals)	FUCC Goals & Vision	FUCC Response	
↑ 產業、創新與	Increased R&D expenditures	Our R&D expenditures reached NT\$ 61,600,000	
基礎設施	Fostering innovation	 We successfully synthesized octylphenol, which can serve as a substitute for nonylphenol and boosts alkylphenol activation. We successfully produced a new type of FP-140, which significantly improves the compatibility of resin and TPE (Thermoplastic Elastomer). Hydrocarbon resin hot polymerization and hydrogenation meet FA-100 specifications, which is expected to result in cost savings. 	
12 永續的消費與 生產模式	Reduced waste generation	Industrial waste generated by FUCC and United Performance Materials Corp. saw a YoY decrease of 16.35% in 2023.	
CO	Environmental protection expenditures	Environmental protection expenditures of FUCC and United Performand Materials reached NT\$ 15.55 million and 17.29 million, respectively.	
16 和平、正義與健全的司法	Development of effective, accountable, and transparent systems	 We have enhanced our corporate governance practices and rely on our internal control system to ensure compliance of practitioners with applicable Company norms, standards, and regulations. In addition, we have effective whistleblowing procedures and channels in place. We rely on stakeholder communication and engagement to gain a clear understanding of their demands and expectations and deliver regular reports to the Board of Directors. 	

1.3 Business Philosophy and Policy

Since our inception, we have upheld our core business philosophy. Constant pursuit of product quality enhancements, plant safety, and pollution control represent our main sustainability targets. Please refer to the table below for a detailed description of our philosophy and policies.

Business Philosophy

- Strengthening of R&D and process improvements, development of new product applications, implementation of ISO 9001 quality management and ISO 14001 environmental management systems, and maximization of the effect of production and sales operations
- Implementation of TQM (Total Quality Management), adoption of customer demandoriented marketing strategies, and intensification of partnerships with downstream businesses to achieve the goal of equal profit sharing

Management Approaches

- Thorough implementation of different quality control and environmental safety policies to guarantee product quality and ensure the maintenance of work safety and environmental protection in plant areas
- Guarantee of a stable supply of raw materials from relevant sources, increase of capacity utilization rates to achieve maximum production results in each plant, and enhancement of product competitiveness
- Reinforcement of cost and expense control and improved business performance to create a competitive edge in the field of market competitiveness
- Strengthening of R&D efforts in the field of new applications to facilitate expansion into new markets to ensure sustained corporate development
- Strengthening of efforts in the field of talent recruitment and cultivation to realize corporate sustainability
- Constantly improving customer satisfaction as the ultimate goal



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1.4 Membership in Societies and Associations

FUCC and United Performance Materials pursue constant advances and rising standards in the economic, environmental, and social dimensions to attain corporate sustainability. In addition, we actively participate in several associations to raise awareness and understanding of economic, environmental, and social issues and thereby draw attention to the importance of corporate sustainability among industry members. We are active in various chemical processing industry societies and associations and strictly adhere to new industry regulations. Our ultimate goal is to maximize mutual benefits, enhance industry competitiveness, and facilitate the achievement of sustainability goals through sharing of product experiences and coordination of relations with competitors.

Name of Society/Association	Participant	Mission & Vision	Role
Taiwan Soap & Detergent Industry Association	FUCC	Overall planning of raw material supply and assistance in the acquisition of foreign exchange and implementation of technology and quality improvements by members represent the main tasks of this association.	Contributing member
Chinese Petroleum Institute (CPI)	FUCC	CPI's main mission is to encourage academic exchanges in the field of petroleum, promote petroleum product applications, raise the technological standards of the industry, and thereby boost petroleum industry installations and public well-being.	Member
Chinese National Federation of Industries (CNFI)	FUCC	CNFI strives to boost economic development through coordination of relations between competitors, enhancement of mutual benefits, and pursuit of industry improvements and promotion	Member
Petrochemical Industry Association of Taiwan (PIAT)	FUCC	PIAT strives to boost economic development through coordination of relations between competitors, enhancement of mutual benefits, and pursuit of industry improvements and promotion	Supervisor
Linyuan Petrochemical Industry Zone Manufacturer Conference	FUCC	The Conference provides a fund for harmonious neighborhood relations to enable manufacturers in the Linyuan Petrochemical Industry Zone to give back to residents of Linyuan District	Member
Sino-Arabian Cultural & Economic Association	FUCC	This association which was formed as a national diplomacy organization by direction of the Ministries of Foreign and Economic Affairs aims to serve as a bridge between the public and private sectors and Arabian countries and between different Arabian countries.	Contributing member
Taiwan Responsible Care Association (TRCA)	FUCC	TRCA was founded with the purpose of recognizing the social responsibilities of the Taiwan chemical industry, and continuously improving the environment, health, and safety performances of the industry.	Member
Importers and Exporters Association of Taipei (IEAT)	FUCC	IEAT offers professional economic and trade services to its members. It aims to intensify cross-industry cooperation and serve as a bridge between the public sector and the industry. It also strives to facilitate market expansion and securing of market opportunities through the integration of the capabilities of its members and key domestic and international partners.	Member
Taiwan Synthetic Resins& Adhesives Industrial Association	United Performance Materials	Surveys, statistics, research, improvement, and development of the domestic and international synthetic resins & adhesives industry, mediation of disputes between competitors, and assistance in the mediation of labor-management disputes	Member
Taiwan Regional Association of Adhesive Tape Manufacturers	United Performance Materials	Surveys, statistics, research, improvement, and development of the domestic and international adhesive tape industry, liaison and promotion of technological cooperation	Member



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Corporate Governance

For a long period of time, Formosan Union Chemical Corporation has continued to enhance its corporate governance structure, encourage shareholders to participate in corporate governance, insist on information transparency and protect stakeholder's rights through implementation of an effective audit system. The Company is also convinced that a comprehensive and efficient Board of Directors Meeting is the foundation of corporate governance, and expects to enhance the Company's performance through comprehensive management functions for the purpose of achieving the goal of sustainable operation.

Being a company limited by shares, Formosan Union Chemical Corporation's principle is to seek shareholder's maximum benefits. Shareholder's Meeting is the ultimate decision-making body while Board of Directors Meeting and its respective functional committees are responsible for supervision and execution of operation. Chairman of the Board does not assume any posts in the Company's senior management. Responsibility of the Company's operation lies in the hands of a professional management team for the purpose of ensuring achievement of operation performance. Shareholders' Meeting regularly listens to reports made by Board of Directors Meeting. The Board of Directors Meeting is the ultimate management body with members all complying with their due care obligation of good administrators, and it takes responsibilities in the Company's operation policies as well as review of financial performance for the purpose of ensuring the Company's compliance with various regulations. Audit Committee is responsible for supervising the Company's execution of business as well as inspection of accounting books and records.

For the purpose of achieving comprehensive corporate governance effectiveness as well as complying with competent authority requirements, the Company has established a designated corporate governance team. The Company's head of corporate governance will be convener of the team and he or she will be jointly responsible for promoting the Company's corporate governance related matters together with representatives from respective units.



The Company's corporate governance in 2023 is as follows:

- Amendment to the Articles of Incorporation
- Amendment to the Rules of Procedure for Board of Directors Meetings
- Designation of a dedicated unit for the handling of material inside information
- Appointment of a Chief Information Security Officer (CISO) and information security personnel
- Amendment to the Internal Control System Rules and Standards for the Stock Affairs Unit
- Amendment to the Rules Governing Financial and Business Matters
 Between the Company and its Related Parties
- Amendment to information security management plans

Corporate Governance Procedures

Compliance

Establish a system, which complies with corporate governance related requirements from competent authorities such as Taiwan Stock Exchange, and execute the system conscientiously.

Competence

Establish Remuneration Committee and Audit Committee with members composed of independent directors for the purpose of ensuring fulfillment of supervision responsibility as well as management team's compliance with regulations in terms of operations. Both committees report to the Board of Directors Meeting on a regular basis.

Assessment

Participate in Corporate Governance
Assessment Operations for Listed/OTC
Companies each year, and conduct
regular review of strategies for the
purpose optimizing corporate
governance effectiveness through
benchmarking.

Communication

Hold Regular Shareholders' Meeting on a routine basis to illustrate messages including corporate governance, compile annual report and corporate sustainability report, and disclose messages of corporate sustainability and risk control on website.

Disclosure

Being responsible for stakeholders by publishing Board of Directors Meeting's decision on critical resolutions on website.



Establishment of Effective Corporate Governance Structure

Protection of Shareholder's Rights Enhancement of Board of Directors Meeting's Competence Improvement of Information Transparency

Development of Audit Committee's Functions Respect for Stakeholder's Rights



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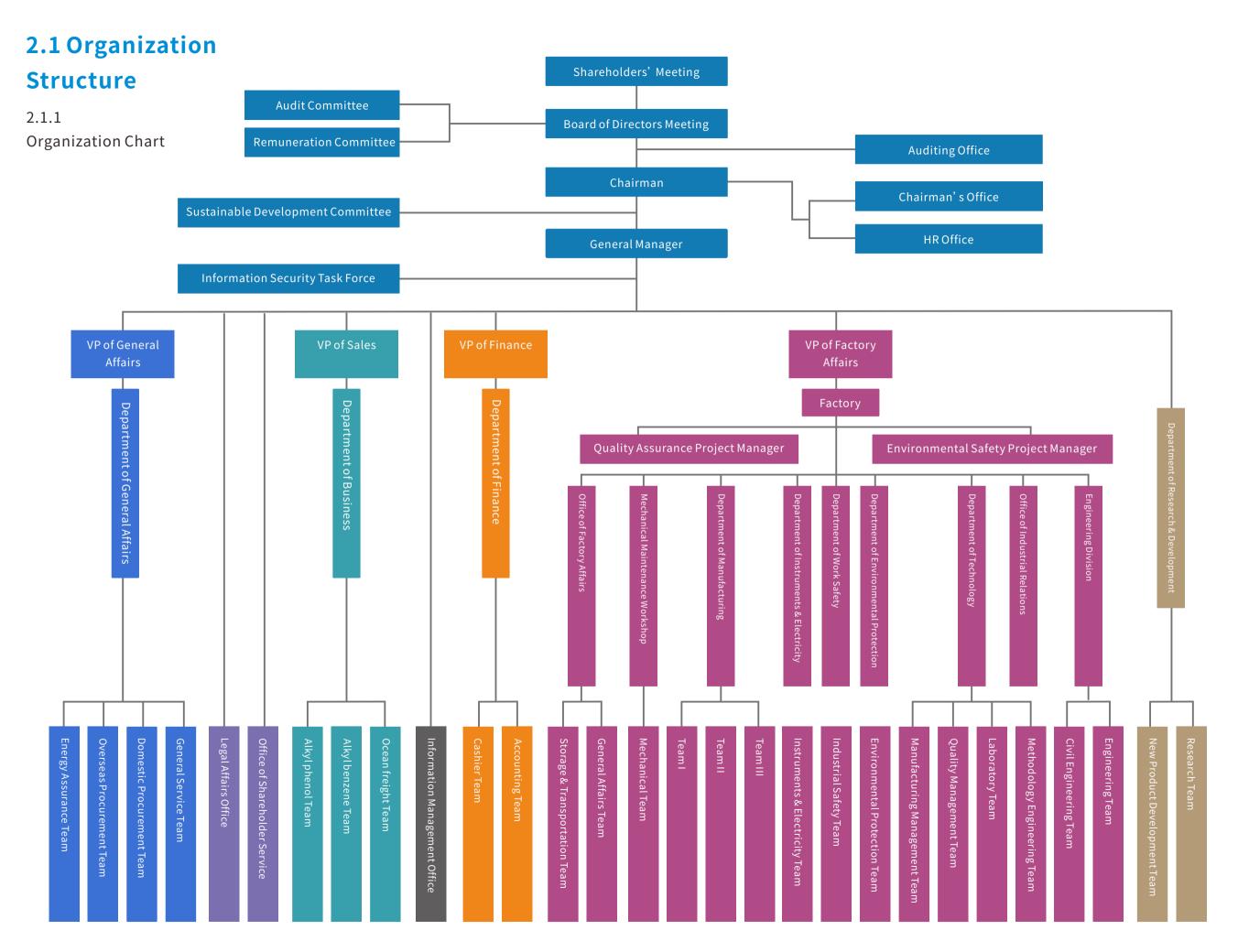
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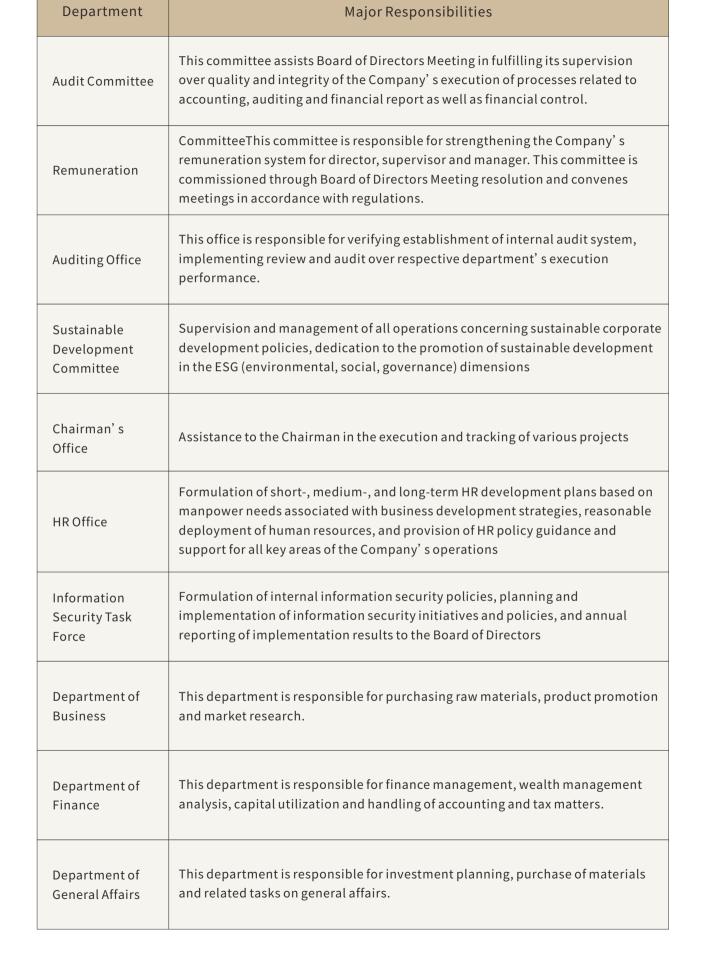
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Department	Major Responsibilities
Department of Research & Development	This department is responsible for new product research and development as well as quality improvement.
Department of Manufacturing	This department is responsible for arrangement of production plan and production management of respective factories.
Department of Technology	This department is responsible for product quality assurance and improvement of current manufacturing process.
Department of Environmental Safety	This department is responsible for planning and supervision of industrial safety and health design, and promotion and execution of environmental protection business.
Department of Instruments & Electricity	This department is responsible for management of instruments and electrical engineering.
Mechanical Maintenance Workshop	This workshop is responsible for installation and maintenance of all machinery equipment in the factory.
Office of Factory Affairs	This office is responsible for factory purchasing, storage and transportation, warehouse operations, management and maintenance of buildings.
Engineering Division	This department is for supervision of quality for engineering design, contracting, and installation.
Office of Industrial Relations	This office is responsible for contact, communication and coordination of factory related matters.
Information Management Office	This office is responsible for planning of computer operation system, program design and information management.
Office of Shareholder Service	This office is responsible for preparation of shareholder's meeting and Board of Directors Meeting, and related business on shareholder service.



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2.1.2 Board of Directors Meeting

In addition to consideration of diversified composition of members, selection of Formosan Union Chemical Corporation's Board of Directors Meeting also considers fundamental qualifications needed for the Company's practices, operation type and development needs, integrity concepts in line with the Company's core values as well as professional knowledge and skills such as abundant practical experiences needed in the fields of commerce, legal affairs, finance, accounting or the Company's business.

Director's Capabilities

Operation Judgement Capability

Crisis Management

Capability

Accounting & Finance Analysis Capability

Industry Knowledge

Market Perspective

& International

Operation Management Capability

Leadership Capability & Decision-Making **Capability**

Enhancement of Board of Directors Meeting's Competence



For the purpose of enhancing Board of Directors Meeting's competence, independent directors and audit committee were established.



To supervise implementation of corporate governance, independent directors and internal audit executive hold regular seminars with accountants and make records accordingly.



The Company exerts itself in complying with company internal control system hoping to achieve the goal of mitigating operation risk factors through feedback from self-inspection.

Performance of Corporate Governance Execution



1. The "2023 Annual Audit Plan," which was drafted in accordance with "Regulations Governing Establishment of Internal Control System by Public Companies," was approved.

2. Appointment of a CISO and information security personnel



Assessment report on certified accountant's independence and suitability has already been completed in accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Director nomination and election procedures

Qualification requirements

We have adopted a candidate nomination system for director (including independent director) elections pursuant to our Articles of Incorporation, the Corporate Governance Best Practice Principles, and the Rules for Election of Directors. The Board of Directors considers operational development needs of the Company and accepts recommendation of professionals in different fields as candidates by current board members. The list of director and independent director candidates is reviewed by the board to ensure that all candidates possess the required knowledge, skills, and literacy.

Invitation and required information

The Chairman personally invites director (including independent director) candidates who have passed the required reviews to participate in board elections. After the candidate consents to the nomination, he/she is asked to fill out the Educational and Professional Background Statement for Directors/Independent Directors and attach a copy of his/her highest diploma, equivalent credit certificate, or professional license. He/she is further required to provide employment/resignation certificates issued by organizations as proof for currently or previously held positions.

Invitation and required information

The director (including independent director) candidate nomination proposal is submitted to the board for discussion. After approval by board resolution, it is submitted to the Shareholders' Meeting for voting.



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Director's Responsibilities:

A director's responsibilities are to ensure that the Company's operation complies with government's all related regulations, avoid occurrence of conflict of interest and make resolutions with regard to the Company's critical matters. The Board of Directors Meeting will convene at least once each quarter. For the purpose of establishing the Company's good governance system for Board of Directors Meeting, solidifying supervision functions as well as enhancing management mechanisms, rules for meeting procedures have been established for compliance purpose in accordance with requirements prescribed in "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

In recent years, Formosan Union Chemical Corporation has been planning step-by-step to establish a comprehensive corporate governance system and the Company has exerted itself in becoming an enterprise of sustainable operation. Under considerations that there is no specific interest between independent directors and the Company's operation, that independent directors can provide their objective and unbiased opinions based on their professionalism and independence for the purpose of achieving diversification during Board of Directors Meeting's decision-making, and that establishment of independent directors shall assist in supervising the Company's operation while protecting shareholder's rights, Formosan Union Chemical Corporation modified its articles of incorporation and established independent directors and audit committee during Board of Directors Meeting election in 2017.



Goal and Execution for Enhancement of Board of Directors Meeting's Competence:

To fulfill corporate governance spirit and effectively improve information transparency, Formosan Union Chemical Corporation has fully disclosed messages of various operations and finance on annual report, company website and market observation post system.

Board of Directors Meeting is responsible for passing resolutions on operation plan and (semi)annual financial report, reviewing internal control system established or modified by the Company and reviewing handling processes prepared or modified by the Company for material financial or business conducts of asset acquisition or disposal, engagement in derivative product transaction, lending capital to others, endorsement/guarantee for others or providing guarantee for others. Board of Directors Meeting's responsibilities also include reviewing of matters with interests involving directors or supervisors, transactions of material assets or derivative products, material capital lending, endorsement or providing of guarantee, offering, issuing or private placement of equity-type securities, hiring or dismissal of certified accountants and compensations rendered, and material matters on hiring or dismissal of executives for finance, accounting or internal audit. Independent director's comments of objection or reservation, if any, will be recorded in Board of Directors Meeting's meeting minutes.



Prevention of Conflict of Interests:

Formosan Union Chemical Corporation's Ethical Management Procedures and Conduct Guidelines specifically prescribes that: Directors shall possess high degree of self-discipline. In the event that a director or the legal person represented by a director has personal interests on proposals listed in Board of Directors Meeting and that such interests may damage the Company's interests, such director may express his or her opinions and answer questions in the meeting but shall not participate in discussions or voting. Furthermore, such director shall recuse himself or herself during discussion and voting, and shall not represent other directors in exercising their voting rights. Self-discipline shall also be exercised among directors and directors shall not be engaged in inappropriate support for one another.

• In 2023, all directors who had a conflict of interest recused themselves from the discussion or voting on proposals in board meetings if they or the juristic person represented by them were an interested party with respect to said proposals.



Composition of Board of Directors Meeting

- Our Board of Directors is currently composed of 19 members. The three female directors account for 15.8% of the board membership. Pursuant to applicable laws and regulations, shareholders holding one percent (1%) or more of the total number of outstanding shares of the Company, may propose a list of director candidates.
- Board of Directors Meeting of this plenary is composed of members with professional backgrounds with seasoned industry experience. They are responsible for the Company's operations and supervision. Tenure is 3 years and directors may seek re-election thereafter. Additionally, there are 4 independent directors. During their term of service, independent directors will review the Company's internal audit report, attend Board of Directors Meeting and supervise the Board's operations. Furthermore, they will also review related financial statements in accordance with laws every year when such statements are submitted to shareholders' meeting.
- Structure of Formosan Union Chemical Corporation's Board of Directors Meeting not only complies with related regulatory requirements, it also determines appropriate seats of directors based on the Company's operation development scale, status of major shareholder's holdings as well as needs for practical operations. Members of Board of Directors Meeting generally possess knowledge, skills and competence needed to perform duties, and they also come with diversified policies.



Operations of Board of Directors Meeting:

The Board of Directors convenes at least once per quarter to review business performance and discuss major strategies and issues. Since no major incidents occurred in the reporting year, there is no record of relevant discussions. Major board resolutions are publicly announced on the TWSE Market Observation Post System and the corporate governance section of our corporate website in a prompt manner. Our Articles of Incorporation and Rules of Procedure for Board of Directors Meetings have also been made available for online queries.



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A total of 7 Board of Directors Meetings were held in 2023 with directors and supervisors'attendance as follows:

Job Title	Name	Actual times of Attendance (Presence) (B)	Times of Attendance by Proxy	Actual Attendance (Presence) Percentage (%) (B/A)
Independent Director	Shin Shing Chemical Corporation Representative: Huang, Shen-Cai	7	0	100%
Vice Chairman	Huang, Shen-Shun	6	0	85.71%
Director	Lien, Der-Shi	7	0	100%
Director	Liao, Jia-Kuo	3	0	100%
Director	Shin Chang Construction Co., Ltd. Representative: Guo, Zhi-Qun	7	0	100%
Director	Guo, Jen-Zhi	6	0	85.71%
Director	Lion Home Products (Taiwan) Co., Ltd. Representative: He, Hao	7	0	100%
Director	He Mao Venture Capital Co., Ltd. Representative: Chang, Li-Qiu	1	6	14.29%
Director	Li, Wen-Ling	3	0	75%
Director	Chen, Der-Feng	6	0	85.71%
Director	Shi, Jia-An	5	0	71.43%
Director	Guo, Zhi-Mao	3	0	100%
Director	Formosa Chemicals & Fibre Corporation Representative: Wu, Xin-Chang	5	0	71.43%
Director	Huang, Der-Lun	5	0	71.43%
Director	Ever-Prosperous Multitechnologies Enterprise Ltd. Representative: Ke Yan-Hui	3	1	75%
Director	Ever-Prosperous Multi-Technologies Enterprise Ltd. Representative: Ke, Zhang-Qi	3	0	100%
Director	Lin, Chun-Cheng	4	0	100%
Director	Qi Dong Investment Co., Ltd. Representative: Huang, Chen-Feng	6	0	85.71%
Independent Director	Liao, Sogn-Yue	3	2	42.86%
Independent Director	Lin, Lai-Di	5	1	71.43%
Independent Director	Chen, Hon-Wen	5	1	71.43%
Independent Director	Chen, Hon-Wen	6	1	85.71%

Note: The Shareholders' Meeting elected a new board on June 16, 2023. The newly elected directors took office on July 1, 2023. The board convened three times before and four times after the election. The newly appointed directors are Li, Wen-Ling, Ke, Yan-Hui, and Lin, Chun-Cheng. Guo, Zhi-Mao, Ke, Zhang-Qi, and Liao, Jia-Kuo stepped down as directors.



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We conduct board performance evaluations pursuant to the Rules for Performance Evaluation of Board of Directors. With a view to enhancing the independence and impartiality of these evaluations, we commission an external, independent, professional institution or a panel of external experts and scholars to conduct evaluations at least once every three years. The external and self-evaluations scheduled for 2023 have been successfully completed. The results were reported to the Board of Directors on January 19, 2024. The external evaluation carried out in 2023 can be described as follows:





External evaluation

We commissioned Taiwan Investor Relations Institute, an independent, third-party assessment body (below referred to as "Third-Party Assessment Body"), to carry out a board performance evaluation in November 2023. This external body and the scholars and experts conducting the evaluation have no business dealings with this Company and possess the professionalism and independence required for such evaluations.



2.1.3 Remuneration Committee

For the purpose of assessing if senior management's remuneration received over operation performance is fair and equitable, Formosan Union Chemical Corporation established Salary & Compensation Committee ("Remuneration Committee") in 2011. This committee is composed of 3 commissioners with a term of 3 years. These 3 commissioners have more than 5 years of practical experiences in business management, law and finance. Remuneration committee commissioner's term for this plenary is identical to the one for Board of Directors Meeting. Please refer to p.48 of Formosan Union Chemical Corporation's 2023 annual report for information with respect to Remuneration Committee members' background and experiences.

1. Functions of Remuneration Committee:

Remuneration Committee will exercise a good administrator's due care, perform its duties truthfully, establish and conduct regular review over director and manager's performance assessment as well as policy, system, standard and structure for salary and compensation, conduct regular assessment and establish salary and compensation for directors and managers, and submit suggestions based on assessment results to Board of Directors Meeting for discussion.

2. Operations of Remuneration Committee:

During its assessments, Remuneration Committee will consider director and manager's performance assessment and salary/compensation, take references from industry's normal standard of payments, and consider related rationality among individual performance, the Company's operation performance and future risks while ensuring that directors or managers will not be enticed to conduct behavior exceeding the Company's risk appetite simply for the pursuit of salary and compensation.

With respect to proportion of bonus distributed and payment time for some variable salary/compensation paid to director and senior management for their short term performance, Remuneration Committee will also make decisions under considerations of industry characteristics and the Company's business nature. Remuneration Committee will exercise a good administrator's due care, perform its duties truthfully, establish and conduct regular review over director and manager's performance assessment as well as policy, system, standard and structure for salary and compensation, conduct regular assessment and establish salary and compensation for directors and managers, and submit suggestions based on assessment results to Board of Directors Meeting for discussion.

To strengthen sustainable operation concept, Remuneration Committee's future assessment will include senior management's performance in the field of corporate sustainability such as execution results on issues of green environmental protection and employee caring into its scope of assessment.



Remuneration Committee conducts regular assessment over director and manager's performance in corporate governance and operation.



Remuneration Committee ensures that director and manager's performance is proportionate to their personal salary or compensation.



Remuneration Committee will propose modification suggestions and assist Board of Directors Meeting in executing and assessing the Company's overall remuneration and benefit policy as well as director and manager's compensation.



Going forward, sustainable performance will be included in the scope of remuneration assessment.

3. Remuneration Committee's critical resolutions in 2023

Remuneration Committee held 3 meetings in 2023. Overall attendance percentage for commissioners is 88.9%. Major resolutions passed are as follows:

Times	Date	Contents of Resolution		
1	Jan. 17, 2023.	Proposal for distribution of 2022 year-end bonus was passed.		
2	Mar. 14, 2023	Proposal for distribution of 2022 directors and employees' compensation was passed.		
3	Jul. 17, 2023	 Proposal to distribute 2022 director compensation to the Company's directors in 2022 was passed. Proposal of 2023 salary adjustment was passed. 		



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2.1.4 Audit Committee

To solidify supervision functions and to enhance management functions, Audit Committee ("Audit Committee") was established in 2017 in accordance with Securities and Exchange Act. This committee has 4 commissioners with a term of 3 years. These four commissioners have practical experiences in business management and finance. Audit commissioner's term for this plenary is identical to the term for Board of Directors Meeting.

With respect to Audit Committee member's background and experience, please refer to audit commissioner's composition, responsibility and operation section – corporate governance operation status in Formosan Union Chemical Corporation's 2023 annual report.

1. Audit Committee's Responsibilities:

Audit Committee aims at assisting Board of Directors Meeting in supervising quality and integrity in the Company's execution processes on accounting, audit, financial statements as well as finance control. Pursuant to Article 14-4 of Securities and Exchange Act, Audit Committee shall be composed by all independent directors and shall submit suggestions based on assessment results to Board of Directors Meeting for discussion.

2. Operation of Audit Committee:

Main purpose of Audit Committee's operations is to supervise the

I. Appropriate representation of the Company's financial statements; II. Certified accountant's selection (dismissal), independence and performance;

III. Effective implementation of the Company's internal control; IV.The Company's compliance with related regulations and rules; V. Control over the Company's existing or potential risks.

3. Audit Commissioner's Critical Resolutions in 2023

Audit Committee held 5 meetings in 2023. Overall attendance percentage for commissioners of Lin, Lai-Di, Liao, Song-Yue, Zhuo, Xun-Ron and Chen, Hong-Wen is 70%. Major resolutions passed are as follows:

No.	Date	Resolution		
1	Jan 17, 2023	Approval of the amendment to the Articles of Incorporation Approval of the amendment to the Procedures for Ethical Management and Guidelines for Conduct Approval of replacement of the Chief Internal Auditor		
2	Mar 14, 2023	Approval of the 2022 Internal Control Statement Approval of the amendment to the Internal Control System Rules and Standards for the Stock Affairs Unit		
3	Aug 11, 2023	Approval of the amendment to the internal control system		
4	Nov 10, 2023	Approval of the amendment to the 2024 Audit Plan Approval of the amendment to the Internal Control System Rules and Standards for the Stock Affairs Unit		

Note: The table above only lists resolutions concerning the internal control system and risk control and management. For a full description of resolution contents, please refer to the chapter on the State of Corporate Governance – Audit Committee Participation in Board Operations in the 2023 Annual Report.

