

ORIENTAL UNION CHEMICAL CORPORATION

The 2015 Corporate
Social Responsibility Report



ORIENTAL UNION CHEMICAL CORPORATION

The 2015 Corporate Social Responsibility Report



EDITING PRINCIPLE

Welcome to the Corporate Social Responsibility (CSR) Report of the Oriental Union Chemical Corporation (stock code: 1710, hereinafter referred to as the "OUCC") published for the second time in 2016. We would like all the stakeholders that care about us to better understand the challenges of sustainable development faced by the chemical industry, as well as our efforts and persistence in response to the development of green chemistry and the realization of sustainable action in the chemical industry (quality and transport safety, occupational safety and health, and environmental protection) through the information disclosed in the CSR report.

This CSR Report is issued in both Chinese and English versions. You are welcome to download them from our official website (Oriental Union Chemical Corporation official website) at: <http://www.oucc.com.tw/>

Reporting period and organizational boundaries

The CSR Report discloses the CSR management policy, key issues, responses, and action performance of the OUCC in 2015 (Jan. 1 to Dec. 31). Some issues that go back to 2013 or 2014 have been included to ensure a comprehensive report of project performance and outcome.

To properly demonstrate the effort of OUCC in CSR, the content and data of this CSR report includes only the performance data of the OUCC Headquarters and the Lin Yuan Plant. The subsidiaries listed in the consolidated financial statement of 2015 included Tong Fu Investment Corp., Pacific Petrochemical (Holding) Ltd., OUCC (Bermuda) Holding Ltd., Oriental Petrochemical (Yangzhou) Corp., Far Eastern Union Petrochemical (Yangzhou) Ltd., Tong Da Gas Industries (Yangzhou) Limited.

Frequency of publication: Annual.

- Date of publication: June 2016
- Date of next publication: June 2017

Writing reference and guarantee

This CSR Report is prepared in accordance with the "Global Reporting Initiative (GRI) G4 version guidelines and AA1000 (2008) standards; also, verified by SGS-Taiwan in conformity with the GRI G4 Core Option Standards and AA1000 AS Type I intermediate assurance level.

The CSR Report relevant information and data are composed and provided by the OUCC Taipei Headquarters and Lin Yuan Plant to ensure it meets the needs of the CSR report information. The relevant information, data, review, and data verification are documented, verified, and approved by each department head. The final issues and information are reviewed and authorized by the directors and top management.

Relevant information

Unless otherwise stated, the New Taiwan Dollar is the currency used in the CSR Report. Some indicators are the consecutive data of 2013-2015 provided to highlight mid-term and long-term trends. If you have any comments on the "Oriental Union Chemical Corporation 2015 Corporate Social Responsibility Report," you are invited to forward your valuable comments and advice.

Contact: Oriental Union Chemical Corporation CSR Director-General

Address: 13F, No. 101, Fu-Hsing N Road, Taipei City

Telephone: (02)2719-3333 #201

Fax: (02)2719-1858

Email: csroffice@oucc.com.tw



C O N T E N T S

Editing Principle 2

Assurance Statement 96

GRI Index 98

About Us 6

Organizational Structure and Scale 10

Products 12

Financial performance 20

Sustainable Commitment 22

Address by the President 23

Sustainable Development 24

Integrity Governance 26

Stability and Reliability 30

Corporate Responsibility 34

Sustainable Risks and Challenges of the Chemical Industry 38

Quality and Safety 40

Chemical Transportation Safety 44

Environmental Safety and Health 48

Emergency Response Mechanism 60

Energy and Climate Change 66

Sustainable Partnership 74

Employees 75

Customers 90

Suppliers 92

Community 94

Association Membership List 95

ABOUT US



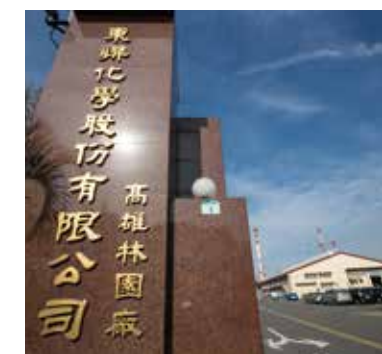
OUCC was founded in 1975 and traded on the Taiwan Stock Exchange in 1987 with a capital stock of NT\$8.85 billion. The OUCC is engaged in professional petrochemical business within the Far Eastern Group. The OUCC has produced ethylene oxide (EO) and ethylene glycol (EG) related products for more than four decades and has plants in Kaohsiung Lin Yuan and China Yangzhou. The Lin Yuan Plant has an annual output of 360,000 tons of ethylene oxide (EO) and 300,000 tons of ethylene glycol (EG). The invested production plant in Yangzhou has an annual output of 400,000 tons of ethylene oxide (EO) and 500,000 tons of ethylene glycol (EG), 40,000 tons of ethanolamine (EA), and 60,000 tons of ethylene oxide derivative specialty chemicals (EOD).

The OUCC has developed a range of short-, mid-, and long-term strategies in response to risk and increasing volatility of the global petrochemical market. In addition to production expansion plans initiated in Taiwan and China, the OUCC is actively seeking to invest in less-expensive raw material supply sources, to deepen our development in this industry and enhance our competitive advantage in the petrochemical industry. The OUCC continues to develop innovative technologies and a range of value-added specialty chemicals and materials. We are exploring new markets and new products, and minimizing the impact of bulk petrochemical material fluctuations on our operations so we may continue to grow in the face of fierce global competition. Currently, the OUCC continues a series of transformation projects to gradually expand the specialty chemicals territory in line with the diversified business operation of the Company.