2.2 Ethical Corporate Management

Material Issues	Importance to the Company	Policy / Commitment	Short- Term Goa	Mid/ Long Term Goals	1.Invested Resources for Current Year 2.Specific Achievements	Responsible Department/ Report Mechanism	Assessment Mechanism/ Achievements
Regulation Compliance	Regulation compliance is the corner stone of corporate responsibility. A corporate could only grow steadily and enjoy sustainable operation with the fulfillment of regulation compliance.	Zero Violation	ESG Related Regulation Compliance Annual Training Rate of 90%	 ESG Related Regulation Compliance Annual Training Rate of 100% 2.Zero Occurrence of Violations 	 Completion of identification and execution of environmental and occupational safety regulations. No related cases of regulation violation have been received from both internal and external report channels. 	Legal /Environmental Safety's Telephone or Email Response	No cases of major regulation violation were reported in 2023.



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Formosan Union Chemical Corporation is engaged in commercial activities based on principles of fairness, honesty, trustworthiness and transparency. To fulfill ethical management policy and to actively prevent unethical behavior, "Formosan Union Chemical Corporation Ethical Management Operation Procedure and Code of Conduct" has been established in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" to specifically regulate matters to which the Company's director, manager, employee and individual with substantial control capability shall pay attention when executing businesses. In the meantime, for the purpose of preventing insider trading, the Board of Directors Meeting has passed "Handling Operation Process for Formosan Union Chemical Corporation's Internal Material Information" to further solidify prevention of insider trading.

Formosan Union Chemical Corporation has also established diversified report channels in the Company's official website to allow internal and external stakeholders to express their opinions on Formosan Union Chemical Corporation's involvement in regulation compliance issues. Meanwhile, for the purpose of enhancement on report mechanism, Formosan Union Chemical Corporation incorporated "Whistleblower Protection Clause" into its Guidelines for Report System expecting to protect whistleblower's identity and related rights.

Diversified Report Channels

- Mailing Address: Auditing Office, 14F, No. 206, Sec. 2, Nanking E. Rd., Taipei
- Email: fuccauditing@gmail.com / fucc@fucc.com.tw
- Telephone: (02)2507-1234 # Auditing Office

Additionally, Formosan Union Chemical Corporation has established separate Guidelines of Ethical Requirements for senior management of director and manager as well as for employees for compliance accordingly. Through establishment of dual control mechanisms of Ethical Management Operation Procedures and Guidelines of Ethical Requirements, a sound ethical management environment has therefore been built up for Formosan Union Chemical Corporation accordingly.



Core Concepts Fairness, Honesty, **Trustworthiness** and Transparency

Establishment of "Ethical Management **Operation Procedures** and Code of Conduct"

Separate ethical guidelines have been established for senior management and employees.



2.2.1 Requirements of Morality and Ethics and Future Planning

Morality Guidelines for Director

- This regulates directors, managers or others who manage matters for the Company and who have rights to sign.
- This complies with integrity and fair transaction principles.
- This prevents conflict of interest.
- This prohibits attempt to gain personal interest.
- This prescribes duty of vigilant compliance with confidentiality.
- This complies with regulations and establishes report channels to encourage report of any behavior violating moral behavior guidelines.

Morality Guidelines for Employees

- This regulates direct or indirect individuals hired by the Company to work for the purpose of receiving salary.
- This avoids conflict of interest.
- This prohibits attempt to gain personal interest.
- This prescribes duty of vigilant compliance with confidentiality.
- This complies with regulations and requirements.

Ethical Management Operation Procedures and Code of Conduct

- Prohibition of Unethical Behavior
- Establishment of Report Mechanism for Violation of Ethical Behavior
- Ensuring Transaction Counterparty's Compliance with the Company's Ethical Policy
- Vigilant Compliance with Business Confidentiality and Safeguarding the Company's Interests
- Avoidance of Conflict of Interests
- Auditing Office supervise policy implementation and reports to Board of Directors Meeting accordingly.

Short-Term Plan

• Encourage members of Board of Directors Meeting to continue to take regulation compliance courses.

Long-Term Plan

 Irregular courses will be offered to the Company's colleagues to enhance their awareness of rule of law.



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2.2.2 Execution Situation in 2023

- Senior management of directors and managers all managed their businesses from objective perspectives, and refrained from allowing themselves, spouse, parents, children or relatives within 3rd degree of kinship to gain illegitimate interests because of positions they hold in the Company. To promote and prevent unethical behavior, Formosan Union Chemical Corporation specifically retains external experts, for the benefits of Board members, to the Company to offer courses related corporate governance and securities regulations.
- After Formosan Union Chemical Corporation's review in 2023, contents of Formosan Union Group's engineering contracts and waste disposal processing contracts had all prescribed ethical clause. Planning for short-term goal is set at 100% prescription of ethical clause in engineering contracts and waste disposal processing contracts. As for the long-term goal, ethical clause and report mailbox will both be prescribed in Formosan Union Chemical Corporation's various contracts, and report situation will be closely monitored for the purpose of ensuring fulfillment in ethical management policy.



External experts are retained to lecture on corporate governance regulations.

Both engineering contracts and waste disposal processing contracts will prescribe ethical clause.

Board of Directors Meeting made a resolution to pass "Guidelines for Report System."



- Ethical clause are prescribed in Formosan Union Group's engineering contracts and waste disposal processing contracts.
- 100% of Formosan Union Group's engineering contracts and waste disposal processing contracts will prescribe ethical clause as well as report channels for violation of ethical clause.
- All various contracts will prescribe ethical clause and report mailbox, and report situation will be closely monitored to ensure fulfillment of ethical management



2.2.3 Regulation Compliance

Regulation compliance is the foundation of a corporate's management. Formosan Union Chemical Corporation promotes ethical internal requirements to new colleagues during their report to duty. In the meantime, given the fact of numerous kinds of regulations involved, respective departments also learn about amendment status of related regulations through timely interaction with government institutes or media report. Respective departments will then conduct internal (external training to their colleagues to ensure that the Company's operation complies with various regulations.

First of all, in terms of corporate governance, we established a functional committee to supervise the Company's financial operations and the Company's internal systems, and encouraged directors to aggressively participate in the decision-making of the Company's critical proposals. Going forward, Formosan Union Chemical Corporation shall also continue to comply with corporate governance best practice principles and is committed to enhancing colleague's regulation compliance awareness.

Secondly, in terms of personnel management, we drafted ethics related internal guidelines and built up a comprehensive regulation compliance firewall through internal meeting's promotion of the Company's core value of ethics and integrity, drafting and vigilant implementation of a series of guidelines, self-review, smooth report channels and whistleblower protection mechanism. Management acts a role model and requests that every colleague must all ensure that their related business behavior complies with regulations and the Company's policies and internal guidelines. Annual selfreview is implemented to assess compliance situation and internal audit is conducted accordingly. Guidelines are drafted and colleagues are required to comply accordingly when executing business. All colleagues of the Group's respective companies, regardless of their titles, positions and locations, are requested to comply with "Ethical Management Best Practice Guidelines" and "Employee Work Rules" which contain guidelines on work environment, equal opportunities, confidentiality clause, restrictions on concurrent posts and avoidance of conflict of interest, offering or receiving gift and business hospitality, respecting employees and clients, reporting, protection, exemption and so on for the purpose of gaining the public's trust, improving corporate image and ensuring the Company's sustainable operations and development. Related code of conducts are also established to prevent the Company from being punished due to violation of fair competition behavior or anti-trust regulations, and to serve as behavior guidelines for the Company's management and personnel during their business practices for the purpose of mitigating risks of regulation violation. The Company participates in industry competition based on ethical and fair principles, builds up a corporate culture of regulation compliance and establishes a trustworthy and respectful company reputation.

In terms of personnel training, for the purpose of enhancing colleague's awareness on work ethics and regulation compliance, the Company's legal department together with other responsible departments comply with regulations and the Company's internal guidelines in conducting routine training on regulations involved for colleagues of different departments and rankings. For instance, corresponding training is offered to colleagues with different business responsibilities. Such training includes new employee training, in-person courses, respective departments' promotion and external training. In the meantime, regulation compliance guidance is offered through factory posters and the Company's internal webpage to ensure colleague's accessibility to regulation compliance knowledge at any time.

Lastly, in terms of environmental health and safety, Formosan Union Chemical Corporation complies with requirements from ISO14001 Environmental Management Systems and ISO45001 Occupational Health and Safety Management Systems in establishing regulation verification management system and related supervision, measurement and performance management guidelines to ensure that the Company complies with environmental and occupational safety regulation requirements during the processes of its product life cycles, and that environmental and occupational safety management system is operated effectively and potential issues can be detected through management cycle measures so that control measures can be adopted in due time to avoid causing damage to the Company.

To summarize overall regulation compliance practices for 2023, Formosan Union Chemical Corporation did not have any material illegal incidents involving corporate governance, securities transaction, environmental protection, labor human rights, occupational safety or disclosure of client's privacy, marketing label or product liability.



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2.3 Internal Audit and Risk Management



2.3.1 Internal Audit

Formosan Union Chemical Corporation's Auditing Office reviews and verifies if the Company's internal control is effective. In addition to its report in Board of Directors Meeting's routine meetings, Auditing Office also reports to independent director or senior management meeting when necessary. Audit tasks are mainly executed in accordance with audit plan which is drafted based on identified risks. Targeted audits are executed routinely or upon necessity to verify if the Company's internal various operations comply with regulations and internal control system. Additionally, targeted audits will also be executed when required by situations and results will be provided to Board of Directors Meeting for understanding operation's potential risks. Meanwhile, Board of Directors Meeting and senior management will be assisted to conduct independent and objective assessment over internal control system's completeness, effectiveness and execution. Rectification suggestions will be provided in due time to reasonably ensure that internal control system can be executed continuously while services of related inspection, assessment or consultation are provided to assist Board of Directors Meeting to fulfill its corporate governance responsibility. No significant deficiencies identified in 2023, and all related irregularities have been fully corrected.

Internal Audit Process and Operation Practices





2.3.2 Risk Management

Material Subject	Importance to the Company	Policy / Commitment	Short-Term Goal	Mid/ Long Term Goal	1.Invested Resource in Current Year 2.Specific Achievements	Responsible Dept. / Report Mechanism	Assessment Mechanism / Achievements
Operation Risk Management	During a corporate's sustainable operation process and for the purpose of responding to changes of world environment, it is needed to have early identification and assessment on risk items posing material impact to operation activities, set up management mechanisms and establish action plan accordingly to prevent the Company's operation risks.	Cultivation of risk culture with all members' participation for effective prevention and control.	 Establish Risk Management Policy and Procedures Establish Sustainable Indicators for ESG Risks 	Effectiveness for ESG Risk Measures	 Completion of Identification and Handling of ESG Related Risks Introduction of TCFD Climate Change Risk Management 	Sustainability Committee / Telephone or Email Response	 Sustainability Committee's Review on Meetings / 100% Target Achievement Rate for Risk Item Execution



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Auditing Office will summarize this and report to Board of Directors Meeting regularly to reflect execution situation of risk management. Rectifications will also be proposed to enhance risk management execution.

Risk Persp	ectives	Responding Strategies
	Research on Normal Paraffin Dehydrogenation	Currently, columnar catalyst can be formed through extrusion. Test on pilot factory can be conducted when spherical catalyst can be formed through extrusion.
	Diacid's Transformation to Alcohol Acid	Currently, production rate remains stable at around 60% under low-pressure condition. Going forward, the Company is committed to increasing production rate while lowering degradation level.
Investment Strategies	Research on High- Value Products	Currently, commercial catalyst test continues to be conducted on N-Maleimide for the purpose of searching for conditions for optimization.
	Market Risks	In Formosan Union Chemical Corporation, normally respective departments will establish various strategies based on their business responsibilities, discuss and implement these strategies after resolutions are made. Meanwhile, rolling analysis and assessments will be made based on changes in regulations, policies and market, and various responding measures will be adopted accordingly. When necessary, management team will establish project teams to control risks incurred from drastic changes in market.
Finance	Interest Rate Fluctuation	Most of Formosan Union Chemical Corporation's engagement in short-term loans are debts with fixed interest rates. Although interest rates in the market tend to rise, assessment indicates that cash flow risk from changes of interest rates is not high. Formosan Union Chemical Corporation's engagement in long-term loans are financial products with floating interest rates. Therefore, changes of interest rates in the market will change effective interest rates for these debt financial products, and future cash flow will also fluctuate accordingly.
	Exchange Rate Fluctuation	Most of Formosan Union Chemical Corporation's purchase and sales are in US dollars, and its foreign currency assets are higher than foreign currency liabilities. Furthermore, its foreign currency collection periods are slightly longer than the ones for foreign currency payment. Therefore, it is expected that higher market risks will be incurred with the fluctuation of market exchange rates.
	Inflation	Due to price fluctuation impact from related resources such as global oil price in recent years, the overall economic environment shows a trend of slight inflation. Nevertheless, most transaction prices between Formosan Union Chemical Corporation and clients or suppliers can be flexibly adjusted in the market and therefore with less impact from inflation. In the meantime, Formosan Union Chemical Corporation pays attention to economic development situations from time to time and adopts timely responding measures accordingly to reflect costs in product sales prices. Consequently, there is no material impact to the Company from inflation as of now.
Product Competition	Market Competition	Formosan Union Chemical Corporation maintains close contact with clients to understand and satisfy client's latest needs from time to time. The Company also regularly visits clients together with its technology R&D personnel to understand future trend for client's products and develop new products in advance to respond accordingly.
	Contingency Plan and Handling of Incidents inside/outside Factory	Contingency plan to prevent hazards during transportation (within factory) is established. In the event of poisonous chemical leakage, different grades of contingency handling will be implemented in accordance with categories of poisonous chemical to reduce hazards generated from poisonous substance disaster. Tests and drills without early warning will be conducted at least twice per year. Comprehensive drill will be conducted at least once each year.
Environmental Health & Safet	Manufacturing or Transportation Process Management for Raw Materials, Materials and Their Own End Products.	 Lead seals shall be installed on both inlet and outlet after tank car is filled. Before tank car and container leave factory, security guards must check if seals are intact. Loading requirements for various vehicles comply with requirements prescribed in "Guidelines for Road Traffic Safety." Substance safety information produced by the Company must be carried upon a tank car's transportation of products. In the event of incident during transportation, the driver needs to conduct on-site emergency handling and shall notify the Company's related responsible units so that ordering client or other stakeholders can be informed accordingly. In the event of a tank car's failure in having safety equipment, warning will be issued for the first occurrence of such incident. For the second occurrence, however, tank car will be prohibited from entering the factory for shipment loading. Loading will then be permitted after safety equipment is installed accordingly and verification is confirmed after checking. Height for a tank car's shipment loading shall not exceed height of two-layers of pallets.
	Participation in the Toxic Chemical Incident Mutual Aid Team	To enhance spirit of responsible care and mutual aid of vendors operating toxic substance in factory area and implement horizontal and vertical report mechanisms, Formosan Union Chemical Corporation has become a member of Kaohsiung City Toxic Chemical Incident Mutual Aid Team. Additionally, the Company is currently organizing and integrating mutual aid organization of nonylphenol up/downstream vendors. Tests without early warning as well as training courses are conducted regularly.



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Risk Perspectives	Responding Strategies
Data Security Risks	 Management is conducted on file security and equipment security. Overall backup shall be implemented regularly on systems and reconfiguration operation is conducted regularly to save disk drive space and increase system operation efficiency. In terms of equipment security, control shall be enforced on access control and computer room, maintenance management shall be conducted on equipment and computer room equipment, and security measures on computer room shall be inspected regularly. Access management shall be established to implement internal control cycle on data security. Outsourced data security inspection is conducted regularly.
Risks of Environment Pollution & Climate Change	 1.ISO 14001 Environmental Management System is implemented. 2.The Company echoes government's energy saving policy and implement greenhouse gas reduction inspection. 3.The Company meets with requirements from government regulations and clients.
Raw Material Demand & Supply Risk Management	 To respond to uncertainty in product supply from China, the Company not only explores and transfers country of supply but also conducts risk aversion purchase as a supportive measure to mitigate risk of supply disruption. Percentage for LCL (Less Than Container Load) shipment is increased through utilization of logistics collection mechanism and requests on suppliers for the purpose of mitigating control risks on bulk shipments.



2.3.3 Climate Change Management

Each year, the Company establishes management plans on material themes, and conducts rolling follow-up and review on execution effectiveness in Sustainable Development Committee. Extreme weather has become more frequent in recent years. It indicates that risks from global warming are imminent. Consequently, governments around the world are increasingly emphasizing climate change issues. Through amendments of respective country's regional regulations, businesses are strongly urged to incorporate climate change issues into company operation management. In addition to verification of operation risks incurred from climate change, the Company also takes references from "Task Force on Climate-Related Financial Disclosures" (TCFD) published by Financial Stability Board (FSB) and incorporates four core disclosures of "governance", "strategy", "risk management" and "indicator and goal" into operation management. The Company also disclosed its governance performance in sustainability report hoping that stakeholders understand impact from climate change related risks and opportunities to Formosan Union Chemical Corporation as well as related responding measures.

TCFD Risk Management Procedures

Step Step Step Step Step Sustainable Development Establish a list of climate ESG commissioners conduct Establish execution strategy Rolling reviews on Committee completes risks and opportunity items. analysis on climate risk effectiveness of execution and target setting. collection of climate Establish survey opportunity and operation strategy and goal are environment background questionnaire on impact to conducted through impact. Material risk items are information. internal operations. Sustainable Development Assess climate risks and determined. Committee meeting each operation scope. year.



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2023 Short-, Medium-, and Long-term Climate-related Risks and Opportunities

No.	Climate-related risks	Risk level	Time frame
R1	Increased pricing of GHG emissions	High	Short- and medium- term
R2	Enhanced emissions-reporting obligations	Medium	Short-, medium-, and long-term
R3	Mandates on and regulation of existing products and services	Medium	Short-term
R4	Substitution of existing products and services with lower emissions options	Medium	Medium- and long-term
R5	Costs to transition to lower emissions technology	Medium	Medium- and long-term
R6	Changing customer behavior	Medium	Short- and medium-term
R7	Changes in precipitation patterns and extreme variability in weather patterns	Medium	Medium- and long-term
R8	Increased severity of extreme weather events such as cyclones and floods	High	Medium- and long-term
R9	Increased cost of raw materials	High	Short-, medium-, and long-term
R10	Rising mean temperatures	High	Medium- and long- term
R11	Rising sea levels	Medium	Medium- and long- term

No.	Climate-related opportunities	Opportunity level	Time frame
01	Reduced water usage and consumption	Low	Medium- and long-term
02	Use of more efficient production and distribution processes	Medium	Medium- and long-term
03	Use of recycling	Medium	Medium- and long- term
04	Move to more efficient buildings	Medium	Medium- and long- term
O5	Use of more efficient modes of transport	Medium	Short-, medium-, and long-term
06	Use of lower-emission sources of energy	High	Medium- and long- term
07	Use of supportive policy incentives	Medium	Medium- and long- term
08	Use of new technologies	Medium	Medium- and long- term
09	Participation in carbon market	Medium	Medium- and long- term
10	Shift toward decentralized energy generation	Low	Medium- and long- term



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TCFD Disclosure Structure for Climate Change Related Risks and Opportunities

Governance	Sustainable Development Committee is responsible for discussion and assessment of Formosan Union Chemical Corporation's related discussion and management on climate change. Climate change related resolutions are made by chairperson.
	Rising raw material costs and increased pricing of GHG emissions have been identified as potential climate-related transition risks. In addition, physical risks and resource efficiency opportunities have been incorporated. Disclosures in the strategic dimension are as follows:
Strategy	 Transition Risk- Policy and Legal Risks Increased Pricing of GHG Emissions The government plans to levy a carbon fee for GHG emissions generated by enterprises starting in 2025, targeting the biggest carbon emitters with GHG emissions in excess of 25,000 tons. Since FUCC is listed as a major carbon emitter, we view this as a major climate-related risk. If the carbon fee is set at NT\$ 300 per metric ton of CO2, it is estimated based on average annual carbon emissions in recent years that our payable fees will range from NT\$ 20 to 30 million per year. We have therefore adopted the following contingency measures: 1. Carbon emission costs will be included into considerations during assessments on new equipment purchase. A comprehensive assessment will include reduction of carbon emission, and equipment purchase or investment based on reduced carbon fee. Under considerations of sales situations in respective sales regions, carbon fee for required carbon emission cost shall be estimated and default values are updated each year for reference purpose. 2. Increase existing equipment's energy efficiency and main focus will be on production site energy saving. For instance, upgrade high-efficiency energy equipment, install turbo-generator, use fuel with lower carbon emission or higher heating value, pipeline heat/cold insulation, and so on.
	Transition Risk – Rising Raw Material Costs The successive announcement of carbon tariffs all over the world has resulted in rising raw material costs, which is projected to increase our procurement costs by 10-15%. In response to these rising costs, we actively develop new suppliers of low-carbon materials and maintain relations with existing suppliers of such materials. In addition, we have adopted a localized procurement strategy. Physical Risk – Immediacy 1. Occurrence frequency for typhoon and rainstorm has increased due to growing number of extreme weather incidents. This may cause flooding in Kaohsiung factory as well as impact to factory operations. After assessment, it is observed that financial losses can be incurred accordingly. However, waterproofing work in the factory has already been completed. Therefore, level of such impact to overall operation is not expected to cause to much influence. The Company's responding measures are to implement regular cleaning and maintenance on drainage system, and establish typhoon and rainstorm emergency plan to reduce immediacy risks. 2. In terms of water rationing risk, the Company increases utilization efficiency of water resources through water recovery and recycling.
	 Physical Risk - Chronic Risk Against the backdrop of gradually rising temperatures, the AR6 Report points out that the earth will warm by 1.9 degrees by 2050. Taipower statistics indicate that every one-degree decrease in refrigeration and air conditioning systems raises the power consumption by 6%, which also indirectly results in an increase in electricity costs. Our contingency plan consists of several measures including improved energy use efficiency, adoption of renewable energy sources, and mitigation of climate change through the implementation of energy conservation projects. Energy Resource Opportunity - Utilization of Low-Carbon Energy 1.The Company utilizes low-carbon resources and replaces fuel oil with liquid natural gas. 2.Solar power installations as a major energy source for manufacturing energy consumption.
Risk Management	The Company conducted discussions in "Discussion Meeting for TCFD Climate Change Related Financial Disclosure." Related members were convened through this meeting to conduct discussion and verification of climate change risks and opportunities. TCFD suggested structure was introduced into contents of discussion. Discussion and verification were conducted focusing on transformation risks (policy and regulation, technology, market, reputation), physical risks (immediate risk, long-term risk) and opportunities (resource efficiency, source of energy, product/service, market, resilience).
Indicator and Goal	1. Average annual power saving rate shall reach more than 1%. 2. Water consumption shall be reduced by more than 1% each year. 3. Headquarters complies with ISO 14064-1 in implementing inspection on greenhouse gas emission and completing greenhouse gas self-inspection report. 4. Scope of 2023 Carbon Inspection – Emission is 71,513.24 tons of CO2e/year. Emission for scope II is 19,254.36 tons of CO2e/year. Total emission amount for 2023 is 90,767.60 tons of CO2e/year.



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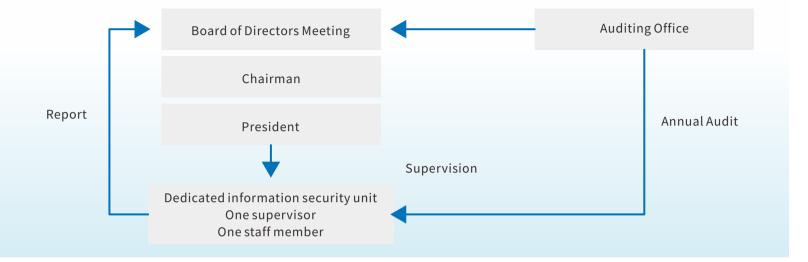
2.3.4 Data Security Management

In the time of a highly developed information era when companies are enjoying convenience of development, unpredictable security risks are also lurking in this environment. Such risks are serious enough to paralyze a company's information network, disrupt operations and cause significant damage to company and stakeholders. Information Management Office is responsible for organizing and implementing data security policy, promoting data security message, enhancing employee's data security awareness, collecting and improving performance of organization data security management system as well as effective technology, product or procedures. Every year, Auditing Office conducts data security inspection over internal control system - electronic computer cycle to assess the Company's internal control effectiveness on information operations.



Information security organization

The Information Security Task Force is responsible for the overall planning and execution of information security policies, communication of information securityrelated information, reinforcement of the information security awareness of employees, and gathering of information on and improvement of technologies, products, or procedures conducive to performance and effectiveness of information security management systems of the organization. The Auditing Office conduct annual audits of the information processing cycles of the internal control system to evaluate the effectiveness of internal control for information-related operations.



Policy

To fulfill data security management, the Company has established related system management guidelines. It is expected to achieve the following policy goals through all colleagues' concerted

- Ensure Information Asset's Confidentiality and Completeness
- Ensure that data storage/retrieval complies with department function guidelines.
- Ensure Information System's Continued Operations
- Prevent Unauthorized Modification or Utilization of Data and System
- Regular Implementation of Data Security Audit Operations to Ensure Rigorous Implementation of Data Security

Data Security Management Project

Internet Data Security Control	Data Storage/Retrieval Control	Contingency Recovery Mechanism
 Installation of Firewall Regular virus scanning is conducted on computer system data collection/storage media. Utilization of various internet services shall be implemented in accordance with data security policy. System Log for various internet service items shall be reviewed regularly and irregularity shall be tracked accordingly. 	 Designated personnel shall be assigned to maintain computer equipment, establish account and password. Different access rights shall be assigned in accordance with job functions. Original access rights for transferred personnel shall be cancelled. Confidential or sensitive materials or copyrighted software shall be removed or overwritten before equipment is scrapped. Remote log-in into management information system shall be approved appropriately. 	 Emergency contingency plan is reviewed regularly. System recovery simulation is conducted routinely each year. System back-up mechanism is established and off-site back-up is implemented. Control measures for computer internet safety are reviewed regularly.



- Zero information security incidents in 2023
- The information security audit conducted by Deloitte Taiwan in 2023 found no non-conformities and the audit results indicate that the information security defense capabilities and installations are sound and under control.
- All information security personnel attend 12 hours of external training courses or seminars per year.
- HiNet Advanced Network Defense System Services
- Sophos XG125 Hardware Firewall
- Sophos Endpoint Antivirus Software



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2.4 Stakeholder Engagement

With a view to ensuring timely communication with stakeholders, maintaining a firm grasp of issues of concern to stakeholders, facilitating incorporation of such issues into sustainable development strategies, and establishing a smooth communication and response mechanism with our stakeholders, we conduct stakeholder engagement by adopting an open-minded but rigorous approach in accordance with the GRI and AA1000 Standards and concrete practices based on the four core principles of the accountability standards (Inclusivity, Materiality, Responsiveness, Impact). With this principle, engagement process includes verification of stakeholder, communication channel, issues concerned and materiality analysis on concerned issues. The process and conclusion are also critical information for the Company's sustainable development, and they will serve as references for all sectors of the community.

Under considerations of stakeholder's influence to the Company or internal/external group or individual influenced by the Company, therefore, for the purpose of fulfilling commitment to stakeholders and respecting the rights they deserve, respective responsible departments in the Company have established good communication platforms with each stakeholder through appropriate communication channels, and respond to issues of stakeholder's concerns in order to maintain the Company's good relationship. Formosan Union Chemical Corporation utilizes drafting of sustainable development ESG report and works together with Sustainable Development Committee's operations to conduct related stakeholder engagement operations.



2.4.1 Verification Procedures for Stakeholders and Issues

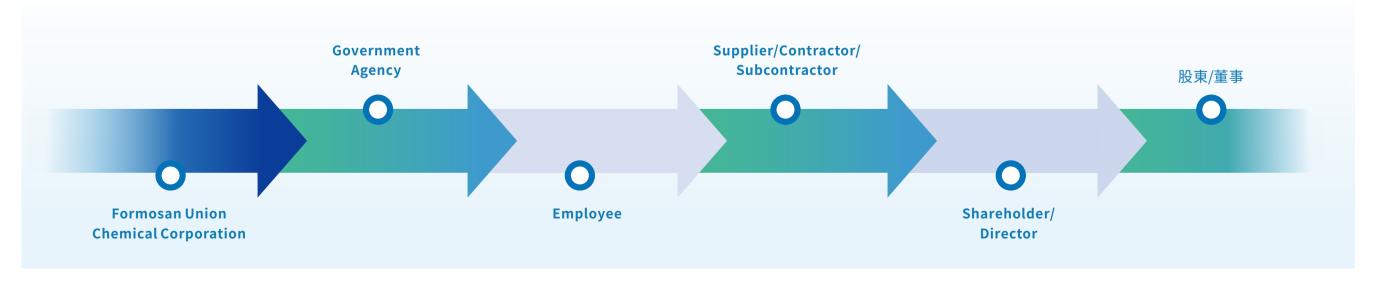
There is an inseparable relationship between stakeholders and the Company's operations. We pay attention to stakeholders' needs. For the purpose of ensuring that information disclosed by reports are capable of meeting stakeholders' needs, Sustainable Development Committee conducts a substantive analysis on reports. Through five major steps of "Verification of Stakeholder", "Collection of Sustainable Issues". "Investigation of Stakeholders' Concerned Issues". "Analysis of Material Issues" and "Review and Result", material issues for 2023 Corporate Social Responsibility Report were determined accordingly.





2.4.2 Verification of Stakeholders

Based on any group or individual impacted by the Company's operation or cares about the Company's various performance on sustainable development, together with daily interaction experience with stakeholders and stakeholders' influence on the Company's operations, the Sustainable Development Committee has verified five kinds of material stakeholders which include employee, government, supplier/contractor/subcontractor, client and shareholder/director.





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2.4.3 Collection of Sustainable Issues

The President, who serves as the committee chairperson, convened a meeting attended by the members of the CSR Management Committee to produce a list of 21 issues of concern with reference to the GRI Standards issued by the Global Reporting Initiative, the SASB Standards, and benchmarking results by integrating issues of concern to stakeholders and stakeholder communication methods subject to resolution by a Sustainable Development Committee meeting.

Communication Channels, Frequency and Concerned Issues for Stakeholder

Stakeholders	Communication Channels	Communication Frequency	Concerned Issues
	Labor Union Member General Assembly	1 time/year	
	Pension Supervisory Committee	Irregular	
Employee	Employee Welfare Committee	Irregular	Economy Performance Employer-Employee Relations
Employee	Company Website and Announcement	Irregular	Occupational Health and Safety Training and Education
	Meetings of Respective Departments	1 time/year	
	Employee Training	Irregular	
	Customer Visit	Irregular	Economy Performance Greenhouse Gas Emission
Cliant	Customer Satisfaction Survey	Irregular	Regulation Compliance Climate Change Response Customer's Health and Safety Operational Risk Management
Client	E-mail, Telephone and Fax	Irregular	Product and Service labelling Customer Relationship Client Privacy Protection Anti-Corruption Supplier Environment Assessment Data Security Management
	Company Website	Irregular	Supplier Society Assessment Supplier Society Assessment
	Contract Requirements	Irregular	Regulation Compliance Supplier Environment
Supplier/ Contractor/ Subcontractor	Vendor Assessment	Irregular	Anti-Corruption Assessment Purchase Practices Supplier Society Assessment
	E-mail, Telephone and Fax	Irregular	Raw Material Utilization
	Related Official Mails	Irregular	Regulation Compliance Greenhouse Gas Emission
Government Agency	On-Site Counseling and Auditing	Irregular	Anti-Corruption Energy Management Air Pollution Management Water Resource Management
	Participation in Seminar and Public Hearing Organized by Competent Authority	Irregular	Waste Management Climate Change Response Occupational Health and Safety Employer-Employee Relations
	Shareholders' Regular Meeting is held once every year.	1 time/year	Economy Performance Anti-Corruption
Shareholder/ Investor	Financial annual report is published each year as required by regulations.	1 time/year	Community and Charity Events Response to Climate Change
	Operation situations and critical news are posted on Market Observation Post System.	Irregular	Management of Operational Risks



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2.4.4 Investigation of Stakeholder's Topics of Concern and Analysis of Significance

The Sustainable Development Committee conducted a survey on the degree of impact of identified issues in the economic, environmental, and human dimensions as assessed by stakeholders via online questionnaires. Upon receipt of the filled out online questionnaires, the Sustainable Development Committee members conducted assessments of positive/negative and actual/potential impact of these issues on our operations. After compilation, organization, and analysis of the survey results (based on the composite score for degree of impact on stakeholders and degree of impact on operations), the priority level of sustainability issues was determined. Eight material topics were identified. We prepared this report based on these topics. In the future, we will persist in our efforts to communicate with our stakeholders and uphold our commitment to maintaining excellent interactions with our stakeholders and forging effective partnerships to realize sustainable operations.

Ranking	Issue	Ranking	Issue
11	Water Resource Management	14	Information Security
02	Energy Management	20	Market Position
03	GHG Emissions	09	Product Safety and Liability
04	Air Pollution Management	08	Occupational Health and Safety
05	Waste Management	16	Training and Education
15	Climate-Related Financial Impacts	13	Customer Services
12	Economic Performance	07	Employee-Employer Relations
10	Supply Chain Sustainability	18	Human Rights Policy
01	Legal & Regulatory Compliance	19	Employee Diversity and Equal
06	Risk Management	13	Opportunities
17	Corporate Governance	21	Community Relations

Changes in the ranking of material topics

Material topic changes								
2022年	2023年	Ranking changes						
Economic performance	Legal & Regulatory Compliance	↑ 1						
Legal & Regulatory Compliance	Energy Management	Newly added						
GHG Emissions	GHG Emissions							
Air Pollution Management	Air Pollution Management							
Waste Management	Waste Management							
Occupational Health and Safety	Risk Management	1						
Risk Management	Employee-Employer Relations	1						
Employee-Employer Relations	Occupational Health and Safety	↓2						
Training and Education								

Note: Yellow background indicates material topics



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2.4.5 Identification of Related Consideration

Boundaries for Major Topics of Concern Based on Potential Impact Inside/Outside of Organization:

			Inside Organization		Outside Organization			
Significant Topics Explanation of Meaning/Impact Boundary to Formosan Union Chemical Corporation		GRI Indicator	Taipei Headquarters	Kaohsiung Factory	Shareholder/ Director	Client	Government	Supplier / Contractor / Subcontractor
Legal & Regulatory Compliance	Strengthen employee's regulation compliance awareness; Emphasize environmental protection related regulations of occupational safety and product safety; Maintain corporate image in order to mitigate director/supervisor and manager's operational risks and responsibilities. As a result, no major legal violations occurred in 2023. This represents an actual positive impact.	2-27	•					•
Greenhouse Gas Emission Air Pollution Management Waste Management Energy Management	Greenhouse gas effect causes impact to the whole ecological environment as well as raw material supply, energy utilization and business management. The Company has achieved energy saving and carbon reduction through waste management and energy management in response to carbon fees levied by the government starting in 2025. This represents a potential negative impact.	302-1 302-3 302-5 305-1 305-2 305-7 306-1 306-2						
Occupational Health and Safety	Factory environment safety is the Company's responsibility. Suppliers are request to meet the Company's requirements in providing products and services for the purpose of protecting employee's health and safety. We have maintained a record of zero occupational accidents for eight consecutive years. This represents an actual positive impact.	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-10						•
Risk Management	A comprehensive risk management will be able to enhance planning capability for operation strategy, and continuous rolling review can be conducted to achieve corporate sustainability.	NA	•	•	•	•		•
Employee-Employer Relations	Employee is the Company's most critical asset. The Company provides employee with the most competitive overall compensation to attract and retain the best talents so that these talents become the best power engine for the Company's sustainable growth. In addition to providing attractive compensation and diversified development channels, employees are also allowed to be engaged in complete reflection of comments as well as communication and exchange for the purpose of facilitating harmony between management and labor while creating win-win for corporate and employees.	401-1 401-2						



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- 3.1 Product Overview
- 3.2 Market Analysis
- 3.3 Supply Chain and Customer Relations
- 3.4 Operational Performance



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3.1 Product Overview

The manufacture and sale of the following products and derivatives represents FUCC's main line of business: Alkyl Benzene, Alkyl Phenol, Alkyl Benzene Sulfonic Acid, Hydrocarbon Resin and environmental remediation agent. Alkyl Benzene and Alkyl Benzene Sulfonic Acid are required upstream materials for household chemical products, laundry detergents, and other detergents. Alkyl Phenol is an upstream material for surfactants and lubricant additives. It can also be utilized for industrial detergents and lubricating oils. Hydrocarbon Resin is an upstream material added to adhesives and hot-melt adhesives for tackifying and lubricating effects. The customized environmental remediation agent - SP series soil remediation and cleaning agent is supplied to environmental consulting companies for soil and groundwater remediation.

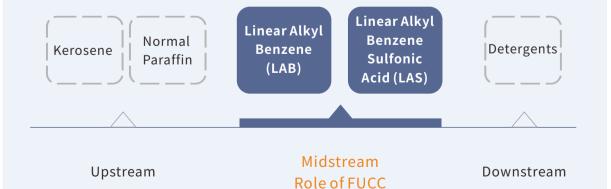
Hydrocarbon Raw material for the production of ethylene-vinyl acetate polymer Resin (EVA) and thermal plastic rubber (TPR) series hot-melt adhesives Basic raw materials for surfactants, rubbers, and rubber anti-oxidant **Alkyl Phenol** agents etc. specialty chemicals Alkyl Benzene & Alkyl Benzene Main raw materials for detergents **Sulfonic Acid**



3.1.1 Up-, Mid-, and Downstream Linkages

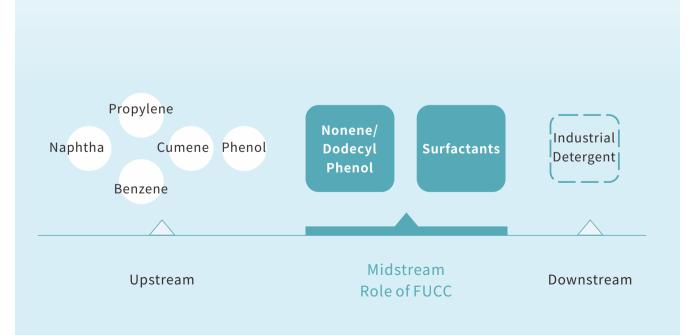
Alkyl Benzene

Alkyl Benzene is a midstream component for household chemical products and industry detergents. This irreplaceable material is of great relevance to industrial development. Oil refineries which represent the upstream manufacturers for this material supply kerosene. Normal Paraffin is manufactured from kerosene through a process of extraction and refinement. FUCC processes procured Normal Paraffin to convert it into Alkyl Phenol and Hydrocarbon Resin which are supplied to downstream detergent manufacturers such as P&G, Unilever, and Kao.



Alkyl Phenol

Alkyl Phenol is located in the midstream sector of the industrial detergent and lubricating oil industry. The petrochemical industry represents the upstream sector. Naphtha is derived from the refinement of crude oil by oil refineries. It is then converted sequentially into Propylene, Benzene, Cumene, and Phenol. FUCC adds Nonene, Dodecene-synthesized Nonyl Phenol, or Dodecyl Phenol to procured Phenol and supplies the end product to surfactant and lubricant additive manufacturers. The final products are industrial detergents and lubricating oils.





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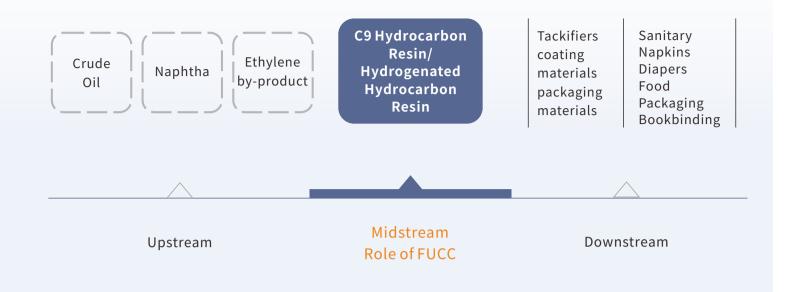
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Hydrogenated Hydrocarbon Resin/C9 Hydrocarbon Resin

Hydrogenated Hydrocarbon Resin is a solid or liquid by-product derived through the polymerization of C5, C9, and diene and monoene components in the distillate cut generated in the naphtha cracking and refinement process for ethylene production. The petrochemical industry therefore represents the upstream sector. Hydrogenated Hydrocarbon Resin has wide application areas in the downstream sector including tackifiers and coating materials. Final products include diapers, sticky notes, and road sign paint.

Environmental remediation agent

The SP Series Soil Remediation and Cleaning Agent removes Total Petroleum Hydrocarbon (TPH) or Light Non-Aqueous Phase Liquid (LNAPL) from soil and groundwater. It represents a customized soil and groundwater remediation solution for environmental consulting companies.



3.1.2. Product Competitiveness

Naphtha or natural gas represent the raw materials of the petrochemical industry. Fundamental materials such as Ethylene, Propylene, and Benzene are manufactured through naphtha cracking. Intermediate materials such as plastic, rubber, and fiber can be derived through further processing of the abovementioned fundamental materials. Downstream products of the petrochemical industry which is considered a basic industry are widely applied in household products, construction materials, auto parts, and hi-tech products and components. Since our products mainly serve as raw materials for laundry and other detergents, our competitiveness analysis focuses on the following 4 product categories:

Alkyl Benzene

Alkyl Benzene manufactured by FUCC has a domestic market share of 99%. International competitors include large manufacturers such as ISU, Cepsa and Huntsman.

C9 Hydrocarbon Resin/ **Hydrogenated Hydrocarbon**

In Taiwan, only FUCC and a few other companies are currently engaged in the manufacture of C9 Hydrocarbon Resin. As for Hydrogenated Hydrocarbon Resin, FUCC is the sole manufacturer. The domestic market for these products can therefore be characterized as an oligopoly.

Environmental remediation agent

Our SP Series Soil Remediation and Cleaning Agent is mainly used for the removal of Total Petroleum Hydrocarbon (TPH) or Light Non-Aqueous Phase Liquid (LNAPL) from soil and groundwater. FUCC is the only company in Taiwan that is capable of supplying a customized surface active agent (surfactants) for soil and groundwater remediation, which is an oligopoly industry.

Alkyl Phenol

FUCC's main domestic competitor in this field is China Man-Made Fiber Corporation (CMFC), which mainly supplies this material to its joint venture Pan Asia Chemical Corporation. FUCC's main buyers, on the other hand, are Sino-Japan Chemical Co., Ltd. and Chang Chun Group. The global market for Alkyl Phenol has been deeply affected by China's non-tariff trade barriers. FUCC is therefore gradually shifting its focus from the Chinese to the US and European markets. International competitors include the US-based manufacturer SI and Yokkaichi Chemical Co., Ltd. In view of the impact of environmental issues and trade barriers on market demand, FUCC is actively committed to the development of new Dodecyl Phenol products. In addition to the expansion into new markets, this move is also conducive to the full utilization of untapped production capacities in the field of Alkyl Phenol with the ultimate goal of maintaining or increasing the Group's profits.



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3.1.3 Product R&D

FUCC's R&D efforts are closely aligned with industry developments and market demands. The company is fully committed to the pursuit of maximum benefits and economic development. The progress and projected outcomes of current and past R&D initiatives can be summarized as follows:

R&D Results and Expense Statistics

Year	Expenses	R&D achievements
2023	61,600	 Successful synthesis of octylphenol, which can serve as a substitute for nonylphenol and boosts alkylphenol activation. Successful production of a new type of FP-140, which significantly improves the compatibility of resin and TPE (Thermoplastic Elastomer). Hydrocarbon resin hot polymerization and hydrogenation meet FA-100 specifications, which is expected to result in cost savings Research, development, and production of carbon-based bioremediation agent Research and development of a green, eco-friendly deodorant
2022	71,723	 Production of Multi-functional metal Removal Agent MeRA) Production of diluted resin UL-90 and UL-120
2021	69,293	 Trial production of diluted resin UL-90 and UL-120 Production of colloid substrate LCS and NCS
2020	63,093	Trial production of hydrogenated resin FA-100 and FU-100
2019	49,550	Factory trial production of environmental remediation agent

Research of high value-added products

Resin improvers are macromolecular synthetic monomers with heat-resistant radical groups. The imide groups possess unique sterilizing and algicide characteristics. Copolymers or plastic alloys that contain this monomer have exceptional heat-resistant and sterilizing properties. Material performance is not affected by addition of these monomer components. These improvers which are currently in the R&D stage are therefore widely applied in the manufacture of engineering plastics, building plastics, and ship antifouling coatings with heatresistant PP, PMMA, or weather-resistant, high-tensile PVC.

Substitution of diols for diacids

• Diols with two hydroxyl groups are important fine chemical engineering materials due to their unique properties. This non-polluting, eco-friendly, high value-added material has wide application areas. A process suited for diol production is developed by harnessing currently available mature hydrogenation technologies. Diols are widely applied as macromolecular materials and added to other materials in adequate amounts to achieve modification effects and enhanced product applications. They are mainly used for the manufacture of polyester, polyurethane, acrylic materials, coating materials, plasticizers, medicine, pesticides, synthetic fibers, detergents, and mechanical parts and components. The Company currently focuses on the testing of different hydrogenation catalysts.

Unit: 1000 NTD



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Future R&D Projects

- Research of hydrogenation technologies and development of hydrogenation products and its derivatives
- Research and development of surfactant derivatives
- Development of adhesive technologies
- Research and development of high value-added chemical products

- Investment in feasibility studies of other industries to achieve diversification effects
- Development of pesticide protomers, fragrances, and biotech materials
- Long-acting acidic and alkaline buffering agents for groundwater
- Oxidant development
- Low-carbon process and product development

3.2 Market Analysis

AP products have a global market share of respectively.

5%

NP products have a global market share of respectively.

10-15%

In 2021, there were no instances of huge fines imposed for legal violations associated with product and service provision and use. In addition to the domestic market, our business scope encompasses Asian markets (China, Japan, and Southeast Asia) and western markets (Australia, Europe, and the Americas). Market prices and quantity requirements must be considered when carrying out sales operations. In the face of a wide range of customer requirements, we pursue maximum benefits under the premise of conformity to the requirements of both the Company and its customers.



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3.2.1 Market Overview



• Alkyl Benzene manufactured by FUCC has a domestic market share of 99%. Our alkyl benzene has a domestic market share of 99%. Research data released by International Market Analysis Research and Consulting Group reveals that the global market volume of linear alkyl benzene reached 4.4 million tons in 2023. Based on our output volume of around 95,000 metric tons in 2023, it can be inferred that our global market share is around 2.15%. Our major international competitors are ISU, Cepsa, and Huntsman.

Alkyl Phenol

• FUCC's main domestic competitor in this field is China Man-Made Fiber Corporation (CMFC), which mainly supplies this material to its joint venture Pan Asia Chemical Corporation. FUCC's main buyers, on the other hand, are Sino-Japan Chemical Co., Ltd. and Chang Chun Group. The global market for Alkyl Phenol has been deeply affected by China's non-tariff trade barriers. FUCC is therefore gradually shifting its focus from the Chinese to the US and European markets. International competitors include the US-based manufacturer SI and PCC in Poland. In view of the impact of environmental issues and trade barriers on market demand, FUCC is actively committed to the development of new Dodecyl Phenol products. In addition to the expansion into new markets, this move is also conducive to the full utilization of untapped production capacities in the field of Alkyl Phenol with the ultimate goal of maintaining or increasing the Group's profits.

Hydrocarbon Resin

- A. C9 Hydrocarbon Resin
- C9 Hydrocarbon Resin manufactured in Asia currently accounts for around 90% of the global output. The remaining 10% is supplied by manufacturers in Europe and the Americas. Against the backdrop of rising raw materials process, Asian, European, and US manufacturers enjoy a competitive advantage. According to the DeWitt annual report for 2023, United Performance Materials Corp. accounts for 1.5% of the global output of around 3.21 million tons.
- B.Hydrogenated Hydrocarbon Resin The DeWitt report estimates a global output of 1.164 million tons of Hydrogenated Hydrocarbon Resin for 2023. FUCC's annual output of 28,000 tons is equivalent to a global market share of around 2.4%.

Environmental remediation agent

Soil and water remediation agents are currently mostly imported resulting in long shipping times and high prices. We have harnessed our group resources for the research, development, and localized production of a soil and water remediation agent to provide services for environmental consulting companies. Due to greater flexibility in the field of delivery times, economical prices, and positive reception of agent efficacy by remediation companies, our product is enjoying a rising popularity, which has resulted in a gradually growing supply volume.



3.2.2 Competitive Niche

Firm control of raw material sources

With a view to stabilizing production costs, raw material procurement is mostly conducted through long-term agreements. Direct delivery of materials via a pipeline connected to our main supplier Chinese Petroleum Corporation (CPC) ensures maximum safety and generates cost savings. It also facilitates production operations. Distillation facilities have been added in recent years to ensure there are no concerns in the field of quality.

Autonomous R&D capabilities

- FUCC possesses autonomous R&D technologies in the fields of Nonyl Phenol and Hydrogenated Resin and is firmly committed to the ongoing development of innovative new processes, which generates cost savings in the field of royalty expenses and thereby increases price competitiveness. FUCC also has the capability to develop upstream materials, which ensures greater diversity in terms of raw material sources and results in reduced procurement expenses, enhanced profitability, and improved price competitiveness.
- The surface active agent (surfactant) manufactured by us is supplied to our subsidiary Hershey Environmental for the development of a soil remediation agent.

Superior geographical location and operations management advantages

FUCC is located in Taiwan, a hub of transportation routes in Asia. Compared to competitors in other countries, our bulk shipping costs to regional markets all over the world are relatively low. This is highly conducive to the rapid provision of services to meet immediate customer needs and gives FUCC a competitive edge in the field of operations management.



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3.2.3 Factors Favorable and Unfavorable to the Development Vision

Favorable factors

- In view of a steadily growing demand for Alkyl Benzene, Alkyl Phenol, and Hydrocarbon Resin, high technical thresholds (e.g., Hydrogenated Hydrocarbon Resin), the low number of competitors who possess the required manufacturing technologies, and a rising environmental awareness, significant growth can be expected especially in the field of Hydrogenated Resin, which is color- and odorless and has a high affinity to the human body.
- FUCC maintains excellent cooperative relations with domestic and international manufacturers to secure long-term, stable supply sources.
- In addition to its partnerships with downstream manufacturers. FUCC relies on its distributor network which is perfectly aligned with solid international marketing channels.
- In recent years, environmental issues have drawn public attention. As a result, the demand for environmental remediation agents is growing in sync with ongoing surveys and discoveries of remediation sites. Our highly customizable, effective, and eco-friendly environmental agent has therefore seen a gradual rise in its market share and sales volume.

Unfavorable factors

- IProfits affected by fluctuating prices of limited raw materials: The petrochemical industry is highly susceptible to international crude oil price fluctuations. Political unrest and frequent riots and strikes in several oil-exporting nations can result in damage to oil producing facilities or transportation and storage equipment, which in turn tends to cause price fluctuations. Contingency strategy: In addition to the maintenance of long-term partnerships with major supplier (e.g., CPC), FUCC concludes supply agreements with upstream suppliers to ensure longterm, stable supply sources.
- Talent recruitment difficulties: The fact that fresh graduates tend to favor key domestic industries in the fields of IT and electronics coupled with the profound experience and technical expertise required for the chemical industry makes it difficult to recruit outstanding R&D talent. Contingency strategy: In addition to improvements of hard-and software facilities in work environments and adoption of a sound employee benefits system, FUCC has stepped up its employee training efforts to attract and retain talent. Job assignment is based on the professional skills and unique characteristics of new hires. FUCC has made an ongoing commitment to raising the professional competence and skill levels of its staff members.

3.2.4 Future Demand and Supply Situation and Market Growth Potential

Alkvl Benzene The decrease of effective ingredients coupled with increasing imports of detergents has resulted in a constantly dropping domestic demand. However, there is still significant growth potential in international markets. FUCC has been able to maintain stable export sales due to its long-term supplydemand partnerships with international customers.



In line with the latest market trends, FUCC has already initiated production of Dodecyl Phenol by relying on process improvements to raise the competitiveness of the Company. The ultimate goal is to develop new markets and secure market share, which in turn is highly beneficial to the Company's overall sales volume and sales amount.

Hydrogenated Hydrocarbon Resin/C9 Hydrocarbon Resin

Hydrocarbon Resin is an essential ingredient of numerous consumer goods. Generally speaking, the ups and downs of this industry (C5 and C9 Hydrocarbon Resin) are closely intertwined with global economic cycles and fluctuations. Due to its color and odor, Hydrocarbon Resin was rated and positioned in the market as the lowest-end product of the industry in the past. It has been applied as a secondary material in the oil-based paint, rubber, and ink industries for several decades. In view of tightening environmental protection requirements in recent years, it is projected that the market for oil-based paint and ink which rely on solvent naphtha will gradually shrink. The market for high-end products used for tackifiers, on the other hand, is expected to expand. High-end Hydrocarbon Resin or C5/C9 Hydrocarbon Resin are therefore expected to exhibit a steady growth pattern.

Environmental remediation agent

The demand for environmental remediation agents is rising in sync with ongoing surveys and discoveries of remediation sites. Our remediation agent is highly customizable, effective, and eco-friendly. Its market share and sales volume are increasing year by year.



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3.3 Supply Chain and Customer Relations

Our suppliers and customers are key partners in our pursuit of sturdy operational growth. The dedicated efforts and support of our suppliers represent an indispensable link in the process of sustainable competitiveness enhancement. The scope of corporate sustainability not only encompasses the enterprise itself but rather involves the whole supply chain. The fulfillment of corporate sustainability is a pressing need for every link of the supply chain. We are fully aware that the implementation of corporate sustainability cannot be confined to our internal operations, but instead requires the participation of the whole supply chain. We have therefore adopted sound management mechanisms in the fields of "supplier selection", "raw material procurement", and "contractor management" to implement our supplier management concepts. In addition to meeting existing quality and delivery requirements, all our suppliers must fulfill additional criteria in the fields of work safety, environmental protection, and human rights. We call on all our suppliers to prioritize and implement corporate sustainability.



3.3.1 Supply Chain Management

Procurement Practices

- FUCC not only relies on large petrochemical companies in Taiwan but also cooperates with renowned European, American, Japanese, and Australian manufacturers to secure its raw material sources. Procurement is conducted based on relevant quality requirements and quantity considerations. In addition, the Company enters into long- and -short-term agreements in different formats to ensure there are no concerns in the field of quality.
- Suppliers are requested to transition to non-hazardous materials and provide Letters of Commitment (e.g., ISO, radiation-free guarantee). No new suppliers were added in 2023.
- FUCC upholds sustainability and fairtrade principles and therefore requires its suppliers and contractors to meet relevant criteria in the fields of environmental protection, work safety, and human rights. Starting in October 2019, the Company has successively added a Social Responsibility Letter of Commitment and a Social Responsibility Questionnaire for suppliers and contractors. This Letter of Commitment and the Questionnaire must be filled out, signed, and returned by its suppliers or contractors after a contract is entered or an order is placed.

Supplier Evaluation

- Supplier evaluations: A system of tiered management and annual supplier evaluations has been adopted
- FUCC has included a clearly defined supplier rating system which is based on factors such as delivery quality, time, and quantity in its quality management system operating procedures to ensure conformity of raw materials to product and environmental safety quality system requirements. In addition to regular supplier ratings, FUCC also closely observes environmental protection measures adopted by suppliers, such as impacts on the local ecological environment caused by the Gulf of Mexico Oil Spill, and environmental, human rights, labor policies adopted by Shell and its sustainable development. In the future, FUCC will pay rising attention to negative social impacts caused by its suppliers and concrete actions taken in response.
- In 2023, FUCC rated 13 raw material suppliers and 4 storage tank suppliers by visiting their official websites, inquiring with them, or acquiring their ESG reports or other environmental reports or disclosures. All suppliers meet FUCC's requirements in the delivery time dimension.



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3.3.2 Customer Services

In addition to the domestic market, FUCC's business scope encompasses Asian markets (Northeast and Southeast Asia), Central and South America, and other regions. Market prices and quantity requirements must be considered when carrying out sales operations. In the face of a wide range of customer requirements, the Company pursues maximum benefits under the premise of conformity to the requirements of both the Company and its customers.

Sales Regions for Principal Products Unit: 1000 NTD/%

Year/		2023		2022		2021	
Sales regio	ons	Amount	Percentage	Amount	Percentage	Amount	Percentage
Domestic	sales	1,995,457	21.16	2,180,587	20.63	2,215,897	16.51
	China	1,709,046	18.12	2,025,813	19.17	1,524,141	14.52
	Vietnam	603,552	6.40	584,562	5.53	368,947	5.48
Export	Philippines	658,043	6.98	863,971	8.17	564,261	9.10
sales	Guatemala	1,571,795	16.66	1,515,184	14.33	1,155,197	18.70
	Other	2,894,400	30.68	3,401,109	32.17	3,370,711	35.69
Net sales	Net sales		100	10,571,226	100	9,199,154	100

Note: FUCC Consolidated revenue

With a view to stabilizing product sales and ensuring smooth production operations, clearly formulated production & sales plans have been included in the quality management system operating procedures to establish standardized procedures and thereby ensure a perfect balance of production and sales. The Sales Department utilizes daily inventory reports submitted by the Storage & Transportation Section as its main reference for the negotiation of order amounts and delivery times. Dedicated sales specialists who are highly familiar with their products and customers are assigned for every product category. Products are delivered in line with different customer and quality requirements. We are firmly committed to delivering our goods to our customers who are distributed all over the world in a safe and punctual manner by relying on well-planned transportation arrangements and adequate packaging.



3.3.3 Customer Satisfaction Surveys

We put strong emphasis on customer relations. With a view to protecting customer privacy, we have adopted Personal Data Management Guidelines to regulate employee and customer data management and prevent data leakage or improper use, which would cause damage to the rights and interests of parties involved. Our employment contracts contain clearly stipulated non-disclosure provisions that require every employee to maintain strict confidentiality of data they become privy to in the performance of their duties with a view to ensuring scrupulous data protection. In addition to the implementation of strict authorization controls for employee and customer data, we appoint dedicated personnel for the handling and safekeeping of important confidential documents to prevent data breaches that undermine data security of employees and customers. In 2023, no instances of infringement of customer privacy or complaints associated with customer data loss occurred in the process of customer communication and data transmission. We highly value our customers and process all their complaints in a prompt manner. In addition, we implement permanent corrective action (PCA) and extend it to all products with a view to satisfying all customer requirements and clear misunderstandings caused by different perceptions. We have developed excellent relationships with numerous domestic and international customers by relying on e-mail correspondence, phone calls, and personal visits with the ultimate goal of increasing customer intimacy.



With a view to facilitating execution of services required by customers and tracking and implementation of customer suggestions, customer satisfaction surveys and improvements of customer service performance are clearly prescribed in the quality management system operating procedures.

We therefore annually distribute customer satisfaction survey forms to sampled customers who use our products. Data collected through these surveys is organized and analyzed and corrective action is taken in response to suggestions or dissatisfaction expressed by customers. The ultimate goal is to ensure ongoing conformity to customer requirements and achieve Sustainable Customer Relationship Management.



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3.4 Operational Performance

Our top ten customers mainly procure Alky Benzene, Alkyl Phenol, and Alkyl Benzene Sulfonic Acid which are applied in cleaning products. They mainly fall into the following two categories: Manufacturers of detergents or other chemical products and professional dealers and distributors of the chemical industry

Unit: 1000 NTD



3.4.1 Operational Performance

Year/ Item	2023	2022	2021
Operating revenues (Note 1)	6,837,892	8,196,847	6,602,635
Operating costs (Note 2)	5,932,133	6,438,890	4,826,260
Operating gross profit	905,759	1,757,957	1,776,375
Operating expenses	501,051	673,971	617,838
Operating income	404,708	1,083,986	1,158,537
Non-operating revenue and expenses	81,950	240,842	(134,338)
Profit before tax	486,658	1,324,828	1,024,199
Income tax expenses	68,470	240,189	76,612
Current net income/loss	418,188	1,084,639	947,587
Other comprehensive income	123,946	386,556	69,383
Current total comprehensive income	542,134	1,471,195	1,016,970
EPS (in NTD)	0.88	2.27	1.99
Employee salaries and benefits (Note 2)	376,483	549,682	544,568
Payments to investors (Note 2)	858,629	810,927	572,420
Payments to the government (Note 2)	192,689	109,371	211,696
Community investments (Note 2)	1,080	900	550
Economic value retained (Note 3)	(523,122)	287,077	447,141

Year/ Item	2023	2022	2021
Operating revenue (Note1)	1,539,563	1,694,384	1,939,702
Operating costs (Note2)	1,467,281	1,567,145	1,699,105
Employee salaries and benefits (Note2)	92,858	102,058	120,649
Payments to investors (Note2)	5,689	32,862	21,228
Payments to the government (Note2)	-	5,205	12,955
Community investments (Note2)	-	_	_
Economic value retained (Note3)	(26,265)	(12,886)	85,765

This table presents data disclosed in 2021-2023 individual financial reports of United Performance Materials

Note 1: Direct economic value generated: income

Note 2: Economic value distributed: operating costs, employee salaries and benefits, payments to investors (dividend payments), payments to the government in form of taxes (by country), and community investments

Note 3: Economic value retained = direct economic value generated – economic value distributed; the aforementioned information pertaining to economic value generated and distributed reflects the efforts of the organization to create economic value for shareholders

Note: This table presents data disclosed in 2021-2023 individual financial reports of FUCC.