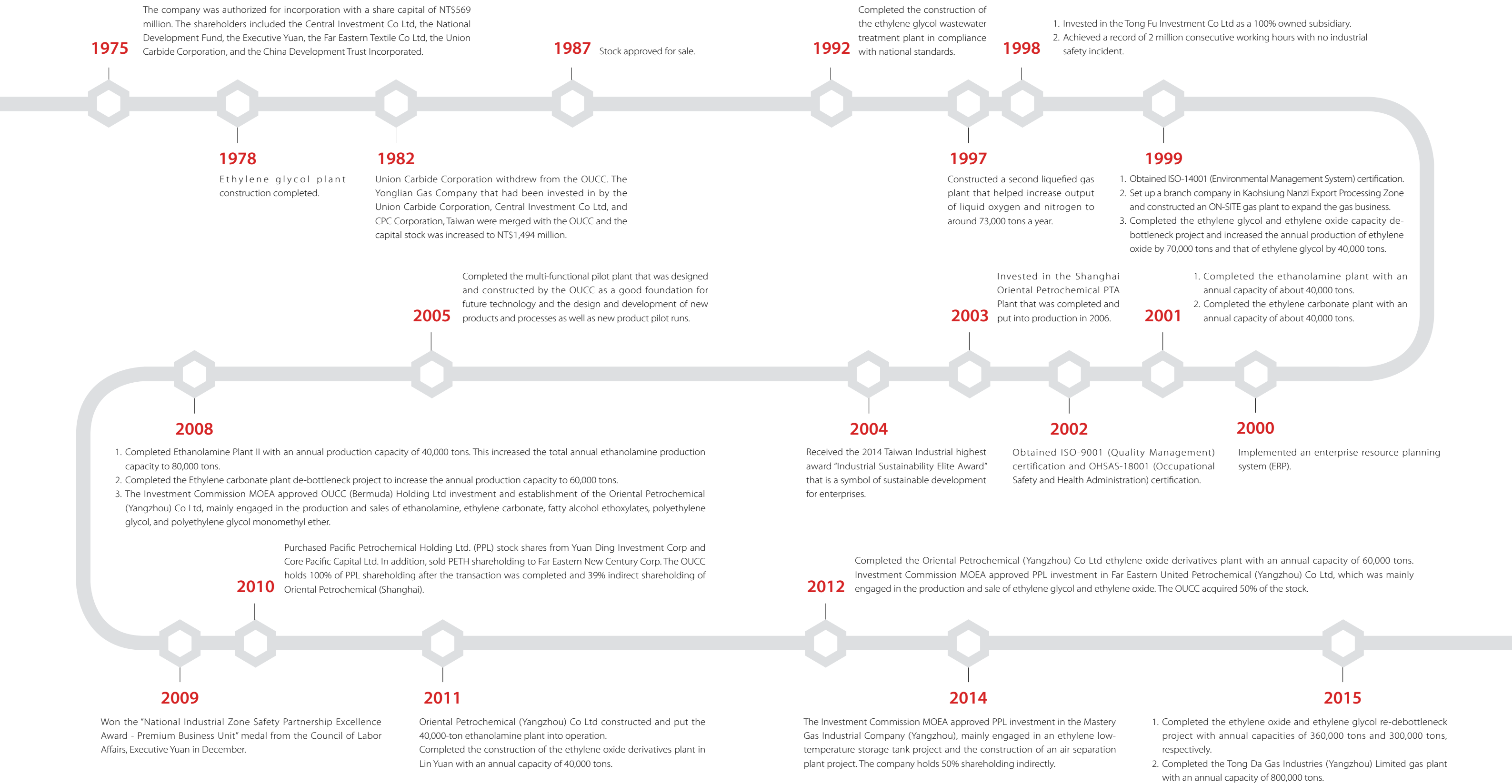
We value the importance of industrial safety, health, and environmental protection and substantiate management system compliance and efficient on the job training. In terms of industrial safety, the OUCC has continued implementation of the "OHSAS-18001 Occupational Safety Management System" and has completed the various safety requirements. There were no major accidents in 2015. The Kaohsiung Lin Yuan Plant was awarded the 2015 Defense Operation and Management of Toxic Chemicals Excellent Award issued by Environmental Protection Administration.

We have established a good healthy working environment and were awarded "Health Promotion Label" healthy workplace certification by the Health Promotion Administration of the Ministry of Health and Welfare. In addition to continuing with the "ISO-14001 Environmental Management System," the company has established a pollution prevention system improvement plan to improve the effectiveness of pollution prevention and control.

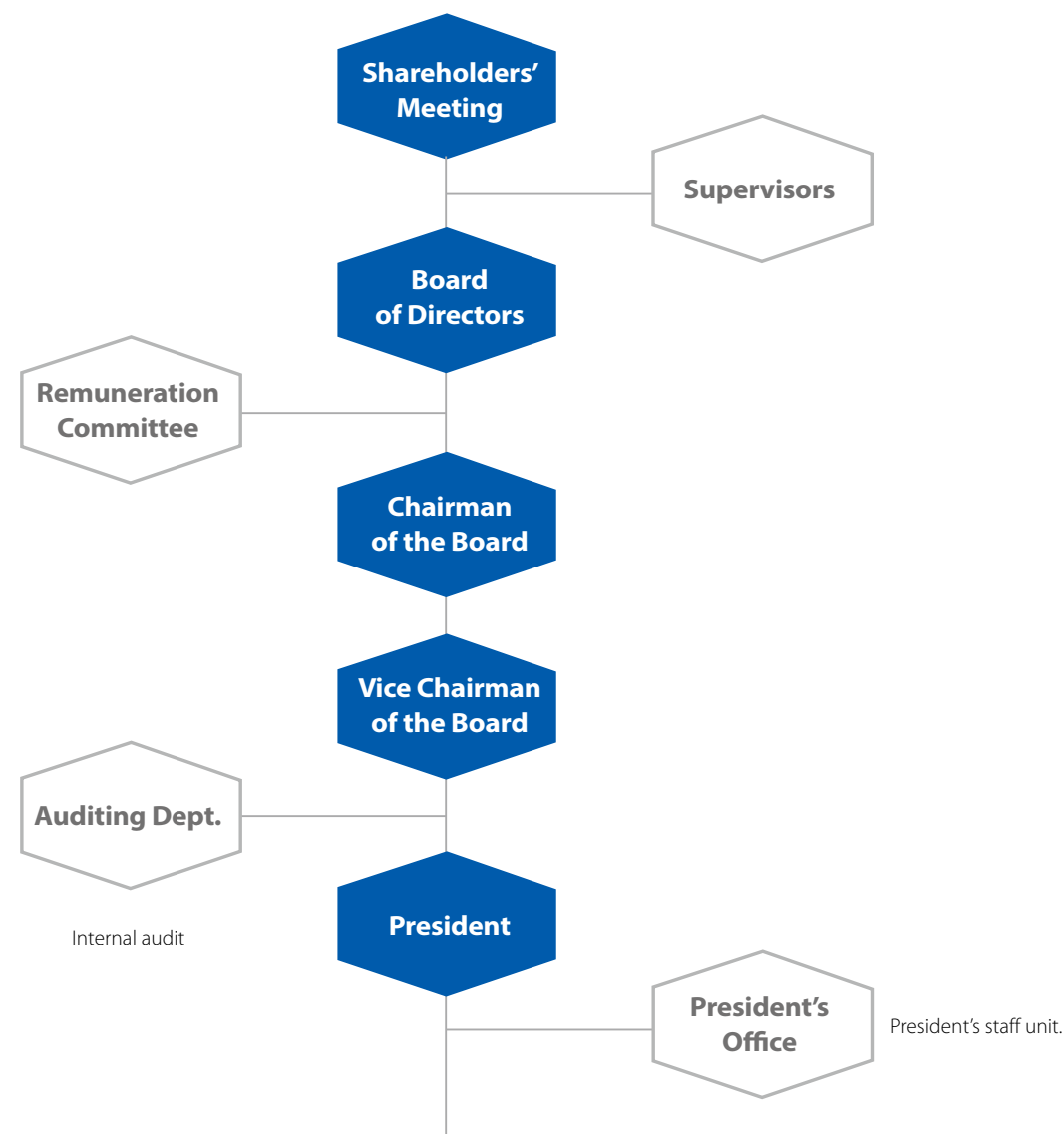
The OUCC is becoming a diversified and sustainable company handling both traditional and specialty chemicals, and high-tech chemical materials. We are also constantly fulfilling our goal by creating new value for our customers, shareholders, and employees.