3.4.2 Disclosure of Financial Information FUCC places strong emphasis on financial information transparency and therefore fully discloses its financial information on its official website. Stakeholders and investors can download shareholders' meeting reports, financial reports, and other financial information from this website to gain an accurate understanding of the Company's operating status and financial health.



Unit: 1000 NTD



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- 4.1 Legal Compliance and Environmental
- 4.2 Energy Resource Management
- 4.3 Work Safety



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Material Topic	Significance for the Company	Policies/ Commitment	Short-term Goals	Mid- and Long- term Goals	1.Invested Resources in the Respective Year 2.Concrete Achievements	Responsible Department/ Grievance Mechanism	Assessment Mechanism/ Results
Air pollution Management/ Waste Management/ GHG Emissions/ Energy Management	With the rising concern for environmental sustainability worldwide, stakeholders have raised their expectations regarding the Company's environmental performance. We therefore can't afford to neglect the importance of air pollution and waste management and GHG emissions. Effective air pollution and waste management mitigate environmental risks and help protect the ecological environment. Since GHG emissions are one of the major driving forces of global climate change, the reduction of such emissions represents a key responsibility and challenge of enterprises worldwide. Finally, optimization of energy use efficiency and implementation of energy conservation are conducive to decreased emissions and enhanced benefits.	Pollution reductions Ongoing improvements	 Legal compliance Implementation of air pollution control Waste reduction Inclusion of GHG inventories into the scope of corporate operations 	 Purchase of air pollution control equipment to enhance environmental quality and prevent pollution nuisance GHG reductions Selection of low-carbon energy options Development of low-carbon processes and products 	 FUCC and United Performance Materials environmental expenditures amounting to NT\$ 32.48 million Ongoing implementation of ISO 14001 Environmental management Systems and ISO 14064 GHG Management Systems by plants Adoption of ISO 50001 Energy Management System by FUCC 	Environmental Safety/Phone or Email	 In 2023, industrial waste generated by FUCC and United Performance Materials Corp. decreased by 16.35% The results of plant air pollutant testing continue to meet the control requirements. As a result of GHG emission reduction and improvement measures, our Scope 1 and 2 emissions dropped by 26,2% from the peak value of 123,000 metric tons in 2012 to 90,800 metric tons in 2023. Our energy conservation projects have resulted in energy savings of 657.75GJ, which is equivalent to a carbon reduction of 90.26 metric tons CO e.

Key performance indicators in the environmental and safety dimensions in 2023					
Applications for Extension/Update of Environmental Permits/Licenses	2				
CO2 equivalent emissions (CO2e) compared to the previous year	Increase by 11.1%				
Water consumption compared to the previous year	Decrease by 13.41%				
Wastewater and sewage generation compared to the previous year	Increase by 18.0%				
Energy consumption per million revenues	Increase by 8.1%				
Adopted energy conservation measures in 2023	6				
Number of Occupational Health & Safety Meeting resolutions	12				
Occupational accident cases in 2023	0				

We achieved the ISO 14001 International Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications in 2000 and 2020, respectively. In 2022, we continued to implement this management system, and in 2023, we completed registration for the ISO 50001 Energy Management System. Environmental protection and work safety, which represent the cornerstone of corporate sustainability, have always been key components of our business philosophy. We uphold our pledge to legal and regulatory compliance and step up our efforts in the field of resource utilization and pollution prevention to control environmental risks and thereby guarantee work safety and high-quality work environments at our operating sites. We also monitor the latest international developments in the field of environmental issues and adopt various eco-friendly actions accordingly. Consequently, we request our suppliers to take joint responsibility for environmental protection and safety to facilitate progress toward sustainable corporate development. In the future, we will maintain our unwavering commitment to environmental protection and work safety. We are further determined to partner with our stakeholders in the creation of a bright future.

We adopted the environmental management system associated with the international environmental quality certification and the occupational health and safety management certification many years ago. Our ESH policy was formulated on this foundation. We are deeply committed to ongoing improvements and implementation of these management systems and incorporating environmental protection and work safety into our corporate culture. We deeply care about the health and safety of our employees, contractors, customers, and local community residents and fulfill our environmental responsibilities to ensure ongoing progress toward sustainable development. We are steadfastly committed to protecting the health of workers engaged in operations involving hazardous substances, preventing hazards caused by raw and other materials, gases, steam, and solvents, and controlling health and safety impacts in our daily operations. We never relent in our efforts to safeguard the well-being of our employees and the health and safety of contractors, customers, and local community residents. At the same time, we discharge our environmental responsibilities to achieve the goal of sustainable development.



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We implement the following key policies and actions in fulfillment of our previous pledges:

- We implement the following key policies and actions in fulfillment of our previous pledges:
- Compliance with ESH-related laws, regulations, and requirements: Conformity audits in accordance with regulatory management procedures
- Ongoing improvements: Waste gas, wastewater, soil, ground water, and dust contamination prevention and treatment upgrades Eradication of hazardous substance leakages to prevent dangers and health hazards; provision of healthcare information and adoption of health promotion measures
- Pollution reduction: Decrease of Sox, NOx, DUST, VOCs, waste, and GHG emissions and discharges
- Enhancement of energy usage efficiency: Decrease of raw material wastage and increase of energy usage efficiency
- Improvement of ESH management performance: Employee participation in the establishment, implementation, and maintenance of ISO 14001, ISO 45001, and CNS 45001 ESH management systems and strengthening of hazard identification, risk assessment, and emergency response measures; rigorous implementation of procurement, contractor, and change management; and bolstering the ability to respond to toxic substance accidents and fires in an effective manner
- Implementation of responsible care: Enforcement of management principles in the fields of process safety, emergency response, contractor safety, waste management and reduction, distribution and product safety

4.1 Legal Compliance and Environmental Protection

Compliance with legal requirements is the cornerstone of corporate sustainability. We have therefore established a mechanism for identification of applicable laws and actively gather information on relevant environmental laws. Ongoing legal compliance is ensured through regular reviews, audits, and internal and external grievance channels. All acquired permits and licenses are still within the validity period. Our efforts in this area bear testimony to our deep commitment to the enforcement of applicable laws in coordination with the government.

In the field of climate change issues, we fully support the GHG reduction targets set by the government and spare no effort to improve our processes, which includes the regular replacement of outdated equipment each year to enhance our energy efficiency. We have successfully completed carbon reduction measures such as the conversion of seven heating furnaces employed for the manufacturing process from oil fuel to natural gas. As of 2015, we regularly commission BSI to conduct third-party verification with the goal of ascertaining the implementation results of GHG reduction initiatives and gaining an accurate grasp of the emission status of different GHG sources. This information is used as a reference for follow-up improvements. FUCC and United Performance Materials' environmental permits and licenses and environmental expenditures in recent years are listed in the table below.

List of Environmental Permits/Licenses

Туре	Permit/License No.	Valid until
Alkyl Benzene Manufacturing Process (M-02)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No.E1496-04	Nov 1, 2023
Phenolic Chemicals Manufacturing Process (M-04)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E1417-03	Dec 31, 2026
Alkyl Benzene Manufacturing Process (M-01)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E0914-04	Dec 31, 2026
Manufacturing Process for Other Basic Chemical Materials (M-03)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E1013-02	May 12, 2025
Alkyl Benzene Manufacturing Process (M-08)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E1366-02	Dec 26, 2023
Manufacturing Process for Other Synthetic Resins or Plastics (M-06)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E0507-04	Jun 11, 2025
Manufacturing Process for Other Synthetic Resins or Plastics (M-09)	Gao-Shi-Huan-Ju-Kong-Cao-Xu-Zheng-Zi No. E0915-04	Feb 18, 2024
Water Pollution Control Planning	Gao-Shi-Fu-Huan-Shui-Shui-Cuo-Zi No. 01217-08	Dec 30, 2022
Usage or Storage Registration Documents for Toxic Chemicals (Benzene, Nonylphenol)	Gao-Xiong-Shi-Du-Deng-Zi No. 000009	May 7, 2024
Import and Sales Permit for Toxic Chemicals (Benzene, Nonylphenol)	Tai-Pei-Shi-Du-Xu-Zi No. 00059	Dec 12, 2022
Manufacturing and Storage Permit for Toxic Chemicals (Nonylphenol)	Gao-Xiong-Shi-Du-Xu-Zi No. 000004	May 13, 2024
Industrial Waste Disposal Plan	Gao-Shi-Fu-Huan-Ju-Fei-Guan-Zi No. 11036808100	Jul 4, 2024
Radioactive Material Permit	Wu-Zi No. 1204106/7/8/9	Permanently valid Annual wipe test requ



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List of environmental permits and certificates acquired by United Performance Materials

Category	Certificate No.	Valid until
Other synthetic resin or plastics manufacturing processes (M-01)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0477-15	Aug 14, 2024 113
Heating medium heating processes (M-02)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0478-11	Mar 1, 2028
Heating medium heating processes (M-04)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0681-07	Jan 21, 2029
Boiler steam generation processes (M-05)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0737-06	Oct 17, 2027
Boiler steam generation processes (M-06)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0831-03	Revoked
Heating medium heating processes (M-07)	Pingtung Government Huan-Kong-Cao-Zheng-Zi No. T0864-04	Oct 17, 2028
Water pollution control planning and control permit	Pingtung County Huan-Shui-Xu-Zi No. 01487-01	Jul 4, 2027
Documentation of use and storage of toxic chemicals (boron trifluoride, dicyclopentadiene, and potassium bromate)	Pingtung County Du-He-Zi No. 000010	Feb 18, 2025
Documentation of importation, exportation, and sale of toxic chemicals (boron trifluoride, dicyclopentadiene)	Taipei City Du-Xu-Zi No. 000202	Jan 9, 2027
Industrial waste disposal plan	No. T09207300001	May 15, 2028

Environmental Expenditures 2022~2023	FU	FUCC		United Performance Materials	
Expenditure Items	2023	2022	2023	2022	
Soil and ground water pollution control fees (in 10,000 NTD)	659	83	-	-	
Processing fee for air pollution control reporting (in 10,000 NTD)	23	60	0.71	2	
Waste disposal and treatment fees (in 10,000 NTD)	173	264	1,461	2,318	
Wastewater treatment fees (in 10,000 NTD)	24	51	66.9	103	
GHG reductions (in 10,000 NTD)	108	246	100	100	
ISO management system-related fees (in 10,000 NTD)	84	15	100	100	
Other (fees in categories not listed above) (in 10,000 NTD)	484	113	-	-	
Total (in 10,000 NTD)	1,555	2,269	1,729	2,623	



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4.1.1 GHG Reduction Strategy

Against the backdrop of the rising global concern for climate change issues, we (FUCC and United Performance Materials) view GHG reduction as a pressing issue that requires our undivided attention as members of the global community. The first task is to conduct a GHG inventory in line with legal and regulatory requirements to gain a firm grasp of the current state of our GHG emissions. This will be followed by deliberation and proposal of feasible GHG reduction initiatives and faithful execution of relevant reduction plans and initiatives.

With respect to the GHG reduction program, we initiated a fuel energy carbon reduction plan which aimed to gradually replace fuel oil used for heating furnaces with LNG (liquefied natural gas) in 2011. This conversion process was completed in 2017. In the period from 2018 to 2019, we launched a process equipment improvement project. In 2018, we replaced obsolete rotary pumps and added inverters. In the period from 2019 to 2022, we continued to implement relevant measures including the successive installation of high-efficiency rotary pumps, regular maintenance of our process equipment, and installation of micro-heat air dryers with the goal of maintaining highly efficient operations in the fields of heat supply, refrigeration, fuel, and electricity. Investments in the aforementioned programs and initiatives amount to around NT\$ 73.8 million. These substantial expenses bear clear testimony to our determination to care for our planet through various carbon reduction and energy conservation initiatives.

Furthermore, we initiated a GHG Reduction/Offset Project in cooperation with the Foundation of Taiwan Industry Service in 2015. Two years later, we acquired an assurance statement issued by a third-party certification body. In 2018, the Environmental Protection Administration (EPA) approved our application for registration of adopted low-carbon fuel for process thermal boilers/heating furnaces. Starting in 2019, we executed plans and projects and carried out monitoring in accordance with the approved registration. In 2021, we compiled a monitoring report and submitted an application for a quota to the EPA after acquisition of a verification statement issued by a qualified verification body. EPA convened a review meeting and awarded us a reduction quota of 26,974 metric tons CO2e in 2022.

Total Gree	Total Greenhouse Gas Emissions - FUCC					
Year	Have inventories been completed	Inventories conducted in accordance with ISO 14064-1 principlesbeen completed	Total emissions (metric tons CO2e/year)	Scope 1 (metric tons CO2e/year)	Scope 2 (metric tons CO2e/year)	Third-party verification
2023	• Y	• Y	67,652	48,830	18,822	 In the planning stage, please specify the execution period: Jun 3 - Jul 11, 2024 Verification body: BSI
2022	• Y	• Y	81,704	62,058	19,646	Y Name of verification body: BSI

Total Greenhouse Gas Emissions - United Performance Materials						
Year	Have inventories been completed	Inventories conducted in accordance with ISO 14064-1 principlesbeen completed	Total emissions (metric tons CO2e/year)	Scope 1 (metric tons CO2e/year)	Scope 2 (metric tons CO2e/year)	Third-party verification
2023	• Y	• Y	17,731	12,201	5,530	 In the planning stage; verification to be completed within the schedule in stages announced by FSC
2022	• Y	• Y	22,510	15,723	6,787	Y Name of verification body: Bellcert Group



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	Total Greenhouse Gas Emissions - Hershey Environmental					
Year	Have inventories been completed	Inventories conducted in accordance with ISO 14064-1 principlesbeen completed	Total emissions (metric tons CO2e/year)	Scope 1 (metric tons CO2e/year)	Scope 2 (metric tons CO2e/year)	Third-party verification
2023	• Y	Y Autonomous estimate	57,488.455	1,947.5776	1,340.0640	 N Verification to be completed within the schedule in stages announced by FSC
2022	• Y	Y Autonomous estimate	59,712.462	3,455.0173	1,631.6190	 Y Name of verification body: Bellcert Group

Note: Disclosures in 2023 are based on self-inventories (third-party verification has not yet been performed)



4.1.2 Direct GHG Emissions (Scope 1)

At the current stage, direct emission sources owned or controlled by FUCC are mostly associated with production processes and include the following: Manufacture of Alkyl Benzene, other basic chemical materials, phenolic chemicals, other synthetic resins or plastics, and fixed combustion sources for emergency power generation and staff canteens (boilers, flare towers, emergency power generators, and gas stoves).

FUCC Emission Statistics by Emission Source for 2020~2022

			Scop	e 1		Scope 2	Scope 3	Total	
	Emission source type	Stationary	Process	Mobile	Fugitive	Energy indirect	Other emissions	equivalent emissions	
	CO2e equivalent emissions	48,636.7838	0.0592	18.0096	175.6765	18822.1832	13470.03	81,122.7423	
2023	(metric tons CO2e/year)		48830.	5291		10022.1032	01,122.1723		
	Percentage accounted for (%)		60.1	9%		23.20%	100%		
	CO2e equivalent emissions	62,005.1319	0.0508	19.1984	34.373				
2022	(metric tons CO2e/year)	62,058.7541				19,646.1041	13,153.527	94,858.385	
	Percentage accounted for (%)		65.4	2%		20.71%	100%		
	CO2e equivalent emissions	67,252.5954	0.0992	32.2657	144.0475	00 040 7044		00 470 700	
2021	(metric tons CO2e/year)		67,429.0078			23,049.7314	_	90,478.739	
	Percentage accounted for (%)		74.	52%		25.48%	_	100%	



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The majority of United Performance Materials' direct emissions stem from manufacturing processes including other synthetic resin or plastics manufacturing processes and fixed combustion sources for emergency power generation and restaurants such as three oil-fired boilers, two oilfired steam boilers, regenerative waste gas incinerators, emergency generators, and gas stoves.



United Performance Materials Emission Statistics by Emission Source for 2023

	Emission source type		Scop	e 1		Scope 2	Scope 3	Total		
Emission source type		Stationary	Process	Mobile	Fugitive	Energy indirect	Other emissions	equivalent emissions		
	CO2e equivalent emissions	11,124	0.3385	22.499	1,054	5,530	24,610	42,341.5		
2023	(metric tons CO2e/year)		12,2	01		3,330	24,610	,		
	Percentage accounted for (%)		28.83	2%		13.06%	58.12%	100%		
	CO2e equivalent emissions	14,596	0.6092	18.18	1,108.7	6,787	37,009	59,519		
2022	(metric tons CO2e/year)		15,	723		0,767	37,009	39,319		
	Percentage accounted for (%)		26.4	42%		11.4%	100%			

The majority of Hershey Environmental's direct emissions stem from manufacturing processes including sulfonation processes, distillation processes, and fixed combustion sources for emergency power generation such as one natural gas-fired thermal boiler and two natural gas-fired steam boilers.



United Performance Materials Emission Statistics by Emission Source for 2023

	Emission source type		Scop	e 1		Scope 2	Scope 3	Total equivalent
	Limssion source type	Stationary	Process	Mobile	Fugitive	Energy indirect	Other emissions	emissions
	CO2e equivalent emissions	1,888.8168	0.4062	23.2333	35.1213	1,340.0640	54,200.8138	57,488.455
2023	(metric tons CO2e/year)		1,947	7.5776		1,540.0040	54,200.8138	31,400.433
	Percentage accounted for (%)		3.	39		2.33	94.29	100%
	CO2e equivalent emissions	3,396.5739	0.2031	22.4448	35.7955	1,631.6190	54,625.8260	59,712.462
2022	(metric tons CO2e/year)		3,455	5.0173		1,031.0190	54,625.8260	33,112.402
	Percentage accounted for (%)		5.	.79		2.73	91.48	100%



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FUCC Emission Statistics by GHG Category in 2023 (Scope 1)

GHG category	CO ₂	CH ₄	N ₂ O	HFC	PFCs	SF ₆	NF₃	Total CO _{2e} (in metric tons)
CO2e equivalent emissions (metric tons CO2e/year)	67,454.0656	39.1292	0.3975	159.12	0	0	0	67,652.712
Percentage accounted for (%)	99.71%	0.06%	0.00%	0.33%	0.00%	0.00%	0.00%	100.00%

United Performance Materials Emission Statistics by GHG Category in 2023 (Scope 1)

GHG category	CO ₂	CH ₄	N ₂ O	HFC	PFCs	SF ₆	NF3	Total CO _{2e} (in metric tons)
CO2e equivalent emissions (metric tons CO2e/year)	41,242.24	17.87	22.55	1,047.68	0.0000	0.0000	0.0000	42,330.34
Percentage accounted for (%)	97.43%	0.04%	0.05%	2.48%	0.00%	0.00%	0.00%	100.00%

Hershey Environmental Emission Statistics by GHG Category in 2023 (Scope 1)

GHG category	CO ₂	CH ₄	N ₂ O	HFC	PFCs	SF ₆	NF3	Total CO _{2e} (in metric tons)
CO2e equivalent emissions (metric tons CO2e/year)	57,451.0631	7.4592	1.2985	28.6346	0	0	0	57,488.455
Percentage accounted for (%)	99.93	0.01	0.00	0.05	0	0	0	100



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4.1.3 Energy Indirect (Scope 2) and Other Indirect GHG Emissions (Scope 3)

Indirect GHG emissions mostly stem from purchased electricity and steam. This includes the power consumption of process equipment, offices, and public areas and steam purchased from Linyuan Advanced Materials Technology Co., Ltd. In 2023, energy indirect emissions reached 19,246.665 metric tons CO2e/year, which constituted around 21.21% of the total emissions of the Linyuan Plant. Other indirect GHG emissions (Scope 3) are generated by other operating activities of the FUCC Linyuan Plant. The emission sources are owned or controlled by other companies/units. FUCC Other Indirect (Scope 3) GHG Emissions amounted to 13,470.03 metric tons CO2e/year. Qualitatively listed sources include:

Emissions caused by vehicles and incineration facilities operated by commissioned businesses responsible for waste disposal, incineration, and treatment

Outsourced sewage treatment

Employee business travel or official trips

Employee commuting

Our indirect emissions are mostly GHG emissions stemming from purchased electricity consumed by process equipment, offices, and public areas. In 2023, energy indirect emissions generated by United Performance Materials amounted to 5,530 metric tons CO2e/year, constituting around 13.06% of the total emissions of the United Performance Pingnan Plant. Scope 3 indirect emissions of this Company reached 24,610 metric tons CO2e/year. Energy indirect emissions generated by Hershey Environmental in the same year totaled 1,340.0640 metric tons CO2e/year, comprising 2.33% of the total emissions of the Hershey Environmental Pingnan Plant. Scope 3 indirect emissions of this Company equaled 54,200.8138 metric tons CO2e/year.

2023 GHG emissions (metric tons CO2e/year)

Company	Scope 2	Scope 3
FUCC	18822.1832	13,470.03
United Performance	5,530	24,610
Hershey Environmental	1,340.0640	54,200.8138



4.1.4 Air Pollution Control and Improvements

Air pollutants generated by the burning of fuel for production processes represent our main emission source. With a view to reducing pollutant emissions, we switched to the use of natural gas as our main fuel source, which has resulted in a substantial reduction of pollutant emissions. We conduct regular testing of emission sources and commission an external certification and testing business to carry out VOC (volatile organic compound) testing every quarter in line with the requirements laid out in environmental laws and regulations to ensure that our emissions conform to national standards. In the field of processes and pollutant treatment, we have adopted the best feasible air pollution control and treatment methods. This includes flue-gas desulfurization (FGD) equipment, cyclone dust collectors, bag filter dust collectors, low NOx burners, high-temperature heating furnace combustion, waste gas flares (abnormal emissions), scrubbers, and internal floating roofs. All these pollution control facilities are equipped with continuous monitoring and recording devices that allow effective monitoring to ensure normal operations. On top of that, we rigorously implement preventive maintenance, training, and operational measures to optimize the treatment efficiency of every piece of equipment and maximize the effectiveness of air pollution control operations. We currently hold installation and operation permits for all our processes and rely on dedicated personnel for acid leakage prevention and VOC testing. Regularly scheduled testing operations include flue gases, equipment components, internal floating roof tank VOCs, cooling tower VOCs, bio-aeration pool VOCs, and odors in wastewater treatment plant perimeters. Finally, we implement ongoing monitoring, analysis, and tracking based on the testing results to ensure that all in-plant gas emissions conform to applicable legal regulations.

In the face of the worsening global warming crisis, we maintain our unwavering commitment to energy conservation and carbon reduction. Our plant has adopted numerous measures in this area such as the substitution of LNG for fuel oil, conversion to non-seal pumps, recovery of OFF GAS hydrogen, installation of waste gas recycling systems and inverters. These measures require significant investments, which demonstrates our firm commitment to carbon reduction and energy conservation and our steadfast determination to care for our planet.



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Air Pollutant Testing Values for Heating Furnaces -**FUCC Linyuan Plant**

Test items	Legal requirement	2023 Testing data	2022 Testing data	2021 Testing data
PAR (particles) (mg/m³)	100	2	3	1
SOx (PPM)	100	100 2		2
NOx (PPM)	150	66	59	64
VOC (PPM)	_	Exempted from testing	Exempted from testing	11

Air Pollutant Testing Values for Heating Furnaces -**United Performance Materials**

Test items	Legal requirement	2023 Testing data	2022 Testing data	2021 Testing data
PAR (particles) (mg/m³)	30	8.2	7	
SOx (PPM)	50	1.1	10	16
NOx (PPM)	100	51.2	57	59
VOC (PPM)	_	60	165	110

Air Pollutant Testing Values for Heating Furnaces -**Hershey Environmental**

Test items	Legal requirement	2023 Testing data	2022 Testing data	2021 Testing data
PAR (particles) (mg/m³)	30	2	3	9
SOx (PPM)	50	3	2	9
NOx (PPM)	100	47	42	80
VOC (PPM)	_	_	_	_

Note: The decreasing values in 2022 can mainly be attributed to the conversion from bottom oil to natural gas in the period from 2021 to 2022.

4.1.5 Waste Treatment and Control

FUCC and United Performance Materials fully comply with all environmental norms, standards, and regulations of the competent authority and rigorously implement all required waste treatment procedures. All generated waste is treated by qualified waste clearance and disposal businesses. There are no instances of cross-border shipment of hazardous waste. Clearance and disposal of all waste categories is regularly tracked and audited by responsible departments to ensure the legality and safety of final treatment. In 2023, there was no record of serious leakage of waste or raw materials. Waste generation statistics in recent years are shown in the table below. Due to the fact that our Corporate HQ in Taipei is located in a multi-unit office building, the building management committee is responsible for the clearance and disposal of our generated waste. Although we keep no statistics of waste quantities generated by each unit, we carry out waste sorting based on public announcements of the building management committee. According to our statistics for 2023, our general, industrial, and hazardous industrial waste quantities totaled 34.04, 129.48, and 0.01 tons, respectively.

Overview of Waste Generation Amounts - FUCC

Item		Forms of disposal	2023	2022	2021
General waste (ton	os)	Incineration	34.04	30.67	38.11
		Incineration	11.89	13.53	16.72
	General Waste	Other forms of disposal (Note 1)	117.57	133.82	146.37
		Sub-total	129.46	147.35	163.09
Industrial waste (tons)		Incineration	0.01	0.06	0.02
	Hazardous waste	Other forms of disposal (Note 1)	0.006	0.00	0.001
		Sub-total	0.016795	0.06	0.021
	Sub-total		129.48	147.41	163.11
	Total:	163.52	178.08	201.22	

Note 1: Other forms of disposal: Thermal treatment including chemical and non-incineration treatment

Note 2: Hazardous industrial waste recycling rate:0%



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Overview of Waste Generation Amounts - United Performance Materials

Item	Forms of disposal	2023	2022	2021
General waste (tons)	Incineration	26.51	18.92	23.4
	Incineration	18.65	46.70	800.93
Industrial waste	Landfill/ Thermal treatment	372.24	434.66	0
(tons)	Recycling	11.8	11.12	10.04
	Sub-total	402.69	492.48	810.97
	Total:	429.20	511.40	834.37

Note: United Performance Materials does not generate any hazardous industrial waste

Hershey Environmental Overview of Waste Generation Amounts

Item	Forms of disposal	2023
General waste (tons)	Incineration	19.58
General industrial waste (tons)	Incineration	24.07
	Landfill/ Thermal treatment	0
	Recycling	0
	Sub-total	24.07
Hazardous waste (tons)		0
	Total:	43.65

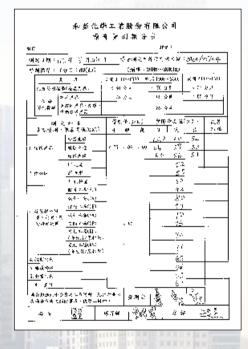
Note: Hershey Environmental included in the annual disclosures for the first time



4.1.6 Noise Management

With a view to preventing negative impacts on the life quality of residents of surrounding areas and ensuring safe and effective operations of noisy and vibrating equipment, we conduct annual noise surveys for the whole plant with a special focus on transmission equipment locations and surrounding areas. Noise improvement initiatives are formulated on the foundation of analyses of noise level changes. These surveys are conducted by qualified businesses as announced by EPA or by us with the aid of sound level meters. So far, the measurement results of FUCC and United Performance Materials have met the prescribed noise control standards.

There were no instances of noise-related grievances or abnormal findings in audits in 2023.









4.1.7 Water Resources and Wastewater Treatment

The FUCC Linyuan Plant is situated in a non-conservation area in an Industrial Park zone. Taiwan Water Corporation supplies all the water withdrawal of the Company (a total of 91.65 million liters in 2023). The water withdrawal required for the Company's operations generated no significant impact on relevant water sources. Wastewater treatment facilities (plants) are planned in an adequate manner by FUCC and United Performance Materials based on wastewater source characteristics. Dedicated personnel are responsible for the effective management of wastewater treatment to ensure that the discharged water quality conforms to national effluent standards. Wastewater quality testing is carried out regularly. If the water quality does not meet the required criteria, it is pumped back to the water treatment plant. Wastewater that conforms to the required standards is channeled to the joint sewage plant of the industrial park for further treatment to eliminate environmental impacts. Sewage discharged by the Company did not cause any impacts on the surrounding environment in 2023. Total wastewater discharge reached 50.46 million liters in the same year.



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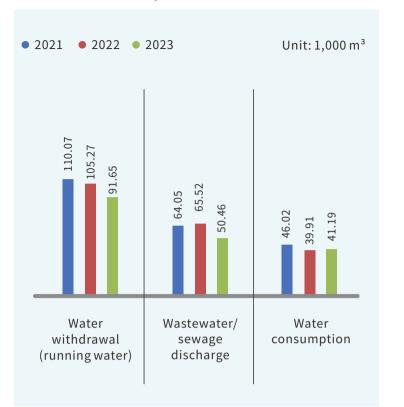
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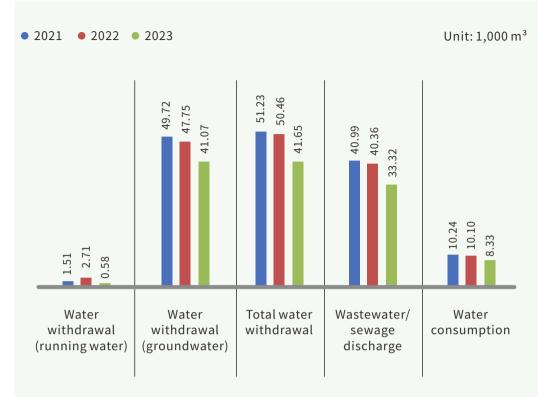
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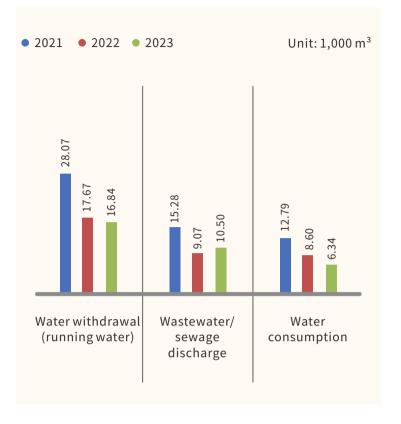
FUCC Water Consumption Statistics



United Performance Materials Water Consumption Statistics



Hershey Environmental Water Consumption Statistics



FUCC Comparison of Pre- and Post-treatment Wastewater Quality in 2023

Item	Pre- treatment	Post- treatment
Water temperature (°C)	32.5	31.0
рН	8.6	8.2
BOD (mg/L)	3.9	<2.0
COD (mg/L)	40.3	29.0
SS (mg/L)	5.9	8.0
Lipids (mg/L)	3.1	1.0
True Color	<2.5	<2.5
Ammonia Nitrogen (mg/L)	6.42	<0.05
Nitrate Nitrogen (mg/L)	13.4	11.2
Manganese (mg/L)	0.024	0.027
Iron (mg/L)	0.223	0.251
Phenol (mg/L)	ND	ND
Benzene (mg/L)	<0.00604	ND

United Performance Materials Comparison of Pre- and Posttreatment Wastewater Quality in 2023

Item	Pre- treatment	Post- treatment
Water temperature (°C)	29.9	27.1
рН	7.7	8.0
BOD (mg/L)	1210	ND
COD (mg/L)	2720	15.8
SS (mg/L)	949	ND
Lipids (mg/L)	569	ND
True Color	<50	ND
Ammonia Nitrogen (mg/L)	0.28	0.02
Nitrate Nitrogen (mg/L)	0.05	15.2
Manganese (mg/L)	0.006	ND
Iron (mg/L)	<0.1	ND
Phenol (mg/L)	3.89	0.047
Benzene (mg/L)	0.967	ND

Hershey Environmental Comparison of Pre- and Posttreatment Wastewater Quality in 2023

Item	Pre- treatment	Post- treatment
Water temperature (°C)	29.2	30.1
рН	7.8	7.7
BOD (mg/L)	7.3	5. 1
COD (mg/L)	152	25.9
SS (mg/L)	24.2	18.2
Lipids (mg/L)	10.9	3. 0
True Color	37	<25
Ammonia Nitrogen (mg/L)	3.22	0.55
Nitrate Nitrogen (mg/L)	2.05	2.13
Manganese (mg/L)	<0.01	ND
Iron (mg/L)	<0.01	ND
Phenol (mg/L)	<0.01	ND
Benzene (mg/L)	<0.01	ND
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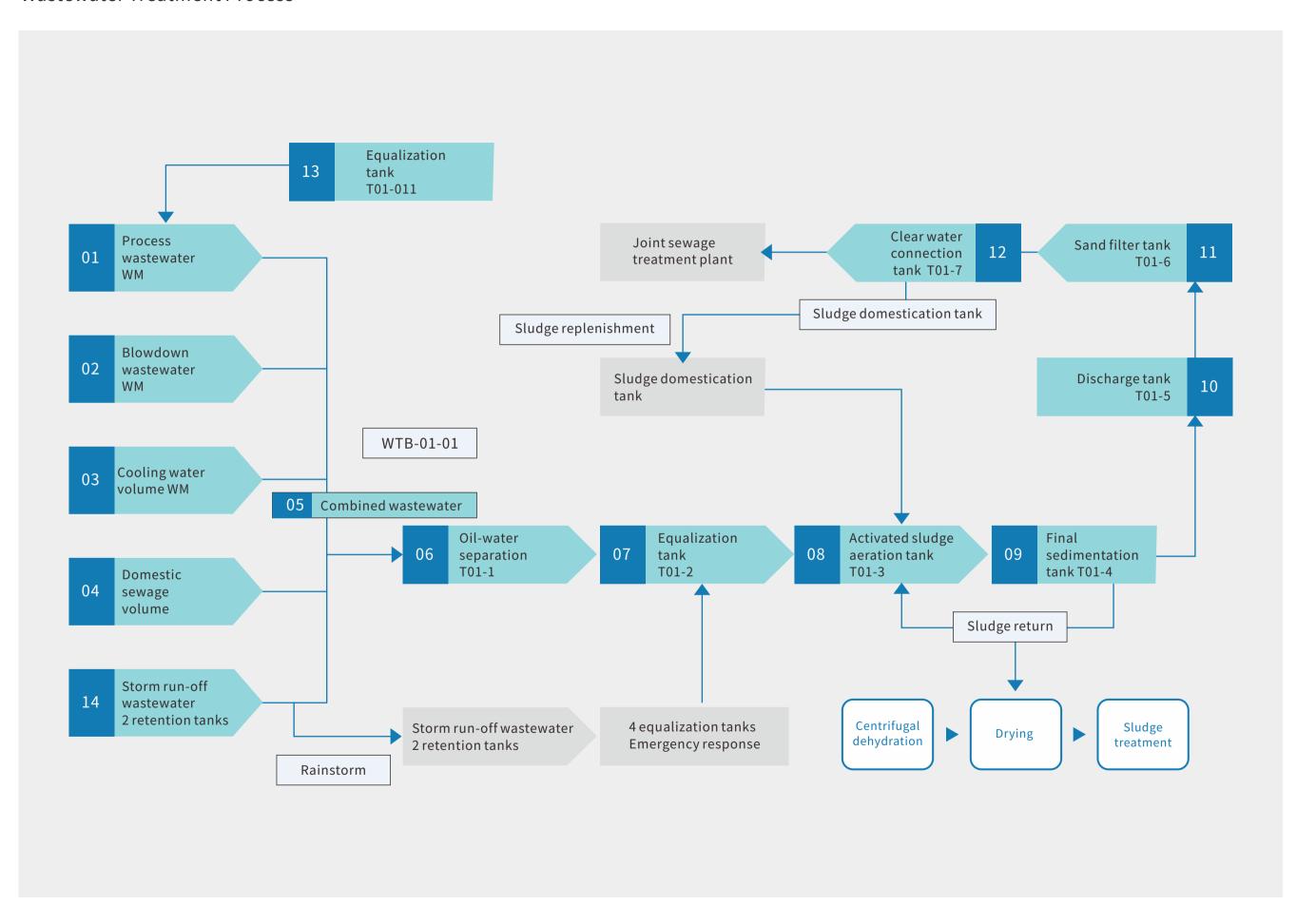
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Wastewater Treatment Process





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4.2 Energy Resource Management

As a result of the breakneck speed of technological development and the rising strain on limited global resources, enterprises are facing the aggravating issue of energy depletion. Energy use efficiency improvements have therefore turned into a key indicator for enhanced industry competitiveness. With a view to realizing our goal of sustainable operations and sustaining our efforts in the fields of environmental protection and energy conservation, we maintain our firm commitment to formulating relevant strategies and adopting energy conservation initiatives. We strive to maximize our contributions to mitigating energy depletion and effective management of resource use.



4.2.1 Direct Energy Consumption

FUCC consumes fuel oil, electricity, steam, and natural gas in its operating activities. The company's total energy consumption amounted to 1,111,588GJ in 2023.

Energy Consumption - FUCC

Energy categories	2023	2022	2021
Fuel oil (KL)	5,187	5,368	5,521
Fuel oil (GJ)	208,443	215,704	221,865
Steam (tons)	16,986	15,736	18,268
Steam (GJ)	47,260	43,782	50,827
Electricity (kWh)	31,785,400	33,100,200	36,885,800
Electricity (GJ)	114,427	119,161	132,789
Natural gas (m³)	657,047		
Natural gas (GJ)	2,365		
Energy categories	19,618,121	18,412,229	21,694,801
Fuel oil (KL)	739,093	693,662	817,330
Total energy consumption (GJ)	1,111,588	1,072,320	1,222,811

Energy Consumption - United Performance Materials

Energy categories	2023	2022
Fuel oil (KL)	3,370	4,436.30
Fuel oil (GJ)	135,416	178,275
Electricity (kWh)	11,171,875	13,710,000
Electricity (GJ)	40,219	49,356
Total energy consumption (GJ)	175,635	227,631

Energy Consumption - Hershey Environmental

Energy categories	2023
Fuel oil (KL)	884,970
Fuel oil (GJ)	33,340
Electricity (kWh)	2,707,200
Electricity (GJ)	9,746
Total energy consumption (GJ)	43,086

Note 1: According to the Greenhouse Gas Emission Factor Management Table (6.0.4), the fuel oil and natural gas heating values are 9,600kcal/l and 9,000 kcal/m³, respectively. One kcal equals 4,186J (Joule) and one kWh is equivalent to 3,600KJ (1GJ=1*109 Joules).

Note 2: Steam consumption amounts have been recorded since 2021. The assumed steam heating value is 664,670kcal/ton.



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2021~2023 Energy consumption

Item		2023	2022	2021
	Fuel oil	343,782	393,979	221,865
Non-renewable energy sources	Electricity	164,006.72	168,517	132,789
	Natural gas	772,005.40	693,662	817,330
	Steam	47,260	43,782	50,827
	Total energy consumption	1,327,054	1,299,940	1,222,811
Renewable energy	Renewable energy certificates (REC)	2,365.37	-	

Note: Renewable energy accounts for 0.18% of our energy consumption

2021~2023 Energy Intensity Statistics

Year	2023	2022	2021
Operating revenue (million NTD)	9,432.3	10,571.2	9,199.2
Fuel oil (GJ/million NTD)	36.45	37.27	24.12
Electricity (GJ/million NTD)	17.39	15.94	14.43
Natural gas (GJ/million NTD)	81.85	65.62	88.85
Steam (GJ/million NTD)	5.01	4.14	5.53
Total Energy Intensity	140.69	122.97	132.93

Note: Energy intensity calculation formula: Energy consumption ÷ Operating revenue (million NTD). The scope includes FUCC, United Performance Materials, and Hershey Environmental.



4.2.2 Energy Conservation

Against the backdrop of the rising global attention to climate change and global warming, energy conservation has turned into a worldwide trend. Enterprises play a pivotal role in the realization of sustainable development.

Unit: GJ

With a view to tackling the challenges in the fields of energy use and management, FUCC and United Performance Materials have formed internal energy conservation promotion task forces, which conduct regular reviews to determine whether or not implementation results meet our energy conservation targets and enhance our energy use efficiency. We also strive to fulfill our social responsibility to reduce GHG emissions. In our pursuit of corporate growth, we pay constant attention to the pressing issue of energy conservation. We must make an all-out effort to carry out analyses, reviews, and improvements to effectively lower energy consumption, which represents our ultimate goal. The Company therefore adopts and implements annual energy conservation projects. Ongoing energy conservation initiatives and their projected benefits in 2023 can be described as follows:

List of energy conservation actions and measures adopted by FUCC in 2023

Equipment improvements	Energy conservation measures	Energy conservation(a)	Energy categories (b)	Consumption reduction criteria (C)	Standardized calculation formula(d)
Thermal and cold insulation	Regular replacement of thermal and cold insulation materials for piping and storage tanks	Maintenance of energy use efficiency in the fields of heat supply and refrigeration			
Fuel energy efficiency improvements/equipment maintenance	Heat exchanger updates	Maintenance of fuel energy use efficiency			
Electric energy efficiency improvements/equipment maintenance	DA C-10/PD C-7A/B Replacement of obsolete equipment	137,970 kWh =496.7 GJ =4.966 × 10 ⁸ [kJ]	Electricity	Power consumption prior to replacement of obsolete equipment: 637,290 kWh	Power consumption after replacement: 499,320 kWh



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List of energy conservation actions and measures adopted by United Performance Materials in 2023

Equipment improvements	Energy conservation measures	Energy conservation (a)	Energy categories (b)	Consumption reduction criteria(C)	Standardized calculation formula(d)
Electric energy efficiency improvements/equipment maintenance	Purchase of P-501 lowered hydraulic heads	1.545×10 ⁶ [kJ]	Electricity	Comparison before and after adjustment	Calculation based on equipment tags
Other investments in energy consumption maintenance or reduction (air/water equipment)	100RT Chiller A/C usage efficiency maintenance	1.38×10 ⁸ [kJ]	Electricity	Comparison before and after adjustment	Actual measurement
	Decrease of F-305A Blower rotations	2.15×10 ⁷ [kJ]	Electricity	Comparison before and after adjustment	Calculation based on equipment tags

List of energy conservation actions and measures adopted by FUCC in 2024

Equipment improvements	Energy conservation (a)	Energy categories (b)	Consumption reduction criteria (C)	Standardized calculation formula (d)
Thermal and cold insulation	Regular replacement of thermal and cold insulation materials for piping and storage tanks	Maintenance of energy use efficiency in the fields of heat supply and refrigeration	Regular replacement of thermal and cold insulation materials for piping and storage tanks	Maintenance of energy use efficiency in the fields of heat supply and refrigeration
DA P-27B Conversion to vacuum pumps with lower HP	131,250 kWh =472.5 GJ =4.725×108 ⁸ [kJ]	Electricity	Prior to replacement: Motor nominal horsepower= 37.5KW, Annual power consumption =262,500 kWh	After replacement: Motor nominal horsepower = 18.75KW, Annual power consumption =131,250 kWh

List of energy conservation actions and measures adopted by United Performance Materials in 2024

Equipment improvements	Energy conservation (a)	Energy categories (b)	Consumption reduction criteria (C)	Standardized calculation formula (d)
Equipment improvements	3.09×10⁵[kJ]	Electricity	Comparison before and after adjustment	Calculation based on equipment tags
Purchase of P-501 lowered hydraulic heads	3.63×10 ⁸ [kJ]	Electricity	Comparison before and after annual maintenance	Actual measurement
Decrease of F-305A Blower (fan?) rotations	3.016×10 ⁷ [kJ]	Electricity	Comparison before and after adjustment	Calculation based on equipment tags



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Item

Olefins

Benzene

Phenols

Total

Normal Paraffin

4.2.3 Raw Material Use

Petrochemical synthetics which are defined as non-renewable materials in the GRI Standards represent the main petrochemical raw materials used by FUCC and United Performance Materials. Most raw materials are procured from supply chain partners that the Company has long-term dealings with to minimize the risk of supply shortages. No supply shortages have occurred in recent years. The Company further strives to build long-lasting solid relations with its customers based on sales services. Due to unique product attributes, the main raw materials employed by the Company are Olefins, Alkyl Benzene, Benzene, Normal Paraffin, and Phenols. Total raw material consumption amounted to 156,518 metric tons in 2023. Raw material consumption statistics are shown in the chart below.

Raw material employed by FUCC

Phenols

Lime

Total

2022

82,212

32,522

35,753

7,609

158,096

2023

79,353

31,313

38,409

7,443

156,518

Raw material employed by United Performance Materials

487.14

140.89

29,741.83

Unit: tons

Raw material employed by FUCC

Unit: tons

Item	2023	2022	Item	2023
Resin oil	29,058.53	43,968.63	Total processing quantity	18,648.83
Boron trifluoride	55.03	81.03		

615.96

229

44,894.62

4.3 Work Safety

Material Topics	Significance for the Company	Policies/ Commitment	Short-term Goals	Mid- and Long- term Goals	1.Invested Resources in the Respective Year 2.Concrete Achievements	Responsible Department/ Grievance Mechanism	Assessment Mechanism/ Results
Occupational Health and Safety	Guarantee of a healthy work environment and positive workplace culture is of paramount importance. The goal lies in the effective mitigation of potential hazards and risks, prevention of accidents, and safeguarding of the physical and mental health of employees through a soundly operating management system and extensive education. This also represents a vital measure to ensure smooth company operations.	Risk management Legal compliance Ongoing improvements Healthy workplace	Ongoing train education Maintenance occupational		1. Ongoing implementation of ISO 45001 2. Annual occupational health & safety training FUCC: 176 trainees accumulated a total of 1,161 training hours. United Performance Materials: 78 trainees accumulated a total of 1,036 trainingHershey Environmental: 80 trainees accumulated a total of 1,068 training hours	Environmental Safety Office Email or phone 07-6412921#336	Quarterly tracking and reviews of occupational health and safety performance by the Occupational Health & Safety Committee/Zero Accidents in 2023



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As a chemical industry company, we place utmost emphasis on workplace safety. We are also deeply aware that the provision of employees with a safe work environment is essential to enhance work efficiency and quality. With a view to ensuring smooth production operations and protecting the life and property of our employees and community residents, we constantly improve our risk management mechanism and put top priority on damage prevention and promotion of the physical and mental well-being of our employees. Health & safety represents one of the core values of our corporate operations and the cornerstone of sustainable operations. We persist in our efforts to build self-safety awareness among our employees to reach our targets of 100% work safety and zero accidents.

There was no record of process safety incidents in 2023.

In 2023, 334 employees of the companies listed below accumulated a total of 3,235 hours of occupational health and safety training

lhous	FUCC	United Performance	Hershey Environmental
Item	Persons/hours	Persons/hours	Persons/hours
Work safety	176/985	78/960	80/936
Fire safety	176/176	40/76	31/132
Total	1,161 hours	1,036 hours	1,068 hours



4.3.1 Occupational Health and Safety Organizations

We have established the Formosan Union Chemical Corp. Linyuan Plant Corporate Union and the Occupational Health & Safety Committee (below referred to as "OHS Committee") pursuant to the Occupational Health and Safety Management Guidelines. 13 labor representatives elected by FUCC employees from among themselves account for 50% of the committee membership, which exceeds the legally required quota of 1/3. The committee convenes once a quarter to discuss health and safety-related issues including training plans, operational environment improvement strategies, hazard prevention management and audits, contractor management, and health promotion. Responsible units are instructed to complete required corrective action within prescribed time limits. The Committee also formulates health & safety management plans and tracks the progress of adopted corrective actions.

Percentage of Management/Labor Representatives on the OHS Committee in 2023

OHS Committee	Number of members	Percentage
Labor representatives	13	56 %
Management representatives	10	44 %
Total	23	100 %

Collective agreement

Despite the fact that we have established an enterprise union, no collective agreement has been signed to date since the union has not requested negotiation of such an agreement with the company. United Performance Materials has formed the United Performance Materials Enterprise Union at its Pingnan Plant in Pingtung County. In addition, an Environmental Safety Section has been set up pursuant to the Occupational Safety and Health Management Regulations. ESH management review meetings are convened on an annual basis for the discussion of health and safety-related plans including training plans, operating environment improvement strategies, hazard prevention management and audits, contractor management, and health promotion. As for items requiring corrective action, responsible units are ordered to complete such corrective action within the prescribed time limit or formulate a health and safety management plan. We further implement tracking of such corrective action and comply with Article 10 of the Occupational Safety and Health Management Regulations, which requires business entities that meet the criteria set forth in Article 2-1 and Article 6, Paragraph 2 to set up an Occupational Safety and Health Committee (below referred to as "This Committee"). United Performance Materials is not obliged to establish such a committee since the company employs less than 100 workers.



4.3.2 Occupational Health and Safety Operations

Starting in 2011, FUCC passed the certification audits for the "CNS 45001 Occupational Health and Safety Management System" administered by the Bureau of Standards, Metrology, and Inspection of the Ministry of Economic Affairs and the "Performance Recognition of the Occupational Safety and Health Management Systems of Business Entities of the Council of Labor Affairs". Health and safety management tasks are carried out by relying on a systematic framework and the PDCA cycle methodology with the ultimate goal of reducing accidents and operational risks and achieve advanced international standards in the field of health and safety performance. An occupational health and safety management system was established in 2019 in line with the requirements set forth in the ISO 45001:2018 Occupational Health and Safety Management System Standard. The Company passed a third-party verification in 2020 and ensures ongoing compliance with the ISO 45001 requirements.

In addition, FUCC is a member of the Taiwan Responsible Care Association (TRCA) and the Linyuan Industrial Park Health & Safety Promotion Committee. In the field of work safety, health, and environmental protection, we rely on mutual observation and learning to enhance and safeguard the safety and health of our operating personnel.

Starting in 2011, United Performance Materials passed the certification audits for the OHSAS 18001&TOSHMS Occupational Health and Safety Management Systems conducted by the Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs. Health and safety management tasks are carried out on the foundation of a systematic framework and the PDCA management cycle. The goal is to reduce the incidence of workplace accidents, mitigate operational risks, and achieve advanced international performance standards in the field of health and safety management. In 2019, we further completed implementation of the ISO 450001 Occupational Health and Safety Management System in line with the requirements of Version ISO 45001:2018. In 2020, we passed a thirdparty verification. We ensure ongoing compliance with the ISO 45001 requirements.



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On top of that, United Performance Materials participates in the Pingan Yehui Health & Safety Family project, which aims to effectively enhance operator safety and health protection through mutual observation and learning in the work safety, health, and environmental protection dimensions.









Occupational Safety, Health, Hazard and Accident prevention

We have adopted relevant control measures (procedures, operation instructions, rules, and regulations) for all our on-site operations. Operations that pose a potential hazard to personnel, environment, or equipment such as electric and argon welding, cutting, grinding, electric sawing, operations in tanks or pits, working at height, electric operations, process emptying, and equipment disassembly and maintenance require advance application for a "Hot Work and Construction Safety Permit". The goal lies in the effective control of dangerous operations and prevention of accidents. In addition, we have implemented a hazard notification mechanism in all our plant areas, which relies on signs and warnings to heighten the safety awareness of our employees.

United Performance Materials hazard and accident prevention methods



















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Hot Work and Construction Safety Permit Control Mechanism

With a view to ensuring the safety of personnel, environment, and equipment, FUCC and United Performance Materials require application for Hot Work and Construction Safety Permits prior to initiation of any in-plant operations that pose a potential hazard. This process involves hierarchical review of work procedures and approval by the highestranking plant executive. Prior to initiation of operations, guarding and construction personnel and unit heads carry out preparations and environmental testing in accordance with issued Hot Work and Construction Safety Permits subject to final confirmation by work safety personnel. The goal of these measures is to raise the safety awareness of employees with regard to hazardous operations and reinforce relevant controls. Furthermore, safety and protective measures are firmly in place to effectively mitigate accident risks and guarantee the safety of personnel and equipment.

Power disconnect controls

FUCC and United Performance Materials guarantee the safety of equipment maintenance operations and protect employees engaged in maintenance of power, electric, and rotating equipment from electric shock or injuries caused by electric equipment. Equipment maintenance operations are subject to formal approval and application for Hot Work and Construction Safety Permits. Prior to initiation of operations, power must be cut off and it must be confirmed that no power is supplied. This is the only way to effectively prevent the danger of electrocution. We are firmly committed to guaranteeing the safety of maintenance operations and protecting our employees from injuries caused by electricity.

💮 Contractor health and safety management

FUCC and Uniter Performance Materials are determined to fulfill their corporate responsibility by enhancing their health and safety performance. In addition to putting utmost emphasis on employee health and safety, we prioritize the safety of contractor personnel performing operations at our companies. We attach great importance to notification of hazardous chemicals, safety training and education, and labor conditions of contractor personnel and coordination organization of contractor operations. In addition, we encourage our contractors to propose health and safety suggestions and submit nearmiss reports. On top of that, we have established a contractor health and safety rating system to ensure achievement of health and safety management goals in our high-quality cooperative endeavors. We are steadfastly committed to partner with our contractors in maintaining the health and safety of work environments.

Controls for operations in confined spaces (tanks and pits)

Potential hazards of operations in confined spaces (tanks and pits) include lack of oxygen and accumulation of hazardous or flammable gases. If no preventive measures are adopted prior to such operations, rescue operations in case of accidents are extremely complicated. Consequently, formal approval, application for Hot Work and Construction Safety Permits, and environmental testing are required prior to access of such confined spaces. Furthermore, we prepare safety equipment, assign dedicated monitoring and guarding personnel, and place signs in operating areas beforehand to prevent hazards associated with hypoxia, poisoning, drops, and falls. These measures aim to ensure the safety of operators in confined spaces.

Isolation of equipment from pipelines

With a view to protecting maintenance personnel engaged in relevant operations or maintenance from hazards associated with pipeline contents during chemical engineering processes and rule out fire and explosion risks arising from oil properties, FUCC and United Performance Materials ensure proper marking and locking and isolation of relevant equipment from pipelines prior to initiation of equipment repair, cleaning, activation, or disassembly. The goal is to guarantee the safety of equipment operations and maintenance and prevent any kind of accident. We are unwaveringly committed to protecting the safety of our maintenance personnel and ensuring operational safety during all processes.

Dangerous goods management

FUCC and United Performance Materials have designated security supervisors and fire protection managers for the management of hazardous chemicals. We also stipulate Operational Health and Safety Rules and Operation Directions for different categories of hazardous chemicals as a reference for employee work operations. Hazardous chemical data and Safety Data Sheets (SDS) are displayed at the following locations: security guard room, control room, all work locations, and computer systems. The goal is to ensure convenient access and perusal by employees. We further provide six hours of training each year on Regulations for the Labeling and Hazard Communication of Hazardous Chemicals in the context of environmental safety training to reinforce employee awareness of dangerous items. Finally, we provide education on potential dangers present in the plant prior to initiation of inplant operations by contractors. All chemicals used by the plant are inventoried and registered online (registry of priority management chemicals and existing chemicals).



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4.3.3 Fire safety facilities

Routine maintenance and inspections of ignition sources, fire evacuation facilities, and on-site fire safety equipment in the factory buildings of FUCC and United Performance Materials are conducted by dedicated personnel. In addition, qualified businesses are commissioned to carry out comprehensive inspections and repairs of all fire safety equipment every year. Results of inspections and action taken are reported to the competent authority. The goal is to ensure the reliability of fire safety equipment and optimal preparedness for all kinds of emergency situations. We replace and upgrade firefighting clothing and fire safety equipment as required to effectively enhance the fire defense capabilities of fire safety equipment and personnel in our plant areas.

Images of fire equipment in the buildings of FUCC











Images of fire equipment in the buildings of United Performance Materials













4.3.4 Emergency response measures

FUCC

The goal is to enable the Company to rapidly mobilize and organize its employees and adopt accurate measures to effectively control accidents and minimize losses in case of emergencies occurring in the plant. We have emergency procedures in place that enable us to provide timely instructions, handle emergencies effectively, organize our employees, utilize PPE and fire safety equipment in case of emergencies, and conduct regular emergency drills. The goal is to give emergency response personnel the ability to deal with emergencies in an organized and systematic manner, provide them with the basic knowledge required for effective responses, and cultivate their judgment skills. Damage and losses can be minimized by relying on optimized emergency response capabilities. Responsible personnel receive comprehensive training to ensure achievement of expected results and attainment of the necessary knowledge and skill level. We also rely on regular drills and case simulations to familiarize our employees with different emergency procedures and processes. Shortcomings are constantly reviewed, and improvements are implemented on an ongoing basis. Our emergency response plan encompasses the following procedures:



First-level response: Material leakage on the plant premises does not cause a fire or the resulting fire does not affect other materials or regions; leakage of toxic substances does not spread to surrounding areas and does not affect nearby ecosystems



Second-level response: Occurring fire affects other materials or regions on the plant premises; there is a risk that toxic gas leakages could affect nearby ecosystems (such impacts have not occurred yet)



Third-level response: Occurring fire affects other materials or regions on the plant premises; there is a serious danger that severe leakage of toxic gases could affect the entire plant or spread to neighboring plants and residential areas

Plantwide emergency response drills are conducted on a monthly basis to ensure optimal preparedness for sudden incidents, different emergency situations, and compound emergencies. A total of 12 drills were held in 2023. Strong and weak points of the drills were identified for review upon conclusion of the drills.



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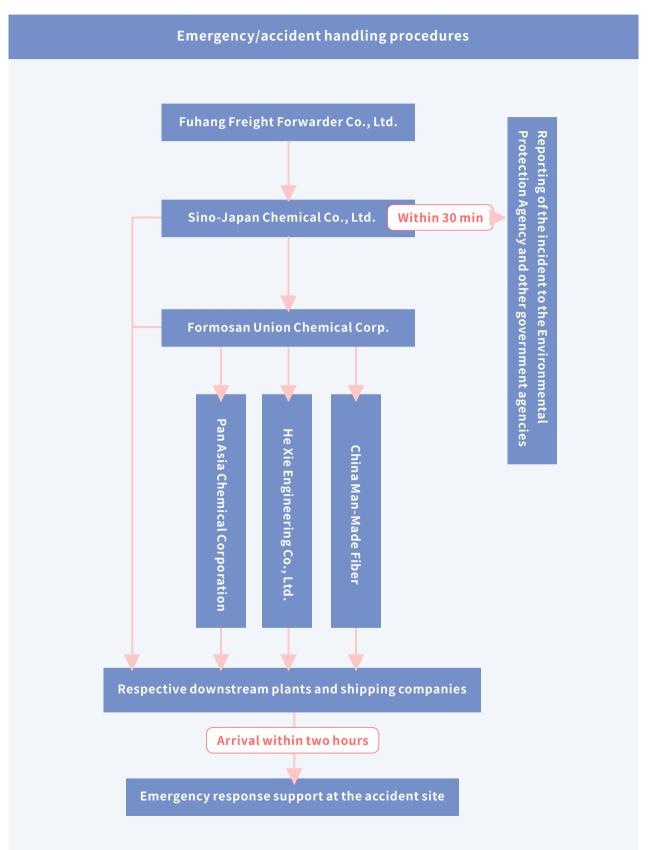
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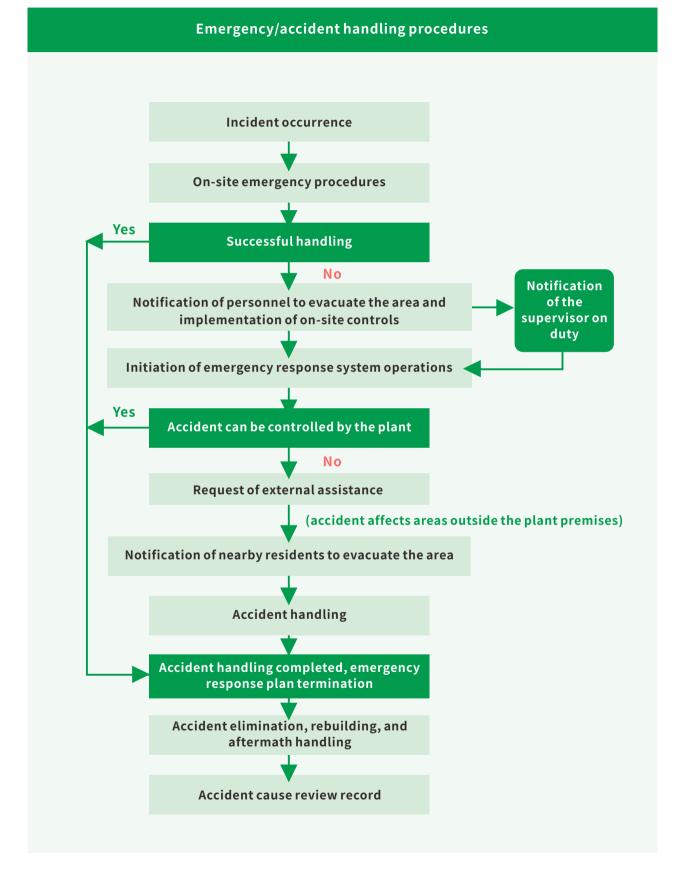
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Membership in the Toxic Disaster Prevention Task Force: With a view to reinforcing the spirit of responsible care and mutual aid and assistance on the part of businesses in the region whose operations involve toxic chemicals and implementing a vertical and horizontal reporting mechanism, we have joined the Kaohsiung Toxic Disaster Prevention Task Force. In addition, we plan to form an integrated joint disaster prevention organization with up- and downstream Nonyl Phenol manufacturers, which involves the regular organization of unannounced testing drills and training courses. Two testing drills and one integrated drill were held in 2022. Improvements were implemented for equipment shortcoming and deficiencies detected in joint fire prevention drills.