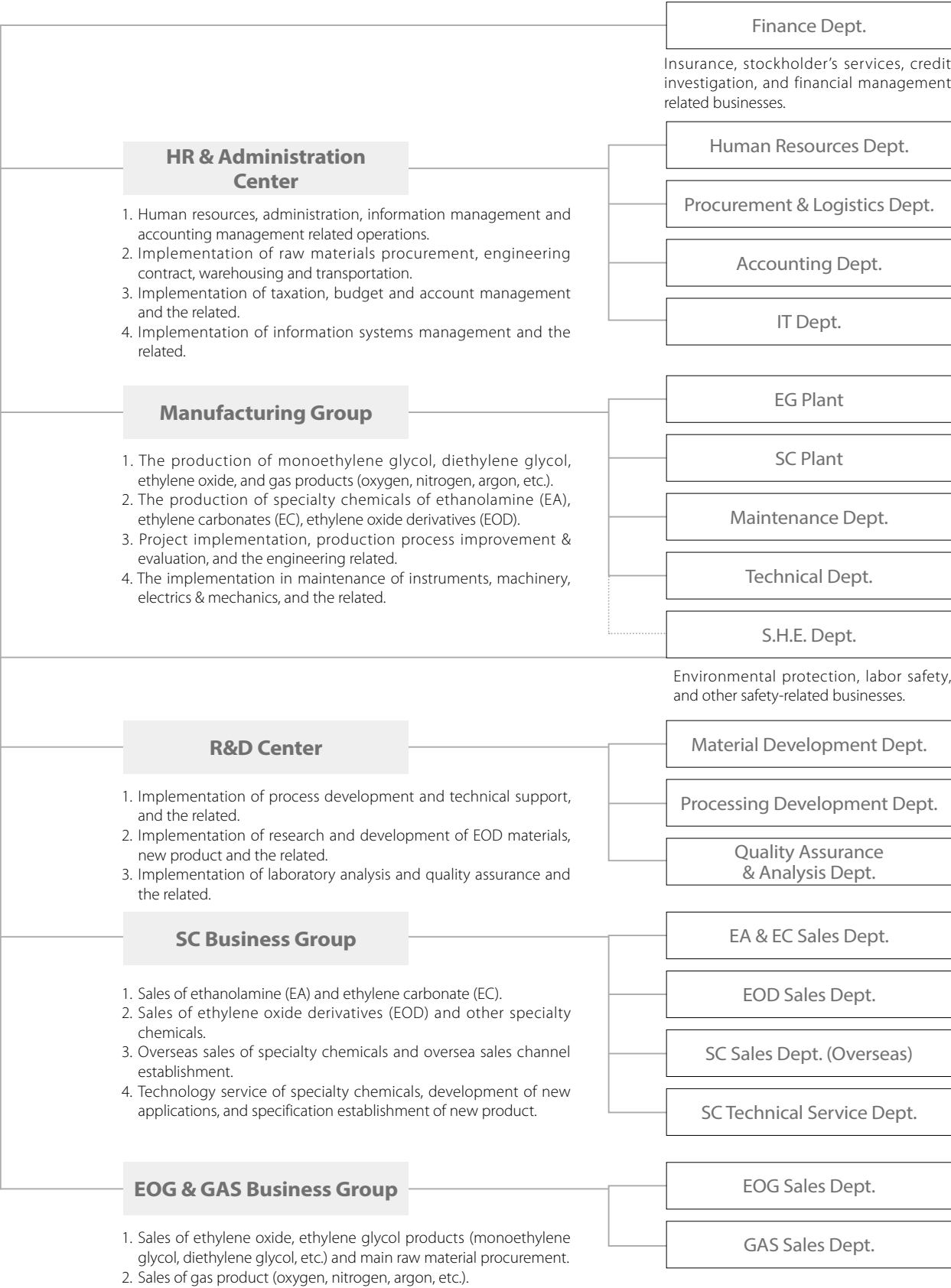
THE CHRONICLES OF THE OUCC



ORGANIZATIONAL STRUCTURE AND SCALE



- Head Office: 13F, No. 101, Fu-Hsing N Road, Taipei City
- Telephone: (02) 2719-3333
- Factory: No. 3-5, Industrial 3rd Road, Linyuan District, Kaohsiung City
- Telephone: (07) 641-3101
- Number of employees: 388 persons
- Manufacturing location: Kaohsiung & Yangzhou





PRODUCTS

Ethylene glycol(EG) is the main product of the OUCC. The Ethylene Glycol Plant was built in 1978 using US Union Carbide process technology (Dow Chemical merged with Union Carbide in 2011). After the completion of the de-bottleneck project, EG annual production capacity expanded to 300,000 tons. The product is supplied mainly to domestic polyester industry manufacturers with some being exported to China, Southeast Asia, New Zealand, and Australia.

Due to the rapid expansion of polyester production capacity in China, local ethylene glycol production is insufficient to meet the needs of the downstream industry and millions of tons of ethylene glycol are imported annually. The OUCC invested in the Far Eastern Union Petrochemical (Yangzhou) Ltd. in 2012 and began the construction of an ethylene glycol plant with a production capacity of 500,000 tons and an ethylene oxide plant with a production capacity of 400,000 tons that have launched for production in the second half of 2015. The Company owns 50% shareholding of that company. The ethylene oxide produced by the Far Eastern Union Petrochemical (Yangzhou) Ltd. can be used as the raw material for ethylene glycol or supplied to the Oriental Petrochemical (Yangzhou) Corp. as the raw material for specialty chemicals to achieve the synergy of lower raw material cost and vertical integration.

Industry Supply Chain

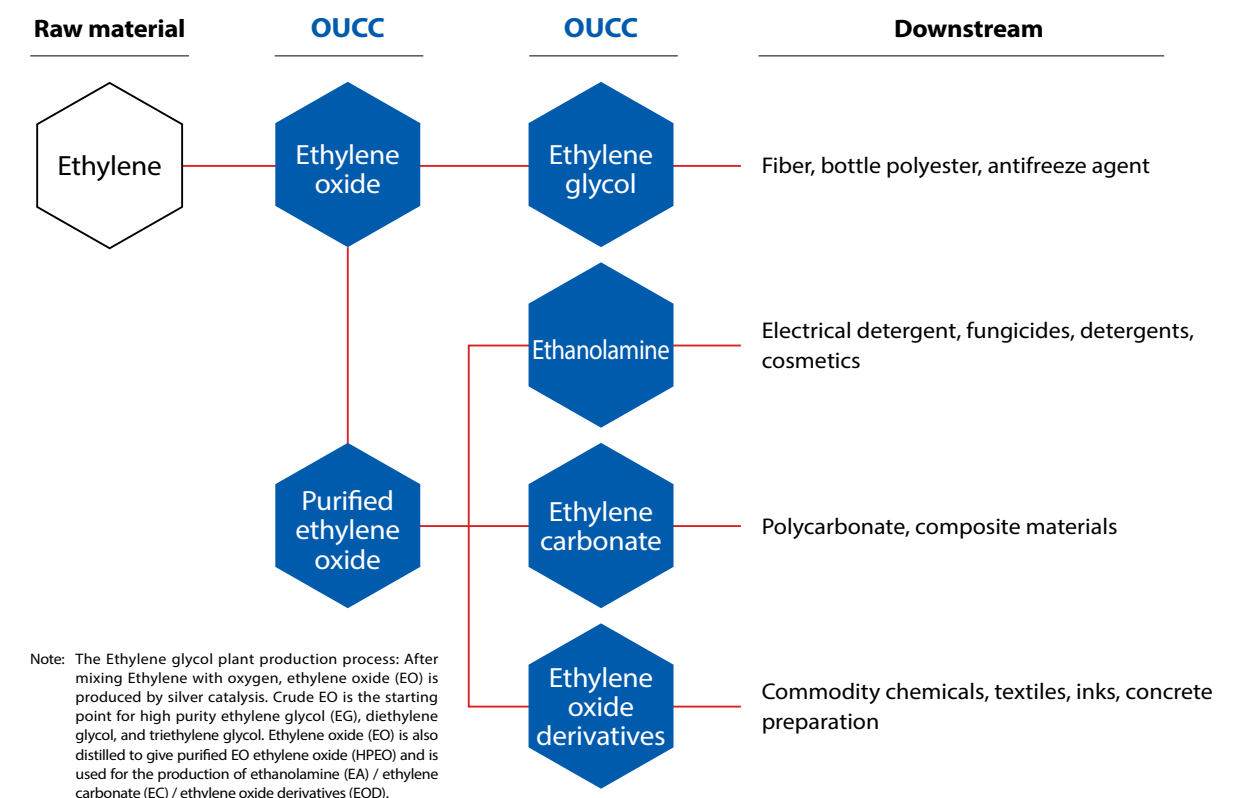
Ethylene glycol (EG) is the main product of the OUCC. The intended use of EG is for polyester products, including polyester fiber and bottle polyester, cut film, etc.