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In-plant mobilization, operations, testing, and drills **Incident detection Incident confirmation** First-level response Yes Is immediate control of the incident possible? Rescue 復原 Issuing of a plantwide alarm Joint fire brigade Second-level response Second-level response Request of external assistance Ongoing rescue operations Yes Can the incident be controlled? No **Accident terminated** No Will the incident affect surrounding areas? Restoration Yes Notification Notification County/municipal emergency response center Operating area IPCC Launch of thirdlevel response Third-level response No Is evacuation necessary? Evacuation

FUCC DA-site V-8 BTM FLG Leak emergency response



• Personnel of the operation section are required to don safety gear while isolating leakage points during acid area accidents



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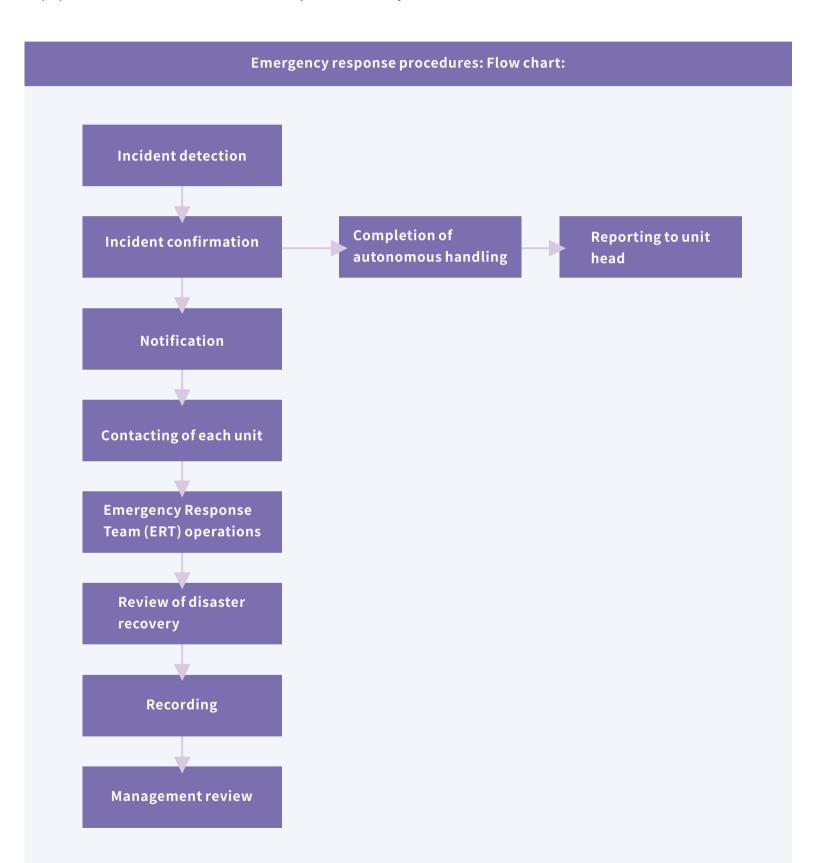
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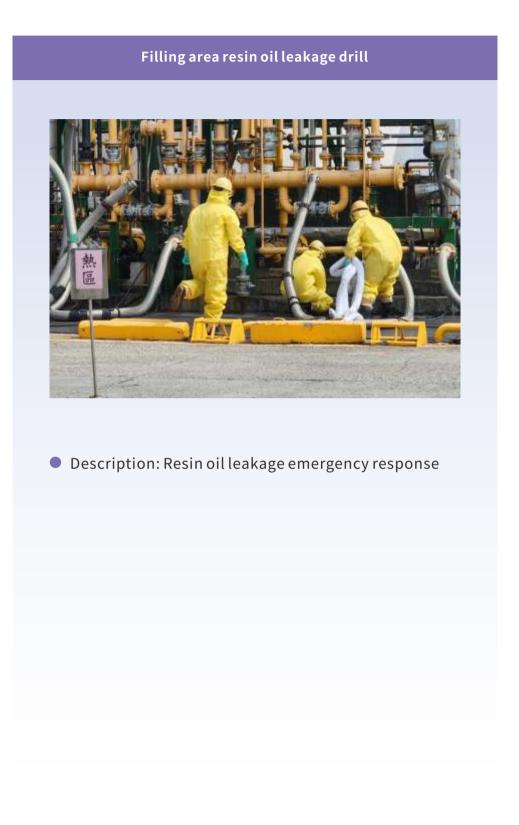
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United Performance Materials:

The goal of drills is to ensure rapid adoption of adequate response measures in case of unforeseeable incidents, or potential emergency situations and prevent or mitigate personnel injuries, equipment losses, and environmental impacts caused by such incidents.







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4.3.5 Transportation safety

We engage freight forwarders to transport our products via road tankers. Every tanker is equipped with fire extinguishers, Level C protective clothing, respirators, protective boots, simple face shields, protective goggles, and simple plugging tools for leakages. The speed of every vehicle is controlled below 90km/hr through a locked throttle mechanism. Transportation personnel are required to conduct vehicle performance, transportation permit and equipment inspections prior to vehicle dispatch and entry of plant premises. The GPS system is turned on in sync with vehicle dispatch to enable surveillance of vehicle driving and loading conditions and thereby ensure transportation safety. No transportation safety incidents occurred in 2023.

Tanker filling operations



Confirmation of proper connection of high-pressure tubes



Feed valve confirmation



Inspection of proper placement of wheel chocks



Confirmation of proper connection of ground wires

Completion of tank truck loading and unloading in accordance with

applicable regulations



Inspection of tank truck certificates and emergency response equipment



Loading and unloading of tank trucks pursuant to applicable regulations

United Performance Materials tank truck filling operations



Confirmation of exhaust pipe connection



Feeding valve confirmation



Inspection to confirm wheel chock placement behind tank truck wheels



Confirmation of ground wire connection for tank trucks



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4.3.6 Occupational accident statistics

In 2023, no occupational accidents occurred, and we successfully maintained our record of zero occupational accidents since 2016. We have established an occupational accident management mechanism and administer occupational safety training on a regular basis to facilitate rapid responses and post-incident management. This includes root cause analysis and adoption of corrective action and improvement plans upon deliberation to prevent recurrence of similar incidents.

FUCC Occupational Safety Statistics

Item		2	023	2022		2021	
		HQ	Kaohsiung Plant	HQ	Kaohsiung Plant	HQ	Kaohsiung Plant
Total manhours worked		118,272	368,852	99,008	387,282	-	385,201
	Occupational injury death rate (employees)	0	0	0	0	0	0
Occupational	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
injury death rate	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0
	Occupational injury death rate (employees)	0	0	0	0	0	0
Severe occupational	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
injury rate (excluding deaths)	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0
Recordable	Occupational injury death rate (employees)	0	0	0	0	0	0
, ,	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
(including deaths and severe occupational	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
injuries)	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0

Notes:

- 1. Work safety data does not include employee commuting accidents.
- 2.Occupational injury death rate = Number of deaths caused by occupational injuries/total working hours *1,000,000.
- 3. Severe occupational injury rate = Number of severe occupational injuries (excluding deaths)/total working hours*1,000,000.
- 4. Recordable occupational injury rate = Number of recordable occupational injuries/total working hours *1,000,000.
- 5.Not reported by Corporate HQ in 2021



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United Performance Materials Occupational Safety Statistics

Item		2023		2022		2021	
		HQ	Kaohsiung Plant	HQ	Kaohsiung Plant	HQ	Kaohsiung Plant
Total manhours worked		365,852		160,128		176,404	
	Occupational injury death rate (employees)	0	0	0	0	0	0
Occupational	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
injury death rate	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0
	Occupational injury death rate (employees)	0	0	0	0	0	0
Severe occupational	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
injury rate (excluding deaths)	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0
Recordable	Occupational injury death rate (employees)	0	0	0	0	0	0
occupational injury rate (including deaths	Occupational injury death rate (Contractor personnel)	0	0	0	0	0	0
and severe occupational	Number of deaths caused by occupational injuries (employees)	0	0	0	0	0	0
injuries)	Number of deaths caused by occupational injuries (Contractor personnel)	0	0	0	0	0	0



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4.3.7 Operation environment testing

In the operating environment dimension, FUCC and United Performance Materials conduct operating environment monitoring and testing twice a year (in February & August and April & October, respectively). The goal lies in the detection of substances that pose a potential health hazard to employees in these environments. The results of these tests are publicly announced to make employees aware of the concentration of potential pollutants or hazardous substances in their work environments. We implement engineering improvements or adoption of PPE to achieve the goal of providing our employees with comfortable, healthy, safe, and high-quality operation environments. All environmental monitoring and testing results in 2023 met the required criteria. The results are given in the table

Results of operating environment monitoring conducted by FUCC					
HF	≤ 0.015 ppm (Allowable concentration 3 ppm)				
Benzene	≤0.087 ppm (Allowable concentration 1 ppm)				
Phenol	≤ 0.034 ppm (Allowable concentration 5 ppm)				
Sulfuric acid	≤0.003 mg/m³(Allowable concentration 1 mg/m³)				
Total dust	≤0.48 mg/m³(Allowable concentration 10 mg/m³)				
Acetone	≤0.797 ppm (Allowable concentration 750 ppm)				
Toluene	≤ 0.545 ppm (Allowable concentration 100 ppm)				
n-Hexane	≤ 0.384 ppm (Allowable concentration 50 ppm)				
Office CO2	≤587 ppm (Allowable concentration 5000 ppm)				
Nickel	< 0.003 mg/m³(Allowable concentration 1 mg/m³)				

	Results of operating environment monitoring conducted by United Performance Materials				
Phenol	0.308 ppm (MAC (maximum allowable concentration) 5 ppm)				
Xylene	<0.175 ppm (MAC 100 ppm)				
Styrene	<0.144 ppm (MAC 50 ppm)				
Boron trifluoride	<0.01 mg/m³(MAC 2.5 mg/m³)				
Total dust – Type 4 (packaging area)	0.12 mg/m ³ (MAC 5 mg/m ³)				
Total dust – Type 4 (lime mixing area)	0.45 ppm (MAC 5 mg/m³)				

Results of operating environment monitoring conducted by Hershey Environmental						
Sulfuric acid (production section - cooling tower sulfuric acid addition area)	<0.003 mg/m³(MAC 1 mg/m³)					
Toluene (production section - technical grade pesticides plant (TF process)	<0.175 ppm (MAC 100 ppm)					
Sulfuric acid (R&D section - deionized water regeneration)	<0.003 mg/m³(MAC 1 mg/m³)					
Nickel and its insoluble compounds (filter)	<0.003 mg/m³(MAC 1 mg/m³)					



4.3.8 Health services and promotion

Against the backdrop of social and economic changes, the International Labor Organization (ILO) and World Health Organization (WHO) advocate workplace safety and health services as basic rights. FUCC and United Performance Materials are actively committed to planning, promotion, and execution of relevant measures in the field of health issues in line with ILO and WHO intentions and applicable laws and regulations. These measures encompass the following three dimensions: health services, health education, and healthy work environments. We regularly organize disease prevention and healthcare advocacy events, health-related lectures, employee preventive healthcare consultation, and employee health checks. With a view to safeguarding employee health, we are steadfastly dedicated to providing high-quality services in the fields of health risk assessment, health management, health promotion, and work environment hazard assessment and advice. We also provide our employees with health education concepts to ensure that their work performance is not affected by health issues and occupational healthcare is properly implemented.

FUCC achievements

In 2023, a total of 171 employees of the plant underwent health checks. No unusual conditions were detected in these exams, but the employees were urged to control their diets and engage in moderate exercise to reduce abnormality rates. No confirmed or suspected cases of occupational diseases were detected in these exams.





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In 2023, we protected the health of our workers through on-site health services provided by contracted occupational medicine specialists, general practitioners, and nurses, health management services, and occupational illness prevention measures.

Item	Content
1.On-site services	Occupational medicine specialists and general practitioners: 6 sessions/year Occupational health nurses: 6 sessions/month
2. Education on illness prevention and health protection, lectures on health topics, and preventive healthcare counseling for employees	177 individuals benefited from these services



On-site services provided by general practitioners:



On-site health services and examination rounds conducted by occupational medicine specialists in 2023:

From 2022 to 2023, a Waist Circumference Reduction Health Promotion Program has been implemented to reinforce health promotion, assist employees in adopting healthy & sustainable lifestyles, and encourage them to take up an exercise regimen as part of their daily routine with the ultimate goal of preventing cardiovascular and other chronic diseases. All staff members were eligible to participate in this program. In addition, information pertaining to food and medication safety is publicly posted on the bulletin board to reinforce health promotion education in the areas of smoking and betel quid cessation.

Item	Achievements in 2023
Waistline reduction program / number of participants	Number of participants/average weight loss per person 51 participants/ 1 Kg





Health exam, health education, and weight measurement images provided in the attachment

United Performance Materials achievements

- In 2023, 78 individuals engaged in general operations underwent health checks. No abnormalities were detected in these exams, but it was recommended that examinees exercise dietary restraint and engage in moderate exercise to minimize abnormality rates. No confirmed or suspected cases of occupational illnesses were detected in these exams.
- In 2022, labor health was safeguarded through on-site services provided in 12 sessions conducted by contracted occupational health nurses and one session conducted by an occupational medicine specialist, health management services, and occupational illness prevention measures.

Item	Description
1.On-site services	Occupational medicine specialists: 1 session Occupational health nurses: 12 sessions
2.Education on disease prevention and health protection	30 minutes
3.Preventive healthcare counseling for employees	13 individuals





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Hershey Environmental achievements

- In 2023, 80 individuals engaged in general operations underwent health checks. No abnormalities were detected in these exams, but it was recommended that examinees exercise dietary restraint and engage in moderate exercise to minimize abnormality rates. No confirmed or suspected cases of occupational illnesses were detected in these exams.
- In 2023, labor health was safeguarded through on-site services provided in 12 sessions conducted by contracted occupational health nurses and one session conducted by an occupational medicine specialist, health management services, and occupational illness prevention measures.

Item	Content
1.On-site services	Occupational medicine specialists: 1 session Occupational health nurses: 12 sessions
2.Education on disease prevention and health protection	30 minutes
3. Preventive healthcare counseling for employees	12 individuals



In 2023, the Fangliao Public Health Center offered health education to reinforce health promotion through smoking and betel quid cessation. The goal was to help employees adopt LOHAS lifestyles, encourage employees to develop exercise habits in their daily lives, and thereby prevent chronic diseases including cardiovascular illness. All plant staff members were entitled to participate in this activity.



Employee Care

- 5.1 Staff Structure
- 5.2 Training & Education
- 5.3 Employee Care and Benefits
- 5.4 Employee Health Management
- 5.5 Labor-Management Relations

FUCC and United Performance Materials place strong emphasis on labor rights, creation of a blissful and safe workplace environment, provision of equal and friendly employment opportunities, and building of a climate of mutual respect. We are also firmly committed to offering competitive compensation packages to strengthen the emotional attachment of employees to the company, decrease staff turnover, and thereby ensure steady operational development. Human society has marched into a new era which relies heavily on knowledge economy resource and information resource. Intellectual capital has become a critical factor for obtaining productivity, competitiveness and economic achievement. Faced with fierce international competition, enterprises need more and more cross-border management talents for competition. FUCC and United Performance Materials encourage their employees to take part in training and education. Through employee training, businesses are able to enhance their new product research and development capability and continue to incubate high-quality talents. This is also supported by offering quality remuneration to enhance the possibility for talent retention, and conducting regular employee health check show its care for employee's health. Meanwhile, the Company also listens to employee's opinion through labor union and labor and management meetings, improves office environment, exerts its effort to create good work environment and culture and retains employees to grow together with FUCC for the purpose of achieving corporate's sustainable operation.



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5.1 Staff Structure

We place utmost emphasis on a policy of equal hiring and employment opportunities and diversified team modes characterized by respect and tolerance. As of the end of 2023, a majority of our employees are in the 30-49 age bracket. Due to our industry characteristics, on-site manufacturing operations require significant physical strength. Male employees therefore outnumber female employees. However, there is no gender discrimination in the fields of salaries and benefits and career development, and we firmly embrace the principle of gender equality. The number of our physically and mentally handicapped workers exceeds the legally mandated quota. In addition, we are firmly committed to building friendly workplace environments and have hired three dedicated security guards (non-employees). Finally, we rigorously implement our human rights protection policy. In 2023, there were no instances of discrimination, use of child or forced labor, or human rights infringements.

FLICC Employee Ar	and weigh		Number of Individuals							
FUCC Employee Ar	ialysis	20	2023		2022		021			
Total Number of Er	mployees	2	28	2	37	2	237			
Labor/Managemer	Labor/Management Contract		Temporary Staff (Regular)	Full-Time Staff (Irregular)	Temporary Staff (Regular)	Full-Time Staff (Irregular)	Temporary Staff (Regular)			
Caradan	Male	199	0	204	0	202	0			
Gender	Female	28	1	33	0	35	3			
Dogion	Taipei Company	53	1	62	0	59	3			
Region	Kaohsiung Factory	174	0	175	0	178	0			
Labor/Managemer	Labor/Management Category		Part-Time Staff (Work-Study Student, Part-time Worker)	Full-Time Staff (Normal Staff)	Part-Time Staff (Work-Study Student, Part-time Worker)	Full-Time Staff (Normal Staff)	Part-Time Staff (Work-Study Student, Part-time Worker)			
Control	Male	199	0	204	0	202	0			
Gender	Female	29	0	33	0	38	0			

Note 2: No significant change in this year's number of individuals

Heited Deufensen	- Matariala Francisco - Analysia		Number of Individuals							
United Performance	United Performance Materials Employee Analysis		023	2022		2023				
Total Number of Em	ployees	8	39		96	1	.07			
Labor/Management Contract		Full-Time Staff (Irregular)	Temporary Staff (Regular)	Full-Time Staff (Irregular)	Temporary Staff (Regular)	Full-Time Staff (Irregular)	Temporary Staff (Regular)			
Candar	Male	78	0	83	0	94	0			
Gender	Female	11	0	13	0	13	3			
Labor/Management	Labor/Management Category		Part-Time Staff (Work-Study Student, Part-time Worker)	Full-Time Staff (Normal Staff)	Part-Time Staff (Work-Study Student, Part-time Worker)	Full-Time Staff (Normal Staff)	Part-Time Staff (Work-Study Student, Part-time Worker)			
Carala	Male	78	0	83	0	94	0			
Gender	Female	11	0	13	0	13	0			

Note: United Performance Materials has no non-employee workers

Mandatory and Actual Number of Physically Disadvantaged Individuals Employed by FUCC

Year	Mandatory Number of Individuals Employed	Mild	Moderate	Severe	Total (Individual)
2003	3	1	1	3	5

Note 1: Pursuant to Article 38 of the "People with Disabilities Rights Protection Act," organizations with total number of employees of more than 67 shall employ physically disadvantaged individuals with working capability of no less than 1% of total employees (employees with labor insurance) and shall not be less than one individual.

Note 2: The same article also prescribes that employment of 1 severe physically disadvantaged employee will be counted as employment of 2 individuals on statistics.



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5.1.1 Percentages for New Employees

	FUCC New Hiring Statistics)23	20	022	20	21
FUCC			Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Number of Emplo	oyees for That Year (Total)	2	28	2	37	2	37
New Employees		1	0.44%	24	10.13%	17	7.18%
	≤30	1	0.44%	11	4.64%	6	2.53%
Age	30~50	0	0	12	5.06%	7	2.95%
	≥50	0	0	1	0.42%	4	1.70%
6 1	Male	0	0	22	9.29%	8	3.38%
Gender	Female	1	0.44%	2	0.84%	9	3.80%
Region	Taipei Company	1	0.44%	6	2.53%	13	5.48%
	Kaohsiung Factory	0	0	18	7.60%	4	1.70

	FUCC New Hiring Statistics		023	20	022	20	21	
FU			Percentage	Number of Employees	Percentage	Number of Employees	Percentage	
Number of Em	ployees for That Year (Total)		89	1	109	96		
New Employee	es	1	1.12%	0	0.00%	0	0.00%	
	≤30	0	0	0	0.00%	0	0.00%	
Age	30~50	1	1.12%	0	0.00%	0	0.00%	
	≥50	0	0	0	0.00%	0	0.00%	
6 1	Male	1	1.12%	0	0.00%	0	0.00%	
Gender	Female	0	0	0	0.00%	0	0.00%	
ь .	Taipei Company	0	0	0	0.00%	0	0.00%	
Region	Kaohsiung Factory	1	1.12%	0	0.00%	0	0.00%	

Note 1: New Employee Rate = Total Number of New Employees / Total Number of Employees at Year End



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5.1.2 Percentages for Resigned Employees

		20	23	20	022	20	21
Analysis of FUC	Analysis of FUCC Employee's Resignation		Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Number of Empl	loyees for That Year (Total)		228	2	237	2	37
Number of Resig	gned Employees	4	1.75%	24	10.13%	17	7.18%
	≤30	2	0.87%	4	1.69%	5	2.11%
Age	30~50	3	1.31%	10	4.22%	9	3.80%
	≥50	2	0.87%	10	4.22%	3	1.27%
0 1	Male	5	2.19%	17	7.18%	8	3.38%
Gender	Female	2	0.88%	7	2.95%	9	3.80%
Region	Taipei Company	5	2.19%	9	3.80%	9	3.80%
	Kaohsiung Factory	2	0.88%	15	6.33%	8	3.380

Analysis of Ur	nited Performance Materials	2	023	20)22	20)21
	Employee's Resignation		Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Number of Em	ployees for That Year (Total)		39	1	109 96		
Number of Res	signed Employees	10	11.23%	1	0.92%	10	10.42%
	≤30	2	2.24%	1	9.09%	0	0.00%
Age	30~50	3	3.37%	0	0.00%	8	13.56%
	≥50	5	5.61%	0	0.00%	2	7.14%
	Male	9	10.11%	1	1.04%	10	12.05%
Gender	Female	1	1.12%	0	0.00%	0	0.00%
	Taipei Company	3	3.37%	0	0.00%	7	7.30%
Region	Kaohsiung Factory	7	7.86%	1	1.04%	3	3.12%

Note 1: Turnover Rate = Total Number of Resigned Employees / Total Number of Employees at Year End



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5.1.3 Employee diversity statistics

			20)23	20)22	20	2021	
FUCC employe	e diversity statistic	S	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	
	Caradan	Male	179	78.5%	191	80.59%	189	79.75%	
	Gender	Female	24	10.5%	29	12.24%	31	13.08%	
		Below 30	16	7.01%	31	13.1%	39	16.5%	
Non- managerial	Age	30-49	132	57.9%	155	65.4%	142	59.9%	
positions		50 and above	55	24.1%	51	21.5%	56	23.6%	
		Graduate school	43	18.9%	-	-	-	-	
	Education	University	123	53.94%	-	-	-	-	
		Other	37	16.22%	-	-	-	-	
		Male	20	8.8%	13	5.48%	13	5.48%	
	Gender	Female	5	2.2%	4	1.69%	4	1.69%	
		Below 30	0	0	0	0%	0	0%	
Managerial	Age	30-49	12	5.3%	2	11.76%	2	11.76%	
positions		50 and above	13	5.7%	15	88.24%	15	88.24%	
		Graduate school	7	3.07%	-	-	-	-	
	Education	University	18	7.9%	-	-	-	-	
		Other	0	0	-	-	-	-	

Note: In the period from 2021 to 2022, FUCC employee diversity statistics were not broken down by level of education. The education item was added in 2023 to enhance these statistics.



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			20)23	20)22	20	21
United Perform	United Performance Materials employee diversity statistics		Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
	Gender	Male	72	87%	41	84%	47	87%
	Gender	Female	11	13%	8	16%	7	13%
		Below 30	4	5%	6	12%	6	11%
Non- managerial	Age	30-49	54	65%	31	63%	36	67%
positions		50 and above	25	30%	12	24%	12	22%
		Graduate school	8	10%	-	-	_	-
	Education	University	41	49%	_	-	-	-
		Other	34	41%	_	_	_	-
		Male	6	100%	42	89%	47	89%
	Gender	Female	0	0	5	11%	6	11%
		Below 30	0	0	1	2%	0	0%
Managerial	Age	30-49	3	50%	28	62%	38	72%
positions		50 and above	3	50%	16	36%	15	28%
		Graduate school	3	50%	-	-	-	-
	Education	University	2	33%	-	-	-	-
		Other	1	17%	-	-	-	-

FUCC male to female base salary & compensation ratio:

Male to female base salary & compensation ratio		20)23	23 20		2021	
Job category	Item	Male	Female	Male	Female	Male	Female
Man managarial	Base salary	1.12	1	1.17	1	1.24%	1
Non-managerial	Compensation	1.17	1	1.2	1	1.29%	1
Managarial	Base salary	0.97	1	0.83	1	0. 95%	1
Managerial	Compensation	1.09	1	0.85	1	0. 92%	1



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5.2 Training & Education

Since we view our employees as our most precious asset, we strive to enable every staff member to unleash his/her potential at the workplace unburdened by concerns. In addition, we rely on training and career planning to strengthen the professional expertise and technical skills of our employees and enable them to achieve self-fulfillment in their work. We spare no effort to provide our employees with safe and equal workplaces that are full of opportunities. Our ultimate goal is to design sound training and career development programs to give them the ability to grow together with us.

Major Topics	Training & Education
Importance to the Company	Employees are the Company's precious assets. The Company provides employees with comprehensive training and development planning to ensure that the Company and employees grow together.
Policy /Commitment	 Good environment and training programs are established for employee's occupational development. Employee's knowledge power and life-time learning concept are enhanced, and employee learning subsidy guidelines are drafted and implemented accordingly. Corresponding training courses are drafted in accordance with responsibility categories. Identification and incubation of talents will be continued to enhance employee's professional capability.
Short-term goals	100% completion rate of certification-related training including legally required certificates, training on labor participation in process safety and fire safety in 2023
Medium- and long- term goals	 Ongoing maintenance of required annual training hours in the field of process safety Ongoing implementation of ISO-related systems (9001/14001/45001/50001) in accordance with annual internal and external audit plans
Resources Invested for Current Year (Expense, Manpower, Execution of XX Project)	 Annual average training hours per employee in 2023: 21.26 hours/year for each employee. Total accumulated training hours is 6,740 hours with external training expense of NT\$2,074,789. New staffs are offered responsibility education and training as well as factory internship training courses (including the Company's various task requirements and systems, integrity and ethics promotion, common sense for factory environmental health and safety, and so on). Percentage for completion of training is 100%. Percentage for certificate re-training as required by laws is 100%, total of 384 hours.
Responsible department/ grievance mechanism	 Responsible department: General Affairs at Taipei Corporate HQ; Plant Affairs or Work Safety Department of Kaohsiung & Pingtung Plants Grievance mechanism: If questions or problems arise during on-site operations or drills, our employees can directly engage in discussions with supervisors; in case of questions or problems during internal and external training, trainees can directly engage in real-time discussions with personnel of the instructing unit



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Training assessment mechanism and outcomes

Internal training assessment is conducted in form of written tests, interviews, observation-based rating, actual experiments or practices, written reports, or acquisition of completion certificates. Assessment methods are determined by responsible departments or department heads. Personnel who have successfully completed external training courses are required to pass on acquired knowledge to related personnel. Supervisors of training assignment units are responsible for the scheduling of such knowledge transfer training, Trainees who fail to meet relevant performance goals may be ordered to repeat the training by the head of their home department.