Ethanolamine (EA) is supplied to the downstream electrical detergent, resins, inks, textiles, and cement industry. It is also exported to Asia-Pacific, Europe, and America. The domestic ethanolamine plant is able to provide a flexible and rapid delivery service to the local electrical detergent manufacturers.

Ethylene carbonate (EC) is mainly used to produce polyethylene carbonate (PC) for the production of optical discs and other composite plastic materials.

Ethylene oxide derivative (EOD) products are mainly supplied to downstream industries, for use in detergents, electronic chemicals, synthetic resins, textile auxiliaries and cement, and related domestic industries. The domestic industries are closely related with economic growth. In recent years in Asia, particularly China and Southeast Asian emerging markets, the demand for EOD products continues to grow along with the increase of domestic consumption.

Most of the gas produced is used by the internal ethylene glycol (EG), ethanolamine (EA), and ethylene carbonate (EC) plants. Oxygen and nitrogen are also supplied to customers in the Lin Yuan and Da Far industrial zones. The remaining liquid products are mainly supplied to the domestic electronics, petrochemicals, medical, food, steel, and metal processing markets.





Type	Item	Product application
Ethylene glycol (EG)	Monoethylene glycol (MEG)	Raw material for polyester fiber, antifreeze, desiccants, engineering plastics, PET bottles and brake fluid.
	Diethylene glycol (DEG)	Raw material for dehumidifying agents, lubricants, leveling agents, solvents, grinding aid, and unsaturated polyols.
	Triethylene glycol (TEG)	Dehumidifying agents, solvents, and polyols.
	Ethylene oxide (EO)	Raw material for ethylene glycols, glycol ethers, ethyl ethers, nonionic surfactants, and as a disinfectant.
Ethanolamine (EA)	Monoethanolamine (MEA)	Household and industrial cleaning agents, textile auxiliaries, acid gas absorption, pharmaceutical intermediates, electrical detergents, water treatment, resin additives, metal surface treatment, and wood preservation treatment.
	Diethanolamine (DEA)	Shampoo and bathing products, cosmetics, household and industrial cleaners, textile auxiliaries, acid gas absorption, herbicides, PU bridging agent, lubricant or metal surface treatment, resin additives, and fluorescent whitening.
	Triethanolamine (TEA)	Shampoo and bathing products, cosmetics, household and industrial cleaners, textile auxiliaries, cement and ready-mixed concrete additives, lubricants and metal surface treatment, resin additives, PU foam catalyst, and fluorescent whitening.
Ethylene oxide derivatives	Fatty alcohol ethoxylates (AEO)	AEO are non-ionic surfactants that can be used in: - Producing anionic surfactant AES as the raw material for shampoo - As a dispersing and leveling agent in the Textile & Dye industry - In metal surface cleaners - For detergent formulations - Wetting agents in the Leather industry - As an antistatic agent for synthetic fiber treatment
	Polyethylene glycol (PEG)	PEG is an extremely versatile polyether polymer that can be used: - As a wetting, dispersing and leveling, and emulsifying agent in the Textile industry - As a softener in the Paper industry - In water-soluble ointments and suppository bases - In lubricants and antistatic agents for fiber processing - To increase solubility and lubrication in the resin and dye products.
	Polyethylene glycol monomethyl ether (MPEG)	Chemical structure of MPEG: $\text{CH}_3\text{-(OCH}_2\text{CH}_2\text{)}_n\text{-OH}$ This product and acrylic acid are combined to produce MPEG acrylate that is the main raw material for the production of polycarboxylate, an efficient concrete water reducer.
	Polyethylene glycol tallow ether amine (TA)	TA are non-ionic in alkaline and neutral medium and cationic in acidic media with excellent emulsifying and leveling properties widely used as: - Textile auxiliaries - Pesticide emulsifiers - Metal corrosion inhibitors - Lubricants
	Ethoxylated trimethylolpropane (TM)	TM is a polyol alkoxy containing three primary alcohol functional groups that is a colorless and transparent liquid at room temperature and is often used in: - PU crosslinking agents - UV curable coatings reactive monomer precursors - Aqueous polymer compositions - Synthetic lubricants - Polyester alkyd resin films - Chemical processes
	Ethylene Carbonate (EC)	EC is a widely used basic chemical that is mainly used: - In polymer synthesis: non-phosgene polycarbonate; polyurethanes; unsaturated polyester; and engineering plastics - In pharmaceutical intermediate synthesis - As a solvent: in acid gas absorption; as a lithium battery electrolyte; as an electrical detergent; in cosmetics; in cleaning agents; and as a degreaser.
Gas Products	Oxygen	For use in the petrochemical industry, metal processing, industrial welding and cutting, waste water treatment, incinerators, hospitals, and aquaculture.
	Nitrogen	For use in the refining industry, electronics and semiconductor industry, plastics, food refrigeration and packaging, the chemical industry, and metal heat treatment.
	Argon	For use in welding, the space industry, the electronics and semiconductor industry, metal and alloy manufacturing, etc.

Research and Innovation

In the face of oil price fluctuations and competition from new ethylene glycol (EG) plants in China and the Middle East, the OUCC is undergoing positive transformation after extensive research and development has accumulated enough intellectual property and competitiveness to enter the specialty and precision chemical fields.

We have a very highly qualified R&D team and to strengthen our research and development capabilities, a “Research Group” was formed in 2001 to promote the development of product transformation and was restructured into three units including Material Development, Process Development, Quality Control Analysis with six teams in January 2016. In addition to the expansion of business applications, new products in several different areas have been developed in line with market changes and future chemical material demand. Current research and development areas include:

New and innovative ethylene oxide downstream value-added products and technology development: polyethylene glycol (PEG) derivatives, polyethylene glycol monomethyl ether (MPEG), and fatty alcohol derivatives.

- 1. Specialty chemicals / surfactants and polyethylene glycol
- 2. Other Specialty Chemicals / agricultural chemicals, and specialty additive materials
- 3. Biodegradable polymers.

R&D Direction

Product Category	R&D Subject	Contents
Specialty chemicals	Surfactant	Downstream applications of EO derivatives for the development of fine chemicals, including nonionic surfactants, cement water-reducing agent, various intermediates for further dyeing, and consumable chemicals.
Specialty chemicals	Purified MPEG/PEG	Used in polyurethane PU processing. This polymer material is widely used in adhesives, coatings, low-speed tires, washers, and for car mats. Polyurethane is also used in the manufacture of a variety of foams and plastic sponges for domestic use.
EO Derivatives	Cement water-reducing agent	Poly-carboxylic acid is a cement water-reducing agent and helps to improve the strength of the concrete. Also the admixture will reduce cement consumption while workability and strength maintained. Current research is into the development of Poly-carboxylic acid as a super water-reducing agent.
Resins, coatings	Ultraviolet curing resin	UV and aqueous paint and resin development is a response to the need for global environmental protection and carbon emission reduction.
BIO	Ethanol to ethylene	Ethylene, which is used in a wide range of environmentally friendly processes, is produced in the Ethanol to ethylene process (ETE). It is also used to produce other chemical products, such as, ethylene oxide, ethylene glycol, PET, and so on.

When the Oriental Union Chemical Corporation (OUCC) introduced their water reducer monomer (HPEG2400), refined (low catalysis) PEG-r, and Polycyclic phenol derivatives in 2015, these new functionally customized products were met with a positive response from downstream customers.

In the future, the OUCC will actively research and develop customized value-added specialty chemicals, and also look for opportunities for cooperation with other international well-known companies. The OUCC intends to become a diversified company engaging in traditional and specialty chemicals, as well as high-tech chemical materials.

	Unit	2013	2014	2015
R&D amount	Million (NT\$)	134	133	134
Total annual revenue	Million (NT\$)	13,729	12,421	11,762
Ratio	%	1.0	1.07	1.14

NMR Analysis Technology to Reduce the Generation of Waste Solvents

The OUCC has been using nuclear magnetic resonance (NMR) analysis since 2010 to determine EOD related product molecular structure, and in the analysis of impurities in AEO, MPEG, and PEG. This ensures rapid production and quality control as well as purity of the products. But the most important benefit is the reduction of the amount of waste solvent with enormous subsequent environmental benefit.

Traditionally, qualitative analysis of organic compounds is carried out by titration or spectrophotometry of samples after chromatographic (LC/GC) separation. In addition to the sample which might be anything between 0.1g and 30g large volumes of solvent (MeOH, ACN, etc) 30 ~ 50ml at a time, are used throughout the analysis.

Although these conventional analytical methods can provide more sensitive detection and better accuracy, the large amount of waste solvents may affect the environment. NMR analysis requires very small samples (10~30mg) and very little solvent and has a minimal effect on the environment.



Respect Intellectual Property Rights

We value the protection of technology and intellectual property rights (IPR). With regard to the research, development as well as purchase of the innovative technology, the “Procedure for Outsourcing Processing Technology” is formulated. Before it is kicked off, a new project will be initiated and a project leader assigned.

A first edition of the formal technical data and relevant support will be provided to the project team by the outsourced supplier, then be allocated by the project leader to the production, technical, maintenance and other units, to complete the initial distribution signing process.

The project leader then convenes a project kickoff meeting, execute the project, and has the outsourced manufacturing process technical data distributed to production, technology (processing and engineering teams), maintenance (machinery, electrical engineering and instrument teams), and other relevant units. The contract will include protection clauses for IPR, patents, copyrights and confidentiality to ensure the integrity of technology rights.

The OUCC is committed relentlessly to investment in R&D and innovation, applications for investment tax credits with the approval of the government are filed annually, as an endeavor to the establishment of the new era of green chemistry. In addition, the OUCC also cooperates with other relevant R&D organizations and invests in R&D equipment.

Type	Grant Plan	Description	Funded by the OUCC
R&D	DEIPA synthesis technology development	Alkylol amine related product development, including DEA and PO	NT\$ 3.9 million
	PO & ETE pilot equipment	Development of the self-owned technology of ethylene production by dehydration of Propylene oxide and ethanol	NT\$ 5.96 million
Equipment	5L stainless steel and 1L glass high-pressure reactors	Strengthening EOD synthesis development to provide more detailed data on the EOD appearance change throughout the reaction process to help improve performance	NT\$ 3.9 million
	Nitrogen adsorption	Utilization of the gas adsorption method (nitrogen or argon) to measure the surface area of powder or block material and the pore distribution	NT\$ 3.8 million
	Distillation equipment	For the purification of ethanolamine and related tubular reaction products	NT\$ 9 million
	Gel Permeation Ultra Performance Liquid Chromatography	The analysis of trace impurities	NT\$ 3.5 million
Industry-academy cooperation (National Cheng Kung University)	CHPPO catalyst technology development	The development of catalyst synthesis method of National Cheng Kung University will gain OUCC one more proprietary technology	NT\$ 200,000

Industry Sustainable Thinking

The OUCC has been persistent and flexible in business operations. We pursue a diversified product strategy and insist on safety management. Reduction of the discharge of harmful substances and compliance with regulations, standards, and specifications are specific OUCC production goals.

To achieve sustainable development and avoid all disaster-related incidents that cause public concern over chemical safety, the OUCC has adopted a stable safe and environmentally friendly approach to product development. The effect of the product of health, safety and the environment has been taken into account from the very start of the life cycle, aiming to reduce all possible impact on the environment resulted from the product or production process. Our strategies include:

- All the technology currently adopted in production process by OUCC are fully developed, and the outsourced technology meet the regulation.
- Encourage our employees to think from the viewpoint of environmental protection, reduced production of harmful substances and the achievement of innovative means for environmental safety. All technology developed in the future must meet the requirements of the environmental protection unit.
- Any release of toxic substances into the environment during production will be avoided as much as possible at the product development and design phase and there will be no residue on the product or contamination of the environment.
- Upon customer’s request, the newly developed and manufactured products will be tested and verified by a public institute (such as SGS) to ensure they comply with all the relevant environmental regulations or specifications.



Environmental Characteristics Product (EC)

Ethylene carbonate is produced by a reaction between ethylene oxide (EO) and main feedstock carbon dioxide (CO₂), which reduces effectively the CO₂ emission and earns EC production a green process for the reduction of GHG emission.

Environmental Characteristics Product (Bio Ethanol)

Currently most ethanol is produced from food crops such as corn, grain, sorghum, potatoes, and so on. A general shortage of these food crops around the world has resulted in a rise in the production costs of biomass alcohol. The result is that attention has been turned towards the production of ethanol from agricultural cellulose waste such as rice straw and bagasse. Traditionally, such agricultural waste is incinerated or buried, but if a process for the development of cellulosic ethanol can be perfected, this will solve one of our agricultural problems.



Cellulosic alcohol can be dehydrated into ethylene and then used to make biomass MEG. Once it is developed successfully, the raw material for the production of EG can come from crude oil or agricultural waste that will help reduce our dependence on crude oil (currently ethylene comes from the cracking of crude oil). Furthermore, biomass MEG production does not increase CO₂ emission and is a green product.

FINANCIAL PERFORMANCE

Ethylene glycol (EG) is the main product of OUCC. The supply of EG went down in the first half of 2015, but the price decline was relatively mild. The cost of raw material went down and the overall operating profit grew substantially and profitability improved compared to that of 2014. The price of ethylene glycol dropped by 20% compared to that at the beginning of the year. This was caused by the continuing drop in the price of oil and the sluggish downstream customer demand in the second half of the year. At the same time, the price of ethylene was soaring due to a shortage caused by shutdown, and downtime for inspection and maintenance, of ethylene cracker plants in Asia, which compressed the profitability of ethylene glycol.

Despite of the market oversupply and fierce competition, the revenue and profitability of gas products had grown steadily due to production cost control and properly managed customer relationships.