Category	Training item	Training content	Expected training outcome (Description of expected training performance)	Actual outcome (evaluation methods and outcomes)
Short- term goals	 Legally required certificates Process safety training Fire safety training Process safety observations and audits 	 External training courses for legally required certificates Process safety training: Training hours provided by the Manufacturing Department and other units must reach a total of 5 hours/year and 3 hours/year, respectively Fire safety training must total 4 hours/year 4 shortcomings were detected in a total of 99 audits in 2023 	 100% passing rate 100% completion of corrective action for detected shortcomings 	 100% completion rate of all required certifications and training courses in 2023 100% completion of corrective action for the 4 detected shortcomings in 2023
Medium- and long- term goals	 Ongoing scheduling of work safety training in accordance with annual plans Ongoing organization of project seminars by all units Ongoing maintenance of ISO-related systems (9001/14001/45001/50001) Ongoing maintenance of required annual training hours in the field of process safety 	 Work safety courses including operations in confined spaces, hoisting operations, prevention of thermal hazards, education on fall accident prevention, brief introduction of GHS/SDS, education on emergency response plans, and other relevant courses Autonomous selection of seminar topics and discussion of relevant work and technology-related contents by all units Ongoing implementation in accordance with annual internal and external audit plans Process safety, legally required certificate, and fire safety-related training courses 	 Zero work safety incidents and major occupational accidents attendance rate for seminars organized by all units 100% completion of corrective action for shortcomings detected in audits 100% passing rate 	 Zero work safety incidents and major occupational accidents in 2023 90% attendance rate in 2023 Completion of courses in accordance with annual goals



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5.2.1 Average annual training hours per employee

FUCC and United Performance Materials average training hours per employee			2023	2022	2021
	Ducinosa	Male	45.7	24.5	9.9
FUCC	Business	Female	23.0	21.1	5.3
Taipei HQ	Logistics	Male	39.6	7.0	7.8
	Logistics	Female	21.8	19.3	9.9
	Manufacturing	Male	88.68	88.8	2.63
FUCC	Manufacturing	Female	0	0	0
Kaohsiung Plant		Male	14.51	17.37	0.82
	Logistics	Female	18.42	18.03	0.82
	Manager	Male	11	12.6	12.2
	Manufacturing	Female	9	9	9
United		Male	11	12.6	12.2
Performance Materials	Logistics	Female	9	9	9
	Other	Male	3	3	3
	Other	Female	3	3	3
(Taipei Corporate HQ + Kaohsiung & Pingtung Plants) Average annual training hours per employee		21.26	17.52	6.11	

Performance appraisal statistics

2023 FUCC performance appraisal statistics					
Category	Number of employees to be appraised	Number of actually appraised employees	Appraisal rate		
Male employees	199	199	100%		
Female employees	29	29	100%		
Managerial positions	25	25	100%		
Non-managerial positions	203	203	100%		

Note: Executives ranked VP and above have not been included in performance appraisals

2023 United Performance Materials performance appraisal statistics				
Category	Number of employees to be appraised	Number of actually appraised employees	Appraisal rate	
Male employees	71	71	100%	
Female employees	6	6	100%	
Managerial positions	2	2	100%	
Non-managerial	75	75	100%	

Note: Employees with less than three months of service, employees reinstated after unpaid leaves for less than three months, and executives ranked VP or above have not been included in performance appraisals



5.2.2 Employee training and development

In addition to planning of fundamental new staff training and understanding work environment and rules, employees may apply for professional courses and training based on their different departments, responsibilities as well as their personal needs. The Company will subsidize internal/external training expenses to allow employees to grow themselves continuously and enhance work skills and efficiency during their occupational career for the purpose of cultivating professional talents.

Human Resources Enhancement Program

The Company started to participate in Ministry of Economic Affairs' Corporate Human Resources Enhancement Program (Major Human Resource Enhancement) in 2021. Government provides subsidy to assist in corporate's incubation of talents as well as enhancement of human resource quality. Employee's professional knowledge and skills are enhanced through systematic learning and training programs of various phases. Regular assessment on performance is conducted to ensure incubation of talents. Major Human Resource Enhancement started its implementation in February 2022. In the period from 2022 to 2023, total training time amounted to 482 hours. Contents of courses are mainly for related trainings on TPS Lean production, ISO 50001 and ISO 14067. FUCC dispatches its employees to learn energy and carbon footprint management for the purpose of energy saving and carbon reduction. In addition to enhancement of employee's work performance and competitiveness, the Company has also achieved organization operation goal as well as the Company's sustainable operation.



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Trainees	Course planning
1.Rank & file staff	Deep-rooted quality culture, implementation of all-out quality controls
2.Mid- and entry- level executives	Managerial skill training and strengthening of internal audits and operational improvements
3. Senior executives	Building of a sustainability consensus, setting of standards, and corroboration of effectiveness in practices on the foundation of low-carbon thinking
4. Integration of system certification	ISO management systems and ESG-based sustainable operations

Category	Training content	Expected training outcome (Description of expected training performance	Actual outcome (evaluation methods and outcomes)
TPS Lean production	TPS Lean production concepts	100% training completion	1.Course completion 2.Concept adoption
ISO 14067	ISO system adoption	1.100% training completion 2. Passing of third-party verification	Completion of third-party certification for the following four carbon footprint items by Afnor in 2023: linear and branched alkyl benzene, dodecyl phenol, and nonyl phenol
ISO 50001	ISO system adoption	1.100% training completion 2. Passing of third-party verification	Certification completed by Metal Industries Research & Development Centre in 2023



Customer Satisfaction

Competence Enhancement Work Environment where Employees

Cost Reduction, Supplier Management, Joint-Creation of Win-Win Situation

5.3 Employee Care and Benefits

Material topics	Employee-Employer Relations
Significance for the company	We attach great importance to employee communication and development and have diversified communication channels (including labor-management meetings and trade unions) in place to enable our employees to fully express their opinions and facilitate timely responses by us. All valid employee suggestions are converted into policies to safeguard employee rights and interests. The mental and physical well-being of active employees is maintained through fixed annual salary adjustments, health checks, and comprehensive benefit and retirement polices. The ultimate goal lies in the maintenance of a friendly work environment characterized by harmonious labor-management relations).
Policies/Commitment	 Safeguarding of labor rights and mitigation of hazards posing a danger to employee health and safety pursuant to applicable laws to prevent occupational accidents Establishment of channels for regular communication and dialog with employees to ensure they receive relevant information and enable them to freely express their opinions Adoption of a competitive remuneration system and a comprehensive employee and retirement benefits policy
Short-term goals	 Regular convening of labor-management and trade union meetings Full compliance with local labor laws at all operating sites 100% completion rate of general health checks and health checks for employees engaged in special and general operations Fixed annual salary adjustments to ensure an attractive, competitive remuneration system Revenue contributions to employee welfare fund reach legally mandated maximum of 1.5 thousandths



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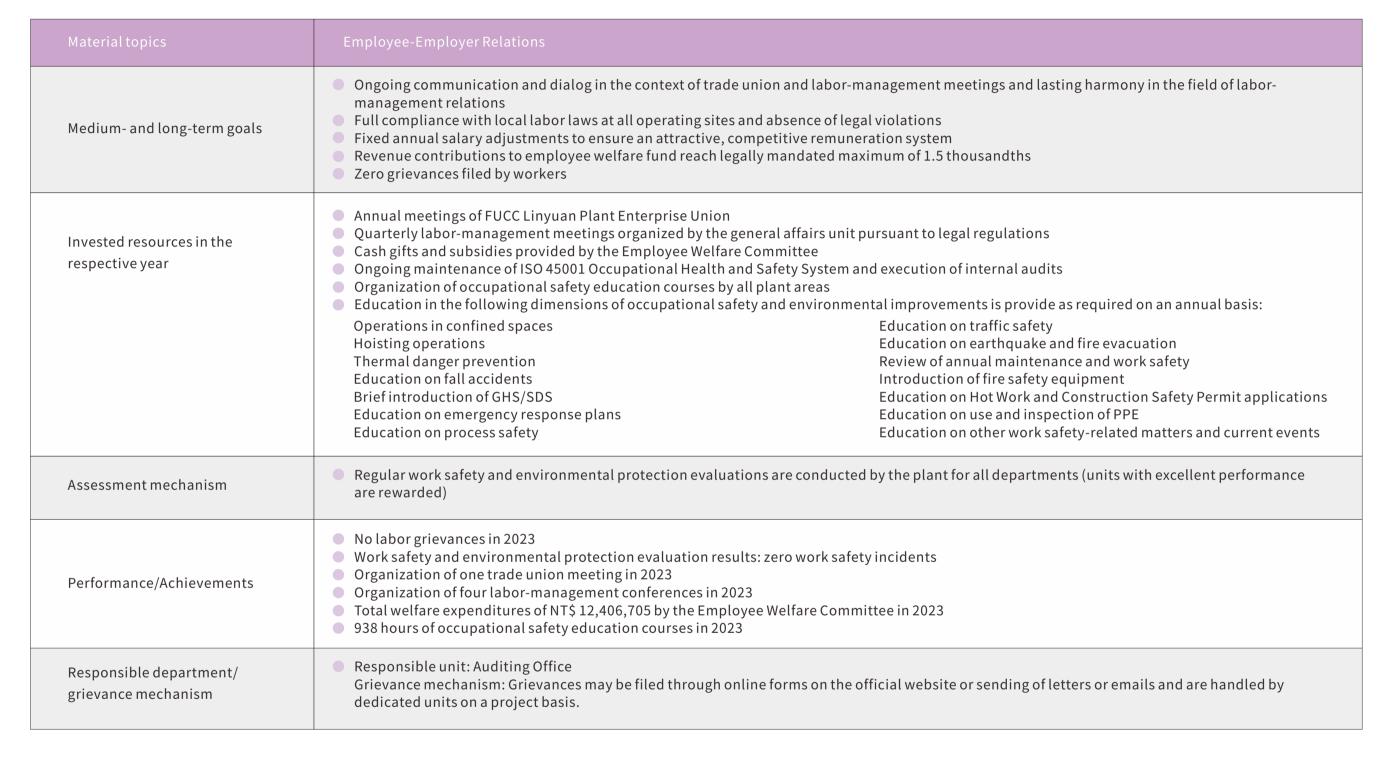
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Employee is FUCC's indispensable partner. In addition to compliance with related labor laws, we have also established various management guidelines to protect employee's rights as possible as we can. The Company also emphasizes communication and development with employee, and is dedicated to providing a work environment of good quality and safety so that employees can develop their respective talents and have trust in the Company. FUCC possesses sound management system and benefit system and it enjoys very harmonious labor/management relationship. Going forward, the Company shall continue to uphold operation concepts of previous harmonious labor/management relationship, creating excellent work environment and establishing various education and training programs to ensure that employees excel their knowledge and experience together with the Company's growth.



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5.3.1 Employee's Rights

1.Remuneration System

Salary determination standards are based on academic and experience background as well as professional knowledge, skills and personal performance. There are no differential treatments from gender, race, religion, political stance or marital status. FUCC's basic salary standards are better than minimum wages prescribed in the Labor Standards Act. For the purpose of retaining talents, FUCC highly emphasizes treatments and benefits to its employees. All of its monthly salaries are higher than basic wage and each year there will be a 2-month holiday bonus. Salary will be routinely adjusted on July 1st of every year. The Company will consult with labor union and make salary adjustments based on sales revenue situation of the previous year. Meanwhile, in addition to basic salary, bonus will also be calculated and distributed to all employees as year-end bonus based on performance of that year. Additionally, the Company also offers cash gift and employee bonus during three major holidays. Under agreement with employees, calculation formula for year-end bonus is established openly. Year-end bonus will be calculated and appropriated from pre-tax income based on the formula for the purpose of achieving the goal of corporate's sharing profits with employees.

2. Insurance and Retirement Systems

In addition to providing labor insurance and national health insurance as required by laws, the Company also encourages employees to receive full-body health check every year and offers 36 monthly salary amount of group life insurance, 48 monthly salary of group accident insurance as well as cancer insurance for hospitalization and treatment for the purpose of bringing more protection for employees. In terms of retirement system, Employee Retirement Management Guidelines are drafted in accordance with "Labor Standards Act" and "Labor Pension Act" and pensions are appropriated accordingly for each employee as required by laws.



5.3.2 Leave System

Various leaves are established in accordance with Labor Standards Act, personnel management guidelines, work rules and Act of Gender Equality in Employment. They include marriage leave, funeral leave, public leave, occupational sickness leave, sick leave, normal leave, menstrual leave, family care leave, maternity leave, paternity leave, parental leave, special leave and so on. These leaves are rendered in accordance with regulations and requirements. Additionally, given the fact that employees may not be able to take all special leaves they deserve in a specific year due to work factors, the Company specifically added deferral period for special leave allowing employees to take all leaves they deserve before the end of next year.

Occupational Sickness Leave, Parental Leave and Death Compensation Data Table

Year	Occupational Sickness Leave	Parental Leave	Death Compensation
2023	0	4	0
2022	0	0	0
2021	0	0	0

Unpaid parental leave statistics

FUCC unpaid parental leave statistics	Gender	2023	2022	2021
Number of employees eligible to apply for	Male	1	10	4
parental leaves in the respective year	Female	3	0	0
Number of employees who have submitted applications for parental leaves in the	Male	1	0	0
respective year	Female	3	0	0
Number of employees to be reinstated after	Male	1	0	0
parental leaves in the respective year (A)	Female	3	0	0
Number of reinstated employees in the respective	Male	1	0	0
year (B) (including early reinstatement)	Female	3	0	0
Doinstatement rate (P/A) 0/-	Male	100%	0	0
Reinstatement rate (B/A) %	Female	100%	0	0
Number of retained employees twelve months	Male	0	0	0
after reinstatement in the previous year (C)	Female	0	0	0
Potentian rate (C/P in the provious year) 0/4	Male	0	0	0
Retention rate (C/B in the previous year) %	Female	0	0	0

Note 1: The number of employees entitled to unpaid parental leaves is determined based on the number of male/ female employees who have applied for maternity and paternity leaves within the most recent three years Note 2: Reinstatement rate = (Number of reinstated employees in the respective year / Number of employees to be reinstated in the respective year) *100% °

Note 3: Retention rate = (Number of employees still active 12 months after reinstatement in the previous year/ Number of reinstated employees in the previous year) *100% •

Unpaid parental leave statistics

FUCC unpaid parental leave statistics	Gender	2023	2022	2021
Number of employees eligible to apply for	Male	4	8	4
parental leaves in the respective year	Female	1	1	1
Number of employees who have submitted applications for parental leaves in the	Male	1	0	0
respective year	Female	1	1	1
Number of employees to be reinstated after	Male	1	0	0
parental leaves in the respective year (A)	Female	1	1	1
Number of reinstated employees in the respective	Male	0	0	0
year (B) (including early reinstatement)	Female	1	0	0
Reinstatement rate (B/A) %	Male	0	0	0
Remstatement rate (b/A) %	Female	100%	0	0
Number of retained employees twelve months	Male	0	0	0
after reinstatement in the previous year (C)	Female	0	0	0
Retention rate (C/B in the previous year) %	Male	0	0	0
Retention rate (C/D in the previous year) 70	Female	0	0	0

Note 1: The number of employees entitled to unpaid parental leaves is determined based on the number of male/ female employees who have applied for maternity and paternity leaves within the most recent three years Note 2: Reinstatement rate = (Number of reinstated employees in the respective year / Number of employees to be reinstated in the respective year) *100%°

Note 3: Retention rate = (Number of employees still active 12 months after reinstatement in the previous year/ Number of reinstated employees in the previous year) *100% •



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5.3.3 Employee Care

Protection of human rights has been explicitly announced to the Company's employees. In addition to explicit prohibition on child labor employment, no discrimination or differential treatments shall be exerted to job seeker or employee's recruitment, test, employment, performance review or promotion based on factors of race, religion, party, gender, age, marriage, appearance or physical/mental disability. In the event of cases to be reported, employees can report through opinion box, telephone or directly to supervisor during normal days, or allow cases to be processed through labor union, labor/management meeting or sexual harassment report investigation committee for the purpose of maintaining harmony between labor and management. There was no reported case or legal incident in 2023. Meanwhile, there were no reported cases on sexual harassment or violation of related labor laws. The Company also drafted "Management Guidelines for Personal Data Protection" for the purpose of fulfilling protection and management over personal data.

FUCC/United Performance Materials human rights management

Category	Description	FUCC/United Performance Materials actual achievements
Anti-discrimination	We guarantee non-discrimination, fairness, and impartiality in our hiring policy, salary and benefits system, training plans, performance assessments, and promotion opportunities. We also have an effective and adequate grievance mechanism in place to facilitate prevention or rapid responses to circumstances that could impair employee rights and interests. This is reflected in our firm commitment to creating work environments characterized by hiring equality, non-discrimination, and non-harassment.	No instances of violation of relevant policies and laws
Freedom of association and collective bargaining	Pursuant to the legally guaranteed right of employees to assembly and association or participation/non-participation in lawful local trade unions, employers cannot ban or interfere with such assemblies or associations.	1. Labor-management meetings are convened on a regular basis; enforcement of new policies or material issues is subject to approval by labor-management meetings or the enterprise union 2. Meeting minutes of past labor-management meetings are disclosed for public queries
Child labor	We strictly refrain from the hiring of child labor and prohibit any conduct that could result in the hiring of child labor pursuant to minimum age criteria as defined in applicable local laws and regulations.	1. FUCC and United Performance Materials confirm that candidate qualifications meet relevant legal requirements prior to recruitment and hiring 2. Prior to initiation of contracted or construction operations by external suppliers, the respective points of contact confirm the ID documents and insurance lists of workers to ensure that no child labor is hired.
Forced/compulsory labor	Employment relationships are established through the signing of written labor contracts which clearly specify that the relationship is based on mutual consent. We are firmly opposed to any form of forced labor, illegal human trafficking, and slavery.	All labor conditions conform to the legal provisions set forth in the Labor Standards Act, there are no instances of forced labor violations.



5.3.4 Benefit Measures

In addition to insurance, retirement and holiday measures for employee's benefits, the Company also established Employee Benefit Committee in accordance with Employee Benefit Guidelines. Each year, certain amount will be appropriated from sales revenue to serve as benefits. Appropriation percentage reaches the highest mandatory amount of 0.15%. This committee is responsible for employee benefit related matters including offering of cash gift to wedding and funeral, travel subsidy for employee's domestic and offshore travel, distribution of cash gift for Labor Day, Dragon Boat Festival, Moon Festival, year-end party and birthday, scholarship subsidy, discounts from collaborating kindergartens, and so on. Additionally, labor union provides labor/management consulting channels, holds irregular employee recreational activities, makes employee uniforms, distributes coupons, and so on.

2023 Details of FUCC Employee Benefit Committee's Total Amount for Various Cash Gifts and Subsidy

Item	Name	Amount (NTD)
1	Wedding/Funeral Cash Gift	535,667
2	Employee Travel Expense	8,172,492
3	Scholarship (Education Subsidy)	1,062,000
4	Labor Day and Dragon Boat Festival Cash Gift	180,000
5	Moon Festival Cash Gift and Gift Box	110,000
6	Year-End Cash Gift	994,583
7	Birthday Cash Gift and Birthday Party Expense	542,625
8	Other (health check subsidy, insurance, etc.)	809,338
	Total	12,406,705



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Employee benefits highlights



2023 FUCC Year-end Banquet -1



2023 FUCC Year-end Banquet -2



2023 FUCC Year-end Banquet -3



2023 FUCC Annual Staff Trip



Employee coffee bar



Space for staff exchanges during lunch breaks

5.4 Employee Health Management

For the purpose of employee's health and safety concern as well as advance detection of occupational disease risks and rectification of problems while providing employees with a healthy and safe work environment, FUCC is engaged in a long-term collaboration with Yuan's General Hospital, Kaohsiung in conducting routine general health check on all employees in the factory every year. Employees of special operations also need to take special operation health check. Doctors of collaborating hospital will conduct health instruction and irregularity follow-up based on health check results for the purpose of finding irregularity and offering necessary assistance as soon as possible. Department of Environmental Safety will come up with a statistics analysis based on health check results, adjust employee's work style and conduct follow-up and health management. Health check results for special operation employees will be submitted to local competent authorities for reference.

In the period from 2022 to 2023, we implemented a waistline reduction program goal to reinforce employee health promotion, facilitate adoption of LOHAS lifestyles by employees, encourage employees to develop exercise habits in their daily lives, and thereby prevent chronic diseases including cardiovascular illness. All plant staff members were entitled to participate in this activity. In addition, food and pharmaceutical safety information is posted on bulletin boards to step up educational efforts in the field of smoking and betel quid cessation.



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5.5 Labor-Management Relations

Scope of labor/management is wide. Every labor term including wage, work time, holiday, leave, health and safety, benefit facilities and protection over child labor and female worker falls within the scope. For the sake of their respective interests, both parties of labor and management unite with each other and communicate with each other to achieve win-win purpose.



5.5.1 Labor Union System

Labor union is a medium group between government and labor. It is also a critical bridge between labor and management. Labor union is the most critical part of civil associations. It plays an important role in a nation's political development, social stability, economic prosperity and happy life. We have formed the FUCC Enterprise Union, which organizes regular member conferences (one such conference was held in 2023). These meetings allow workers to make their voices heard. The results of such meetings are communicated to and discussed with management by trade union representatives to ensure more harmonious labor-management relations.





5.5.2 Labor/Management Relationship Committee

The Company has established regular communication mechanism with employee. In terms of operation changes which may cause significant impact to employees, FUCC regularly holds labor/management meeting in each quarter. Four labor/management meetings had already been held in 2023 for communication and discussions on work related respective fields. Employees may freely check on labor/management meeting resolutions. Meanwhile, monthly publication of "Formosan Union Newsletter" offers timely notification on operation changes which may cause impact. Good communication ensures the Company's harmonious labor/management relationship. There is no major labor/management dispute for this year. We provide concrete responses to issues concerning labor conditions and benefits raised in labor-management meetings and adjust feasible proposals in a timely manner. As of 2023, we offer dependent group insurance and subsidized health exams for senior employees. The ultimate goal is to build harmonious labor-management relations through ongoing rational communication between labor and management.

Labor and management representative ratios in labor-management meetings in 2023

Occupational Safety and Health Committee	Number of committee members	Ratio
Labor representatives	5	50%
Management representatives	5	50%
Total	10	100%

FUCC Newsletter Cover



發行人:黃勝材

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6.1 Community Relations and Sponsorship



6.1.1 Community care

FUCC has adopted the following measures to give back to local communities to promote neighborly relations based on friendship and harmony:



Creation of employment opportunities

Employee statistics of the Linyuan Plant in 2023 reveal that 79 employees, accounting for over 45.4% of the plant's workforce, have their household registration in Linyuan; employee statistics of the Pingtung Plant in 2023 reveal that 52 employees, accounting for over 69.33% of the plant's workforce, have their household registration in Pingtung City/County. This represents a significant contribution to raising the local employment rate.



Increase of local consumption

Priority is given to local suppliers in the procurement of materials and labor services provided that prices and quality are equal. The plant currently cooperates with over 35 local suppliers, which is a shot in the arm for the local economy.



Giving back to local communities

We have made total donations of around 1.79 million to the fund for harmonious neighborhood relations set up by the Linyuan Petrochemical Industry Zone in 2023. This fund provides emergency aid for low-income households and subsidizes community activities to demonstrate the commitment to concrete action in support of local communities.



Maintenance of environmental quality and living safety in surrounding communities

Our chemical substance manufacturing procedures including the use, manufacturing, and storage of such materials conform to applicable laws and regulations. We have acquired all permits and licenses required for such operations. In addition, we rigorously implement all necessary operating and control procedures and operating standards with the ultimate goal of maintaining the environmental quality and living safety in neighborhoods in the periphery of our plants.



6.1.2 Community safety

Based on a deep concern for community safety, Linyuan Plant has various procedures and controls in place to guarantee the safety of local residents and environments in the vicinity of the plant. We therefore strive to identify all potential impacts on local communities and adopt measures to protect the local environment accordingly. Community residents are notified of the results of such measures via public announcement or other means to give them a clear understanding of our efforts and achievements in the protection of their communities and demonstrate our sincerity in caring for them. The results and adopted measures can be described as follows:

Identification of	Identification of Results of the	Leakage eradication and hazard reporting method			
potential negative social impacts	assessment of environmental and social impacts	Adopted control method	Preventive measures	Hazard reporting method (this only refers to external reporting)	
Toxic and concerned chemical substances	Potential impact on sensory receptors	 Implementation of management and hazard prevention measures for toxic and concerned chemical substances during operations Due reporting of operational records 	 Placement of emergency response equipment Detection and warning equipment Disaster prevention and response training, drills, and education Designation of professional emergency response personnel 	Adoption of emergency control measures and notification of the competent authority under whose jurisdiction the incident takes place via phone or fax within the prescribed time limit	
Waste gas	Potential air pollution hazard	 Installation of smoke detectors and emergency shutdown devices for all heating furnaces Installation of VOCs recovery equipment to prevent fugitive VOC emissions Adoption of low-leakage equipment components for hazardous air pollutants 	 Installation of continuous monitoring and recording facilities whose proper functioning can be effectively ensured VOC testing conducted on a quarterly basis by commissioned third-party accreditation bodies Irregular random inspections by the plan 	Adoption of adequate response measures and notification of the competent authority via phone or fax within the prescribed time limit	



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Identification of	Results of the assessment of	Leakage eradication and hazard reporting method			
potential negative social impacts	environmental and social impacts	Adopted control method	Preventive measures	Hazard reporting method (this only refers to external reporting)	
Wastewater	Potential wastewater/ sewage contamination	 Regular autonomous sampling and testing inside the wastewater/sewage plant Wastewater/sewage/rainwater discharge is carried out in accordance with applicable management regulations 	 Installation of continuous monitoring facilities whose proper functioning can be effectively ensured Designation of dedicated personnel to ensure effective management of wastewater treatment 	The wastewater generated by the plant is channeled to the joint sewage plant of the industrial park for further treatment and processing. It is not discharged into surface water bodies and therefore has a relatively low impact on external environments and society in general	
Waste	Potential waste contamination	 Due reporting of waste generation, storage, and disposal Autonomous in-plant patrols, inspections, and management 	 Regular tracking and audits by the competent authority to ensure the legality and safety of final treatment 	No impact on external areas outside the plant	
Soil and groundwater	Soil and groundwater contamination – originally listed for control and remediation	Completion of soil and groundwater remediation project; as a result of this project, site listing for soil and groundwater remediation was removed	Autonomous sampling and testing of groundwater for two years after lifting of controls	In 2021, our achievements in this field resulted in the official removal of FUCC from the list of regular sampling inspections by EPA. As of the end of 2023, no abnormal results have been found in regular monitoring operations after delisting. In the future, we will persist in our efforts to ensure conformity of soil and groundwater in the plant periphery to normal environmental standards through autonomous monitoring	
Dust pollution	Dust pollution	Installation of properly functioning dust control equipment	Preventive maintenance and regular environmental monitoring	No impact on external areas outside the plantoutside the plant	
Noise	Noise pollution	Regular in-plant and perimeter noise testing	Preventive maintenance and regular environmental monitoring	No impact on external areas outside the plantoutside the plant	
Overall environmental monitoring	Environmental pollution	Installation of properly functioning dust control equipment	Preventive maintenance and regular environmental monitoring	No impact on external areas outside the plantoutside the plant	







VOCs testing (1) VOCs testing (2) VOCs testing (3)



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6.2 Social Welfare Activities

Due to our deep roots in Taiwan, we actively participate in community development and activities organized by charity and social welfare organizations to provide community residents with a better living environment and give back to local villages and townships. In addition, our employees have spontaneously established a Charity & Philanthropy Club and actively participate in the care for underprivileged groups with the ultimate goal of building a caring and compassionate society through concerted efforts and contributions.

Social welfare categories	Item	Investment
Life education Taipei Private Tsai Hsing Senior High School		500,000
Social care	Wanfang Hospital/ Kaohsiung Stray Animals Protection Association	350,000
Promotion of sports and indigenous culture	Cing-Ye Elementary School /Luo Fu Senior High School/Yilan County Male Basketball Team	230,000
Giving back to local communities Local infrastructure projects, social welfare activities, sponsorship of art & culture and sports events in communities, offering of grants, scholarships, and student awards	Good Neighbor Fund of Linyuan Petrochemical Park	1,790,000

Social welfare activity highlights

Sponsorship of a documentary about hospice and palliative care

Sponsorship of a life education documentary on hospice and palliative care shot and produced by the 4th Term Student Social Care Association of Taipei Private Tsai Hsing Senior High School to convey the meaning of Advance Decision (AD) and advance Do-Not-Resuscitate (DNR) Orders and realize the human-centered healthcare goal of living and dying in peace.



Meal delivery services for isolated seniors by Taipei Municipal Wanfang Hospital

With a view to fulfilling its mission as a District Hospital, Taipei Municipal Wanfang Hospital initiated meal delivery services for isolated and mid-low income seniors in local communities in June 2003 with the goal of meeting their basic nutritional needs by providing them with at least one meal per day. When delivering these meals, the hospital also conducts individual assessments of their physical condition and offers customized charitable meals accordingly. Delivery services are arranged in line with community haracteristics (door-to-door delivery or pickup at fixed locations). These meal deliveries serve as a medium for building emotional connections and creating opportunities for isolated seniors to maintain contact with the outside world.







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Social welfare activity highlights

Sponsorship of the Auba Rukai Children's Choir at Cing-Ye **Elementary School in Pingtung County**

Cing-Ye Elementary School established this Auba Rukai Children's Choir to pass on the cultural heritage of indigenous peoples in Taiwan through participation by 39 students and faculty members in overseas folk song performances and thereby expand the learning horizons of the children. We sponsored the participation of Auba Rukai Children's Choir in the Sydney Taiwan Festival in 2024 to encourage children of the Rukai tribe in this remote township to identify with their own culture and intensify interactions and exchanges between Taiwan and Australia.



Sponsorship of Luo Fu Senior High School **Basketball Team**

Due to the fact that Luo Fu Senior High School is located in the remote Fuxing Township in Taoyuan County, it lacks funds and resources. The school encourages disadvantaged students to participate in after-school sports activities. A basketball team has been formed to foster holistic education. We sponsor the manufacture of jerseys and equipment and gear upgrades in support of the Luo Fu Senior High School Basketball Team. This team advanced to the round of top 12 after winning three consecutive games in the 2023 High School Basketball League (HBL).



Donations to support the efforts of Kaohsiung **Stray Animals Protection Association to care** for stray animals

We have donated a total of NT\$ 300,000 to this association to support its efforts to provide a shelter for homeless stray animals and thereby generate opportunities for these hapless animals to get adopted by a predestined person.



Yilan Sports Association Representative Team at the 2023 National Games Basketball Tournament

We have made donations to enable Yilan County Male Basketball Team to make their mark on the national basketball stage, foster the balanced development of the "Five Ways of Life" (moral, intellectual, physical, social and aesthetic education), and thereby fulfill our ESG-related responsibility in the field of social care and concern. This team won the silver medal in the male basketball tournament of the 2023 National Games in Tainan City.



Donations and participation in the activity titled "Bringing Warmth to the Needy in the Bitter Cold", which was organized by the Good Neighbor Fund of Linyuan Petrochemical Park in 2023





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GRI Content Index

Sustainability Accounting Standards Board (SASB) Index

TWSE Sustainability Disclosure Indicators

Climate-related Information



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Note

GRI Sustainability Reporting Standards Index

FUCC has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023 Statement of Use

GRI 1 Used GRI 1: Foundation 2021

As a company in the chemical industry, there are no GRI Sector Standards applicable to FUCC.