The market situation for Ethanolamine remained in a slump due to the poor downstream product market and international over capacity. The Ethoxylates business had started improving gradually as partnerships with international chemicals manufacturers had been maintained and customers and markets been actively developing.

The Oriental Union Chemical Corporation revenues for 2015 amounted to NT\$11,762,073 thousand, a decrease of 5% compared to 2014 and the net loss before tax amounted to NT\$161,760 thousand, final net loss being NT\$119,952 thousand. The proposal to distribute a cash dividend of NT\$0.5 per share from the capital surplus was resolved at the 4th Board meeting of the 14th term.

	Unit	2013	2014	2015
Operating income	NT\$ Thousand	13,729,130	12,420,607	11,762,073
Operating cost	NT\$ Thousand	11,314,683	11,113,170	10,276,950
Operating expense	NT\$ Thousand	565,176	589,215	593,562
Net operating profit	NT\$ Thousand	1,849,271	718,222	891,561
Non-operating income and (expense)	NT\$ Thousand	(310,504)	(622,280)	(1,053,321)
Net income before tax	NT\$ Thousand	1,538,767	95,942	(161,760)
Income tax expense (profit)	NT\$ Thousand	273,471	(20,583)	(41,808)
Net income	NT\$ Thousand	1,265,296	116,525	(119,952)
Retained earnings (note)	NT\$ Thousand	5,448,946	4,662,108	4,499,473
Staff salaries and benefits (including wages, same as financial statements)	NT\$ Thousand	463,971	446,708	449,867
Tax paid to government	NT\$ Thousand	314,503	33,161	(16,018)
Dividend paid to shareholders (annual earnings)	NT\$ Thousand	1,062,844	885,703	442,852
Community Investment / Donation expense	NT\$ Thousand	1,661	3,821	1,423

Note: The net balance of the dividend paid to the shareholders in the following year.



Open and Transparent Communication Channel

The OUCC complies with the information disclosure regulations by publishing the financial, business, and corporate governance-related information on the company website. We also post all the information and communications in connection with investment seminars, shareholders' meeting, and investor relations and other company matters on the website. The OUCC has diversified communication channels:

1. The suggestions or questions raised by the shareholders, in addition to being dealt with by the President's Office, can also receive attention from the spokesman and deputy spokesman of the company, or from the "Oriental Securities Corporation" that provides stock services to the OUCC.
2. All the relevant information is on the MOPS and <http://www.oucc.com.tw> (the Company website) in accordance with government provisions and regulations.
3. In addition to the information available from the spokesman and deputy in accordance with the provisions, investors meetings are held from time to time and the results are disclosed in accordance with the provisions.

SUSTAINABLE COMMITMENT

ADDRESS BY THE PRESIDENT

This is the second "Corporate Social Responsibility (CSR) Report" issued by the Oriental Union Chemical Corporation. Since its incorporation in 1975 OUCC has focused on business operation, paid attention to corporate social responsibility, and has pursued excellence in business performance, emphasized sound corporate governance, strived to safeguard the environment, and fulfilled all the responsibilities of a good global corporate citizen.

We strive to create a sustainable business model and to realize the vision of environmental protection at the same time. In our "2015 CSR Report" we explain the key matters of quality, customer satisfaction, work safety, and environmental protection according to the five themes of "process safety management, storage and delivery safety, environmental protection and health, emergency response mechanisms, and energy & climate change". We also maintain in-depth communication with our stakeholders through the publication of the CSR report.

We continue to improve and refine the management of staff, the supply chain, and environmental safety, especially in transportation safety which is of major concern to the general public. We have reviewed and modified the emergency response mechanism. With the endeavor of our employees and supply chain partners we have made a voluntary commitment to continuous improvement to ensure the safety and health of workers and the general public through sustained optimization of the management system and safer and healthier workplace hardware.

In prospect, we will continue to exercise the entrepreneur spirit and business culture of "sincerity, diligence, thrift, and prudence" and a responsible and caring attitude to the views of all our stakeholders. The idea is to enable the Oriental Union Chemical Corporation work towards becoming a diversified enterprise for refined chemicals and high-tech materials and to create sustainable value for customers, shareholders, employees, and the general public. We expect all our colleagues, business partners, suppliers, contractors, and the stakeholders to contribute to the sustainable development of society and we always keep an open mind for the guidance and recommendations.

Oriental Union Chemical Corporation

Tsai, Hsi-Chin
President



SUSTAINABLE DEVELOPMENT



Enterprises shoulder the expectations and concerns of stakeholders throughout the journey towards sustainable development, this includes securing the confidence of shareholders in a company that has a reasonable return on their investment. It is also essential to create a healthy, safe, and self-challenging work environment so that employees will have job stability and enable the vendors to become our partners in the creation of social value.

Our first CSR report was released in 2015, from which we expect the stakeholders that we value, and who may concern about us, to be able to understand and appreciate the efforts we have made in moving towards sustainable development.

Despite the huge challenges and a new beginning, we are determined to demonstrate our firm commitment to creating long-term value for our shareholders, employees, and the community. This is a commitment of our contribution to the industry as well as to our business policy.

"Integrity governance, stability and reliability, and corporate responsibility" are the supporting foundation of the OUCC towards sustainable development. We have implemented such idea into our daily operations and communication with all the stakeholders in a truthful, transparent, and timely manner through the annual corporate social responsibility report.



INTEGRITY GOVERNANCE

There are nine directors on the board (all of them are male) ,including two independent directors. The directors exercise their authority and duties in accordance with Company Law, the Articles of Incorporation, the Rules of Procedure for Directors Meetings, and the relevant laws and regulations. The directors, supervisors, and management personnel all take part in regular corporate governance education and training. (Please refer to page 30-32 of the 2015 Annual Report for detailed information about advanced study)

A Remuneration Committee has been established to determine and review the performance and remuneration of the directors, supervisors, and management on a regular basis. The remuneration of directors and supervisors as well as bonuses for employees are set in accordance with the annual operating performance of the Company and the percentage of distribution as set down in Article 34 of the Incorporation. Additional proceeds are distributed depending on overall operating performance, taking into account a market salary survey made by a professional management consulting firm, an investigation related to the industry salary levels and those of listed companies and the overall financial risk of the business environment.

The operations and financial arrangements of the OUCC are independent from those of affiliated companies. All interaction with them is handled in accordance with the “Regulations Governing the Transactions of Related Parties,” “Procedures for the Acquisition and Disposal of Assets,” “Procedures for the Loan of Funds,” “Procedures for Endorsement and Guarantee by Public Company,” and other relevant provisions. A risk control mechanism and a computer firewall have been properly set up.

Age Distribution of the OUCC Board of Directors (2015)



Anti-corruption Mechanism

To establish good corporate governance, an efficient risk control mechanism, and a corporate management culture with integrity, the Oriental Union Chemical Corporation has formulated management policies that are based on good faith to create a business environment for sustainable development.

The company is committed to the stipulation, supervision, and implementation of best practice in all management policies and precautionary programs. The Audit Department carries out regular audits and reports their findings to the Board. We take advantage of the regular internal management meetings for all employees to advocate further education and training.

The directors, supervisors, managers, and all employees of OUCC are bound to comply with all the requirements of the “Codes of Conduct” and “Best Practice Principle” as published and posted on the company website. These codes of conduct serve to standardize ethical behavior throughout the company that all employees engaged in commercial acts shall not, directly or indirectly, offer, promise, request, or receive any improper benefit, or engage in acts of bad faith, breach of trust or fiduciary duty, or any other illegal conduct. Any violation of these codes will result in the offender being punishable under the Law and liable for compensation for damages incurred. In addition, it is clearly stated in the Rules of Procedure for Board of Directors Meetings that all directors are bound to circumvent the interest. The Board of Directors are also bound to fulfill their obligations in good faith and to ensure the implementation of the business best-practice principle. There was no corruption incident occurred in 2015.

Provisions have been made to protect the identity of whistle-blowers or informers and for the full confidentiality of all such events. Any violations of ethical management must be reported to a company supervisor, the internal auditor, or other appropriate authority. A “Complaints Email Box” has been set up on the company website supervisor@oucc.com.tw and will be dealt with by designated personnel.

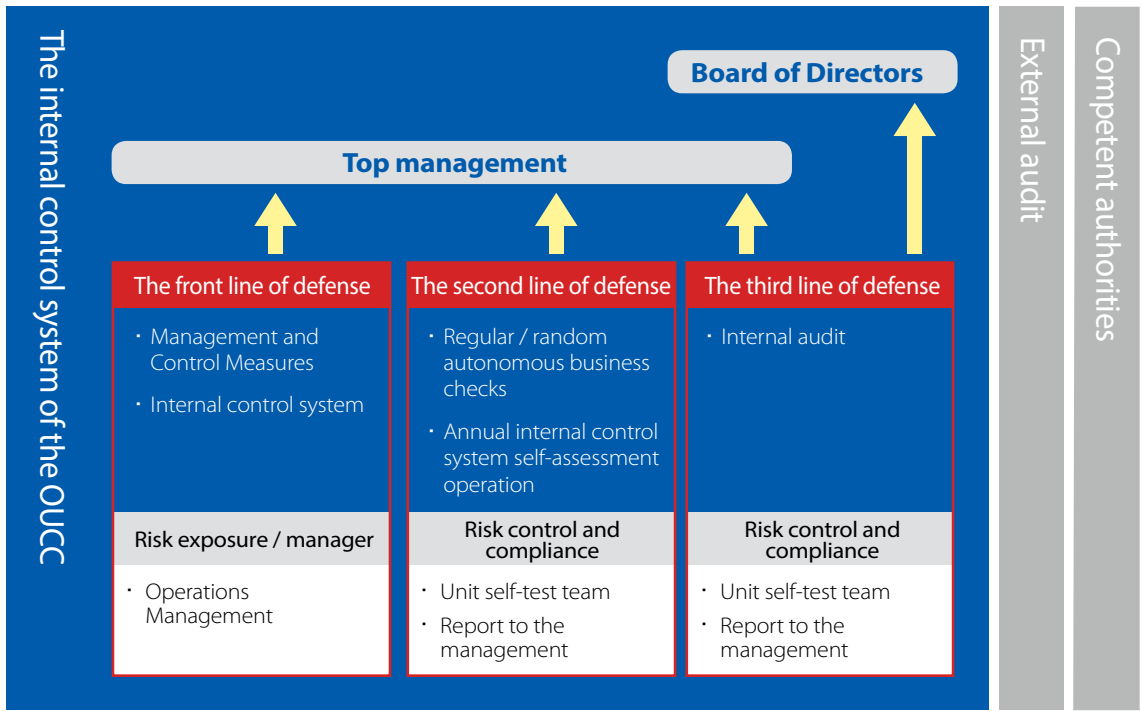
A Sound Internal Control System

Approved by the Board of Directors, the internal control system of the OUCC is to be implemented by the Board, the management, and other employees and is designed to provide sound management and secure the following objectives:

- 1. To ensure the effectiveness and efficiency of all operations.
- 2. That reports should be reliable, timely, transparent and in compliance with all the relevant specifications.
- 3. That all operations comply with the applicable laws and regulations.

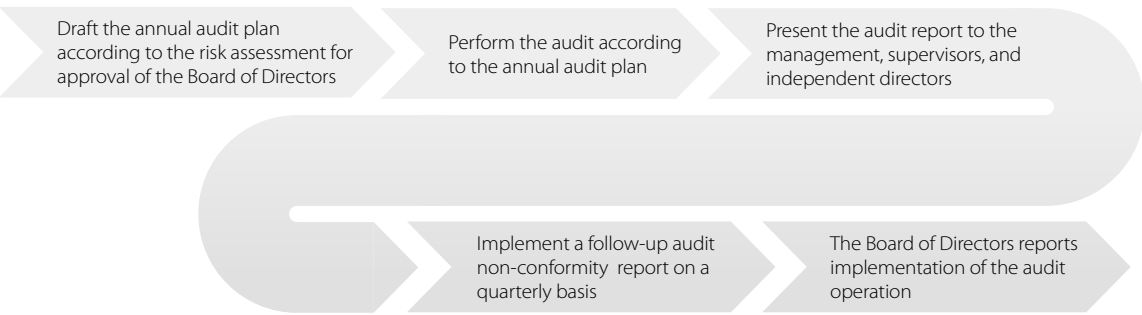
The OUCC has an independent Audit Department that is directly responsible to the Board of Directors. The chief auditor, in addition to regular audit reports to the supervisors, attends Board meetings to present audits and discuss auditing matters. Audits are carried out to assist the board of directors and management to check and review the internal control system, uncover any nonconformities, and also to measure the effectiveness and efficiency of operations. Regular reviews are made and recommendations for improvements are made in a timely manner to ensure the effective implementation of the internal control system.

In addition to the internal audits, all departments carry out regular as well as random self-audits of operations management from time to time. The internal auditor then reviews the results of the autonomous audits of the different departments to ensure the effectiveness of the internal control system.

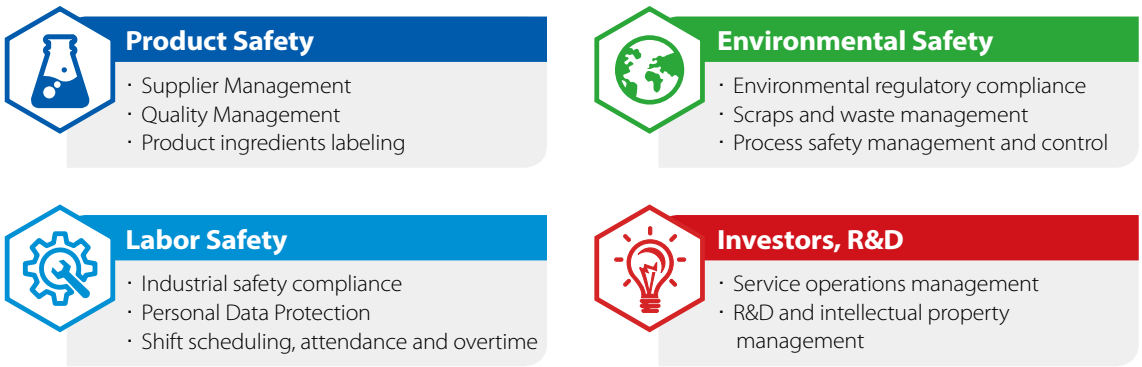


Internal Audit

The internal audit department of OUCC is mainly concerned with the inspection and review of the internal control system, performance of the annual audit plans according to risk assessment, the implementation of audits and preparation of audit reports and follow-up reports, audit reports to the Board of Directors, the review of the self-assessment reports from each business unit, as well as cooperation in occasional or special project audits.