★Material topic

Applicable GRI Sector Standard (s)

Topic	Disclosure	Description	Corresponding chapter	Page	Reason/explanation for omission
		GRI 2: Gene	ral Disclosures 2021		
	2-1	Organizational details	1.1 Company Profile	07	
	2-2	Entities included in the organization's sustainability reporting	Editorial Policy	04	
The organization and its reporting practices	2-3	Reporting period, frequency and contact point	Editorial Policy	04	
	2-4	Restatements of information	Editorial Policy	04	NA since this is the first report of its kind issued by FUCC
	2-5	External assurance	Editorial Policy	04	
	2-6	Activities, value chain and other business relationships	1.1 Company Profile	07	
Activities and workers	2-7	Employees	5.1 Staff Structure	74	
	2-8	Workers who are not employees	5.1 Staff Structure	74	
	2-9	Governance structure and composition	2.1 Organizational Structure	14	
	2-10	Nomination and selection of the highest governance body	2.1 Organizational Structure	14	
	2-11	Chair of the highest governance body	2.1 Organizational Structure	14	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Organizational Structure 2.3 Internal Audits and Risk Management	14 23	
	2-13	Delegation of responsibility for managing impacts	2.1 Organizational Structure 2.3 Internal Audits and Risk Management	14 23	
	2-14	Role of the highest governance body in sustainability reporting	2.4 Stakeholder Engagement	29	
Governance	2-15	Conflicts of interest	2.1 Organizational Structure	14	
	2-16	Communication of critical concerns	2.1 Organizational Structure	14	
	2-17	Collective knowledge of the highest governance body	2.1 Organizational Structure	14	
	2-18	Evaluation of the performance of the highest governance body	2.1 Organizational Structure	14	
	2-19	Remuneration policies	2.1 Organizational Structure	14	
	2-20	Process to determine remuneration	2.1 Organizational Structure	14	
	2-21	Annual total compensation ratio	_	_	Highest annual compensation information is confidential



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Topic	Disclosure	Description	Corresponding chapter	Page	Reason/explanation for omission
		GRI 2: Gei	neral Disclosures 2021		
	2-22	Statement on sustainable development strategy	Message from the Chairman	02	
	2-23	Policy commitments	2.1 Organizational Structure 4.1 Legal Compliance and Environmental Protection 4.3 Work Safety 5.1 Staff Structure	14 45 59 74	
Strategy, Policies and	2-24	Embedding policy commitments	2.1 Organizational Structure 4.1 Legal Compliance and Environmental Protection 4.3 Work Safety 5.1 Staff Structure	14 45 59 74	
Practices	2-25	Processes to remediate negative impacts	2.1 Organizational Structure 2.3 Internal Audits and Risk Management	14 23	
	2-26	Mechanisms for seeking advice and raising concerns	2.1 Organizational Structure	14	
	2-27	Compliance with laws and regulations	2.2 Ethical Corporate Management 4.1 Legal Compliance and Environmental Protection	20 45	
	2-28	Membership associations	1.3 Business Philosophy and Policy	10	
Strategy, Policies and	2-29	Approach to stakeholder engagement	2.4 Stakeholder Engagement	29	
Practices	2-30	Collective bargaining agreements	5.5 Labor-Management Relations	87	
		GRI 3: N	Material Topics 2021		
Matarial Tarrian	3-1	Process to determine material topics	2.4 Stakeholder Engagement	29	
Material Topics	3-2	List of material topics	2.4 Stakeholder Engagement	29	
		*Le	egal Compliance		
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2 Ethical Corporate Management 4.1 Legal Compliance and Environmental Protection	20 45	
		*Ri	sk Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Internal Audits and Risk Management	23	



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Topic	Disclosure	Description	Corresponding chapter	Page	Reason/explanation for omission
		Eco	nomic Aspects		
		Financ	ial Performance		
	201-1	Direct economic value generated and distributed	3.4 Operational Performance	42	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	2.3 Internal Audits and Risk Management	23	
Terrormance 2010	201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Care and Benefits	82	
		Procur	ement Practices		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.3.1 Supply Chain Management	40	
		Anti-co	orruption		
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical Corporate Management	20	
		Enviro	nmental Aspects		
			Materials		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.2.3 Raw Material Use	59	
		*Ener	gy Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	4. Environment and Safety	44	
	302-1	Energy consumption within the organization	4.2.1 Direct Energy Consumption	56	
GRI 302: Energy 2016	302-3	Energy intensity	4.2.1 Direct Energy Consumption	56	
	302-4	Reduction of energy consumption	4.2.2 Energy Conservation	56	
		Water Res	ources Management		
GRI 303: Water and	303-1	Interactions with water as a shared resource	4.1.7 Water Resources and Wastewater Treatment	53	
Effluents 2018- Management Approach	303-2	Management of water discharge related impacts	4.1.7 Water Resources and Wastewater Treatment	53	
манадешенсярргоасп	303-3	Water withdrawal	4.1.7 Water Resources and Wastewater Treatment	53	



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Topic	Disclosure	Description	Corresponding chapter	Page Reason/explanation for omission
		Enviro	nmental Aspects	
		*GHG Emissions /	* Air Pollution Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	4. Environment and Safety	44
	305-1	Direct (Scope 1) GHG emissions	4.1.2 Direct GHG Emissions (Scope 1)	48
	305-2	Energy indirect (Scope 2) GHG emissions	4.1.3 Energy Indirect (Scope 2) and Other Indirect GHG Emissions (Scope 3)	51
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	4.1.3 Energy Indirect (Scope 2) and Other Indirect GHG Emissions (Scope 3)	51
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.1.4 Air Pollution Control and Improvements	51
	1	*Was	te Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	4. Environment and Safety	44
	306-1	Waste generation and significant waste-related impacts	4.1.5 Waste Treatment and Control	52
GRI 306: Waste 2020	306-2	Management of significant waste related impacts 4.1.5 Waste Treatment and Control		52
	306-3	Waste generated	4.1.5 Waste Treatment and Control	52
		Supplier Envi	ronmental Assessment	
GRI 308: Supplier	308-1	New suppliers that were screened using environmental criteria	3.3.1 Supply Chain Management	40
Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	3.3.1 Supply Chain Management 6.1.2 Community safety	40 89
		So	cial Aspects	
		* Labor/Ma	nagement Relations	
GRI 3: Material Topics 2021	3-3	Management of material topics	5.3 Employee Care and Benefits	82
CDI 401. Employment	401-1	New employee hires and employee turnover	5.1.1 Percentages for New Employees 5.1.2 Percentages for Resigned Employees	75 76
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.4 Benefit Measures	85
	401-3	Parental leave	5.3.2 Leave System	84



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Topic	Disclosure	Description	Corresponding chapter	Page	Reason/explanation for omission
		So	cial Aspects	-	
		Labor/Man	nagement Relations		
RI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.5.2 Labor/Management Relationship Committee	87	
		*Occupation	onal Health & Safety		
GRI 3: Material Topics 2021	3-3	Management of material topics	4.3 Work Safety	59	
	403-1	Occupational health and safety management system	4.3 Work Safety	59	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Work Safety	59	
	403-3	Occupational health services	4.3 Work Safety	59	
GRI 403: Occupational Health and Safety 2018-	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Work Safety	59	
Management Approach	403-5	Worker training on occupational health and safety	4.3 Work Safety	59	
	403-6	Promotion of worker health	4.3 Work Safety	59	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Work Safety	59	
	403-9	Work-related injuries	4.3 Work Safety	59	
	403-10	Work-related ill health	44.3 Work Safety	59	
		*Trainir	ng and Education		
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2 Training & Education	79	
CDI 404. Training and	404-1	Average hours of training per year per employee	5.2.1 Average annual training hours per employee	81	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	5.2.2 Employee training and development	81	
		Diversity an	nd Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.3 Employee diversity statistics	77	



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Appendix 2: Sustainability Accounting Standards Board (SASB) Index

Chemical Industry S <i>F</i>	ASB Standards	CODE	Corresponding chapter	Remark	
	Gross global Scope 1 emissions (in tonnes of CO2e), percentage (%) covered under emissions-limiting regulations	RT-CH-110a.1		D I	
Greenhouse	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		4.1.1 GHG Reduction Strategy	Partial disclosure	
_	(1) Total energy consumed (GJ), (2) percentage (%) grid electricity, (3) percentage (%) renewable, (4) total self-generated energy (GJ)	DT CU 120 1		Partial	
Energy Management	Management strategy to enhance energy efficiency and energy structure strategy, including self-generated energy or what kind of forms for renewable energy to offset electricity fee	RT-CH-130a.1	4.2 Energy Resource Management	disclosure	
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1		Partial disclosure	
Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	4.1.7 Water Resources and Wastewater Treatment		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3			
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1 4.1.5 Waste Treatment and Cont		Partial disclosure	
Workforce Health	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1		Partial disclosure	
& Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	4.3 Work Safety		
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms	RT-CH-410c.1	We don't supply genetically modified products		
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	2.2 Ethical Corporate Management		
Operational Safety, Emergency	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	4.3 Work Safety		
Preparedness & Response	Number of transport incidents	RT-CH-540a.2	4.3 Work Safety		



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Appendix 3 TWSE Sustainability Disclosure Indicators – Chemical Industry

No	Indicator	Indicator Type	Annual Disclosure	Unit	Remarks
01	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy (Note 1)	Quantitative	4.2 Energy Resource Management	Gigajoules (GJ), percentage (%)	
02	Total water withdrawn, total water consumption, mandatorily or voluntarily disclosed total wastewater (sewage) discharged	Quantitative	4.1.7 Water Resources and Wastewater Treatment	Thousand cubic meters (m3), percentage (%)	
03	Total quantity of hazardous wastes generated during the production process of products required to be disclosed under the law or to be disclosed voluntarily.	Quantitative	4.1.5 Waste Treatment and Control Our hazardous waste is mostly declared and treated chemically. It is not recycled and reused.	Metric tons (t), percentage (%)	
04	Number of employees in and rate of occupational accidents	Quantitative	4.3.6 Occupational accident statistics	Percentage (%), quantity	
05	Operations with significant actual and potential negative impacts on local communities	Qualitative description	3.3.1 Supply Chain Management	Not applicable	
06	Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact	Qualitative description	3.3.1 Supply Chain Management	Not applicable	
07	Production by product category	Quantitative	1.1 Company Profile	Alkyl series 135,108 metric tons Resin series 32,074 metric tons Pesticides and other 2,161 metric tons	



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Appendix 4 Climate-related Information

Item	Response	
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	respective task forces impleme	Committee is responsible for the discussion, assessment, management, and planning of climate change-related issues. The ent such issues upon resolution by the committee chairperson. reports to the Board of Directors on the implementation status of climate-related risks and opportunities.
	Risk and opportunities	Financial impacts and response mechanism
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Increased pricing of GHG emissions	The government plans to levy a carbon fee for GHG emissions generated by enterprises starting in 2025, targeting the biggest carbon emitters with GHG emissions in excess of 25,000 tons. Since FUCC is listed as a major carbon emitter, we view this as a major climate-related risk. If the carbon fee is set at NT\$ 300 per metric ton of CO2, it is estimated based on average annual carbon emissions in recent years that our payable fees will range from NT\$ 20 to 30 million per year. We have therefore adopted the following contingency measures: Carbon emission costs are included as one of our key considerations during assessments of new equipment purchases. Equipment purchases or investments are subject to comprehensive assessments including carbon emission and carbon fee reductions. Carbon emission costs and carbon pricing for corresponding installations are forecast in consideration of actual circumstances in respective sales regions. Default values are updated on an annual basis for reference purposes. We are firmly committed to enhancing the energy efficiency of existing equipment with a focus on production site energy savings (e.g., upgrades of high-efficiency energy equipment, installation of steam turbine generators, use of lower-carbon fuels with a higher calorific value, and pipeline heat/cold insulation)
Describe the financial impact of extreme weather events and transformative actions.	Changes in precipitation patterns and extreme variability in weather patterns	The growing number of extreme weather events has resulted in a rising frequency of typhoons and torrential results, which in turn poses the potential risk of plant area flooding with significant impacts on our operations. It has been determined upon assessment that this could cause low financial losses. As a contingency measure, we implement drainage system maintenance and formulate emergency response plans for typhoons and torrential rains to mitigate acute risks. Waterproofing operations have been completed, natural disaster insurance has been effected, and retaining walls have been added at the office building. Maintenance of drainage facilities such as water pumps is conducted on a monthly basis. The overall operational impact of this risk is therefore considered manageable.
	Increased cost of raw materials	The successive announcement of carbon tariffs all over the world has resulted in rising raw material costs, which is projected to increase our procurement costs by 10-15%. In response to these rising costs, we actively develop new suppliers of low-carbon materials and maintain relations with existing suppliers of such materials. In addition, we have adopted a localized procurement strategy
	Rising mean temperatures	Against the backdrop of gradually rising temperatures, the AR6 Report points out that the earth will warm by 1.9 degrees by 2050. Taipower statistics indicate that every one-degree decrease in refrigeration and air conditioning systems raises power consumption by 6%, which also indirectly results in an increase in electricity costs. Our contingency plan consists of several measures including improved energy use efficiency, adoption of renewable energy sources, and mitigation of climate change through the implementation of energy conservation projects.



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Appendix 4 Climate-related Information

Item	Response
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	 The following measures have been adopted in accordance with our risk management policy The Sustainable Development Committee includes climate-related risks in its ESG risk assessments. The Sustainable Development Committee discusses and adopts resolutions on material ESG risks and climate-related risks during committee meetings subject to approval by the Chairman. Implementation strategy objectives are set based on approved ESG and climate-related risks. The implementation status with respect to ESG and climate-related risks is reported to the Board of Directors on an annual basis (the most recent report was delivered in November 2023).
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Implementation planned for 2024
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Implementation planned for 2024
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not been implemented yet
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Still in the planning stage; please refer to the ESG information posted on the Market Observation Post System
Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	Please refer to the table below



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1-1 GHG Inventory Information

Detailed description of emissions (in metric tons CO2e), emission intensity (metric tons CO2e/revenue in million NTD), scope of disclosed information, and assurance status in the most recent two years: We have established a GHG inventory mechanism in accordance with the Management Regulations for the Inventory and Registration of Greenhouse Gas Emissions of the Ministry of Environment, the Greenhouse Gas Emission Inventory and Registration Guidelines, and the ISO / CNS 14064- 1 Standards promulgated by the International Organization for Standardization (ISO). As of 2014, we conduct annual inventories of GHG emissions of our Linyuan Plant to maintain a firm grasp of GHG use and emission conditions and verify the effectiveness of GHG reduction actions. In addition, GHG inventory data for the most recent two years represent the total GHG emissions of the Linyuan Plant aggregated according to the operational control approach. The data for 2022 has been verified by BSI as stated below:

Categories	2023		20	22
Scope 1	Total emissions (metric tons CO₂e)	Intensity (metric tons CO₂e/ million NTD)	Total emissions (metric tons CO₂e)	Intensity (metric tons CO₂e/ million NTD)
Parent company	48,830.53	5.1771	62,058.75	5.8705
Scope 2	Total emissions (metric tons CO₂e)	Intensity (metric tons CO₂e/ million NTD)	Total emissions (metric tons CO₂e)	Intensity (metric tons CO₂e/ million NTD)
Parent company	18,822.18	2.0414	19,646.10	1.8585
Scope 3	Total emissions (metric tons CO₂e)	Intensity (metric tons CO₂e/ million NTD)	Total emissions (metric tons CO₂e)	
Parent company	13,470.03	1.4280	_	-

Description of assurance institutions and assurance conditions (verification certificate)

81,704.85 metric tons CO2e (100% of our disclosed GHG emissions in 2022) have been verified by the assurance institution BSI (British Standards Institution) in accordance with EPA Greenhouse Gas Emission Inventory Guidelines (May 2022), ISO 14064-3, Management Regulations for the Inventory and Registration of Greenhouse Gas Emissions, and EPA Greenhouse Gas Emission Control Standards (a reasonable assurance statement has been issued). The data for 2023 up to the date of publication of the annual report is based on independently collected statistics. External verification is projected to be completed in August 2024. Assurance information will be fully disclosed in the Sustainability Report. Our subsidiaries are expected to initiate assurance in 2028.

Note: Revenues reached NT\$ 10,571,226,000 and NT\$ 9,432,293,000 in 2022 and 2023, respectively; our subsidiaries will complete assurance in 2028 in line with the timeline prescribed by the competent authority.

1-2GHG reduction targets, strategies, and concrete action plans

- Detailed description of the base year, relevant data, GHG reduction goals and strategies, concrete action plans, and reduction target achievement status
- Ostill in the planning stage; please refer to the ESG information posted on the Market Observation Post System



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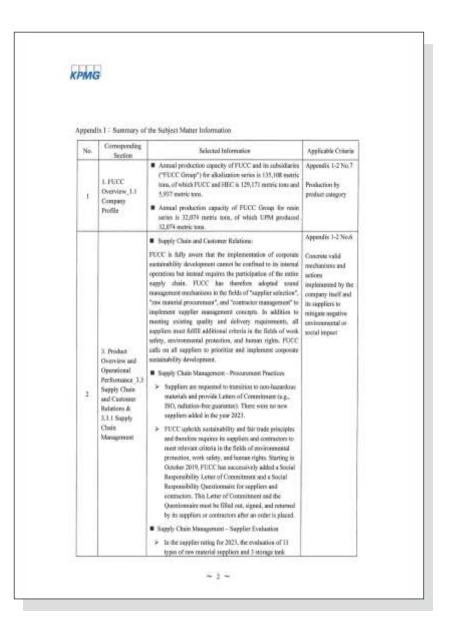
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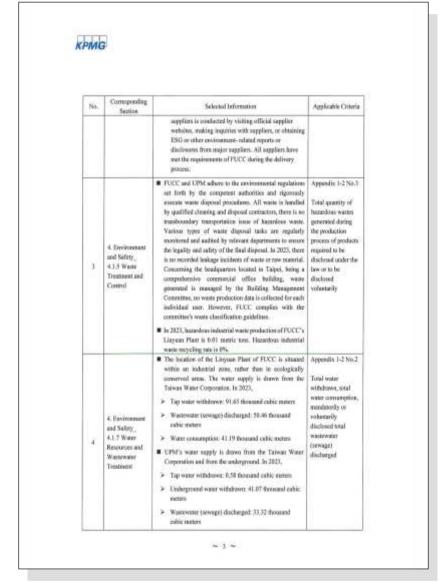
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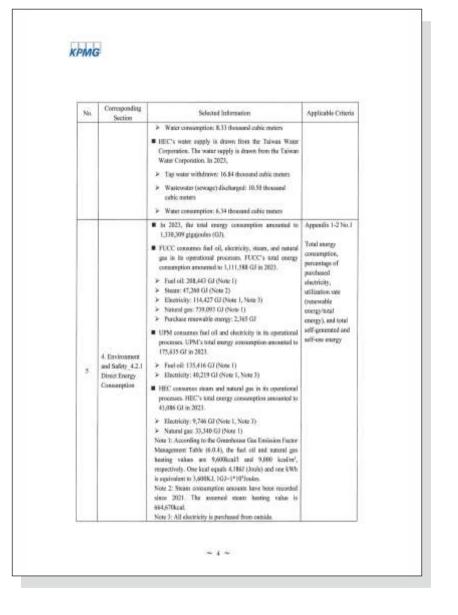
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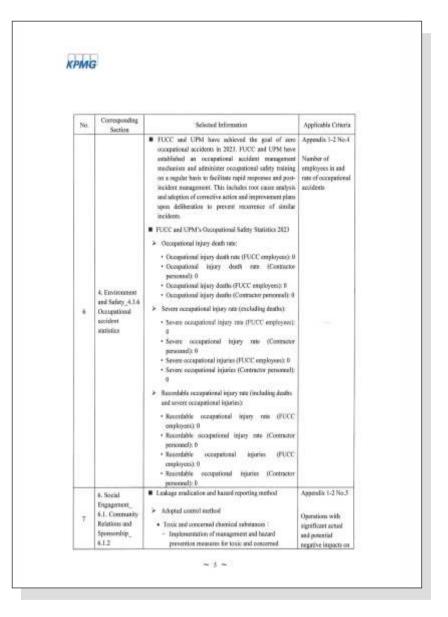
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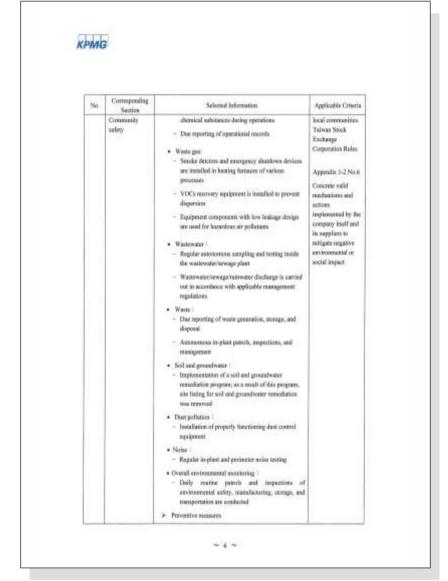
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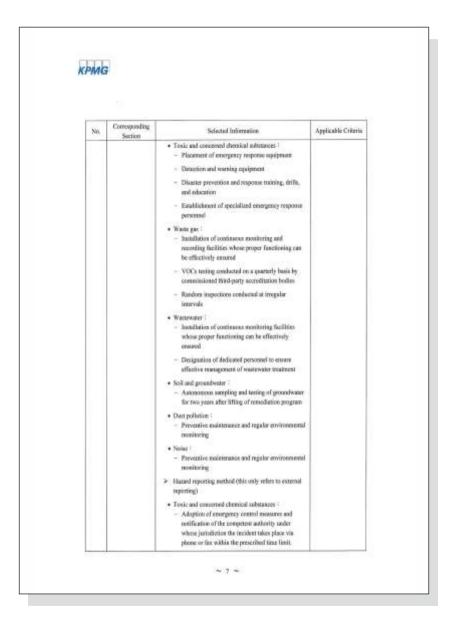
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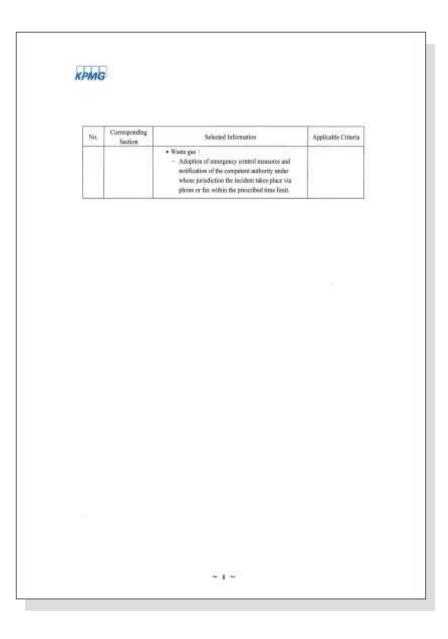
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Appendix I: Summary of the Subject Matter Information

No.	Corresponding Section	Selected Information	Applicable Criteria
1	1. FUCC Overview_ 1.1 Company Profile	 Annual production capacity of FUCC and its subsidiaries ("FUCC Group") for alkalization series is 135,108 metric tons, of which FUCC and HEC is 129,171 metric tons and 5,937 metric tons. Annual production capacity of FUCC Group for resin series is 32,074 metric tons, of which UPM produced 32,074 metric tons. 	Appendix 1-2 No.7 Production by product category
2	3. Product Overview and Operational Performance_ 3.3 Supply Chain and Customer Relations & 3.3.1 Supply Chain Management	 Supply Chain and Customer Relations: FUCC is fully aware that the implementation of corporate sustainability development cannot be confined to its internal operations but instead requires the participation of the entire supply chain. FUCC has therefore adopted sound management mechanisms in the fields of "supplier selection", "raw material procurement", and "contractor management" to implement supplier management concepts. In addition to meeting existing quality and delivery requirements, all suppliers must fulfill additional criteria in the fields of work safety, environmental protection, and human rights. FUCC calls on all suppliers to prioritize and implement corporate sustainability development. Supply Chain Management - Procurement Practices Suppliers are requested to transition to non-hazardous materials and provide Letters of Commitment (e.g., ISO, radiation-free guarantee). There were no new suppliers added in the year 2023. FUCC upholds sustainability and fair trade principles and therefore requires its suppliers and contractors to meet relevant criteria in the fields of environmental protection, work safety, and human rights. Starting in October 2019, FUCC has successively added a Social Responsibility Letter of Commitment and a Social Responsibility Questionnaire for suppliers and contractors. This Letter of Commitment and the Questionnaire must be filled out, signed, and returned by its suppliers or contractors after an order is placed. Supply Chain Management – Supplier Evaluation In the supplier rating for 2023, the evaluation of 13 types of raw material suppliers and 3 storage tank suppliers is conducted by visiting official supplier websites, making inquiries with suppliers, or obtaining ESG or other environment- related reports or disclosures from major suppliers. All suppliers have met the requirements of FUCC during the delivery process. 	Appendix 1-2 No.7 Production by product category
3	4. Environment and Safety_ 4.1.5 Waste Treatment and Control	 FUCC and UPM adhere to the environmental regulations set forth by the competent authorities and rigorously execute waste disposal procedures. All waste is handled by qualified cleaning and disposal contractors, there is no transboundary transportation issue of hazardous waste. Various types of waste disposal tasks are regularly monitored and audited by relevant departments to ensure the legality and safety of the final disposal. In 2023, there is no recorded leakage incidents of waste or raw material. Concerning the headquarters located in Taipei, being a comprehensive commercial office building, waste generated is managed by the Building Management Committee, no waste production data is collected for each individual user. However, FUCC complies with the committee's waste classification guidelines. In 2023, hazardous industrial waste production of FUCC's Linyuan Plant is 0.01 metric tons. Hazardous industrial waste recycling rate is 0%. 	Appendix 1-2 No.3 Total quantity of hazardous wastes generated during the production process of products required to be disclosed under the law or to be disclosed voluntarily
4	4. Environment and Safety_ 4.1.7 Water Resources and Wastewater Treatment	 The location of the Linyuan Plant of FUCC is situated within an industrial zone, rather than in ecologically conserved areas. The water supply is drawn from the Taiwan Water Corporation. In 2023, Tap water withdrawn: 91.65 thousand cubic meters Wastewater (sewage) discharged: 50.46 thousand cubic meters Waster consumption: 41.19 thousand cubic meters UPM's water supply is drawn from the Taiwan Water Corporation and from the underground. In 2023, Tap water withdrawn: 0.58 thousand cubic meters Wastewater (sewage) discharged: 33.32 thousand cubic meters Water consumption: 8.33 thousand cubic meters HEC's water supply is drawn from the Taiwan Water Corporation. The water supply is drawn from the Taiwan Water Corporation. In 2023, Tap water withdrawn: 16.84 thousand cubic meters Wastewater (sewage) discharged: 10.50 thousand cubic meters Wastewater (sewage) discharged: 10.50 thousand cubic meters Wastewater (sewage) discharged: 10.50 thousand cubic meters 	Appendix 1-2 No.2 Total water withdrawn, total water consumption, mandatorily or voluntarily disclosed total wastewater (sewage) discharged



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Appendix I: Summary of the Subject Matter Information

No.	Corresponding Section	Selected Information Applicable Criteria
5	4. Environment and Safety_ 4.2.1 Direct Energy Consumption	In 2023, the total energy consumption amounted to 1,330,309 gigajoules (GJ). FUCC consumes fuel oil, electricity, steam, and natural gas in its operational processes. FUCC's total energy consumption amounted to 1,111,588 GJ in 2023. Fuel oil: 208,443 GJ (Note 1) Purchase renewable energy: 2,365 GJ UPM consumes fuel oil and electricity in its operational processes. UPM's total energy consumption amounted to 175,635 GJ in 2023. Fuel oil: 135,416 GJ (Note 1) Electricity: 40,219 GJ (Note 1, Note 3) Fuel oil: 135,416 GJ (Note 1) Electricity: 40,219 GJ (Note 1, Note 3) Fuel oil: 135,416 GJ (Note 1) Fuel consumes steam and natural gas in its operational processes. HEC's total energy consumption amounted to 43,086 GJ in 2023. Electricity: 9,746 GJ (Note 1, Note 3) Natural gas: 33,340 GJ (Note 1) Note 1: According to the Greenhouse Gas Emission Factor Management Table (6.0.4), the fuel oil and natural gas heating values are 9,600kcal/l and 9,000 kcal/m³, respectively. One kcal equals 4,186J (Joule) and one kWh is equivalent to 3,600 KJ, 1GJ = 1*109 Joules. Note 2: Steam consumption amounts have been recorded since 2021. The assumed steam heating value is 664,670kcal. Note 3: All electricity is purchased from outside.
6	4. Environment and Safety_ 4.3.6 Occupational accident statistics	FUCC and UPM have achieved the goal of zero occupational accidents in 2023. FUCC and UPM have established an occupational accident management mechanism and administer occupational safety training on a regular basis to facilitate rapid responses and post-incident management. This includes root cause analysis and adoption of corrective action and improvement plans upon deliberation to prevent recurrence of similar incidents. FUCC and UPM's Occupational Safety Statistics 2023 • Occupational Safety Statistics 2023 • Occupational injury death rate (FUCC employees): 0 • Occupational injury death rate (FUCC employees): 0 • Occupational injury deaths (FUCC employees): 0 • Occupational injury deaths (FUCC employees): 0 • Severe occupational injury rate (excluding deaths): • Severe occupational injury rate (FUCC employees): 0 • Severe occupational injury rate (including deaths and severe occupational injuries): • Recordable occupational injury rate (FUCC employees): 0 • Recordable occupational injury rate (FUCC employees): 0 • Recordable occupational injuries (FUCC employees): 0



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No.	Corresponding Section	Selected Information	Applicable Criteria
7	6. Social Engagement_ 6.1. Community Relations and Sponsorship_ 6.1.2 Community safety	Leakage eradication and hazard reporting method Adopted control method Toxic and concerned chemical substances: -Implementation of management and hazard prevention measures for toxic and concerned chemical substances during operations	Appendix 1-2 No.5 Operations with significant actual and potential negative impacts on local communities. Taiwan Stock Exchange Corporation Rules Appendix 1-2 No.6 Concrete valid mechanisms and actions implemented by the company itself and its suppliers to mitigate negative environmental or social impact

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