OUCC places great value on corporate social responsibility, on internal control, and on internal audit related issues. To ensure that the business operation and information disclosure meets the expectation of the stakeholders, we included details of inspection of product safety, environmental safety, labor safety, investors, and research and development operations in the 2015 audit plan.



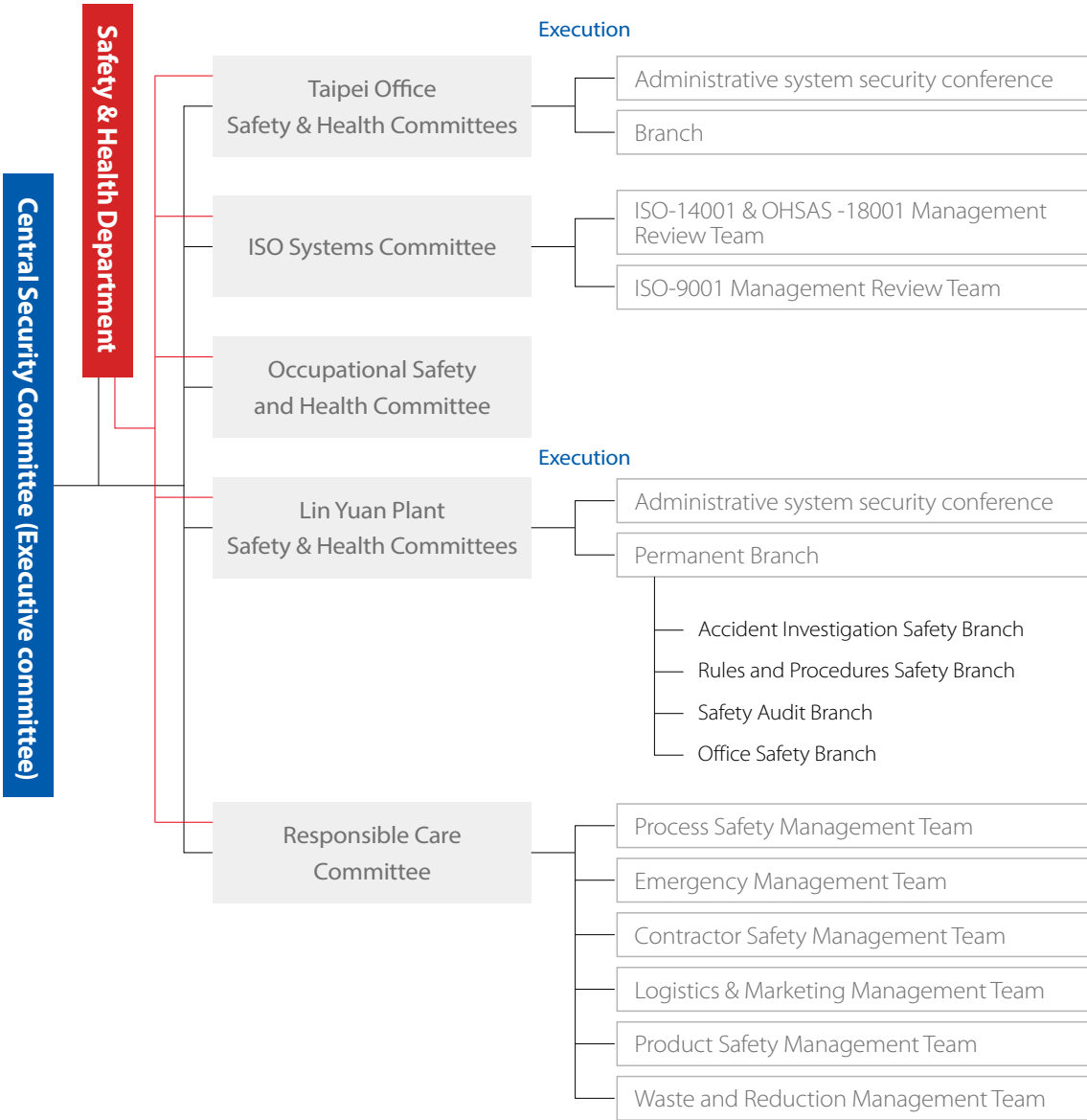
In addition to scheduled auditing, the audit department submits the following internal audit reports to the competent authorities regularly every year as follows:

- 1. The next annual audit plan before the end of each fiscal year.
- 2. The internal audit staff list before the end of January every year.
- 3. The implementation of the last annual audit plan within two months after the end of the current fiscal year.
- 4. The internal control system statement within three months after the end of the current fiscal year.
- 5. Details of all nonconformity and corrective action taken for the last annual internal control system within five months after the end of the current fiscal year.

STABILITY AND RELIABILITY

Risk management is a vital component of sound operation of the OUCC. To ensure a balance between business operation and risk management, we have established a sound management and organizational system. Responsive measures can be taken for all business operation risks starting from the management level to ensure business stability and reliability.

Risk Management Organization Chart



Enterprise Operational Risk

Ensuring stable operation and planning comprehensive risk response measures are the main OUCC approach to business operation risk. In addition to overall management planning for risk and setting up the general responsive strategies and procedures, individual units will also make their own appropriate plans for encounter of operation-related risk. Such precautionary planning will ensure the impact of an untoward event on company operation will be minimized through regular testing and drills.

1. Asset risk response measures: Asset risk can be shifted and reduced by the acquisition of insurance.

(1) Property risk assessment

External professional loss-prevention insurance company personnel are invited to make annual visits to the plant to work with the plant manufacturing and environmental safety personnel to jointly assess the categories of property risk and uncover potentially dangerous situations. Corrective action for any controllable risks can be adopted in advance while loss-prevention technology be introduced to prevent the occurrence of dangerous situations.

(2) Insurance planning

The transfer of unavoidable risk and force majeure by the acquisition of the necessary insurance in proportion to an assessment of the degree of risk. To formulate insurance strategy and insurance terms and conditions the company can buy a blanket insurance policy for all property at replacement cost. This includes business operation interruption insurance and comprehensive engineering insurance.

2. Accounts receivable risk responsive measures:

In order to control an appropriate amount of working capital and minimize the occurrence of property damage, the OUCC has established a Credit Committee chaired by the President. Members are elected from Administration, Sales, Finance and the Auditing departments. The Committee Members regularly review and assess customer credit status and the credit lines granted. Customer's sales credit as well as accounts receivables are examined regularly. To reach the annual management objective of "Zero Bad Debt," the overdue receivables are reviewed monthly.

3. Interest rate risk response:

To reduce the risks arising from changes in interest rates, in addition to adjusting the interest rate structure for short-term operation, OUCC has tried to minimize the impact of future economic changes that might cause a rise in interest rate, and the consequent increase in cost, by having the mid-term and long-term interest rate locked by using fixed interest rate financing instruments. We will continue to observe the changes in interest rates and engage in short-term and long-term financial planning to reduce overall capital cost.

4. Exchange rate risk response:

We have initiated natural hedging in accordance with the assets and liabilities in foreign currency arising from our import and export business, and those of our merged companies, to control OUCC foreign exchange valuation profit and loss at a reasonable level.



Climate Change Risk Management

To ease the danger from natural disasters caused by the extreme weather resulting from climate change, or other causes (force majeure) in the plant area, the OUCC has planned various insurance programs to reduce loss to natural disasters. In addition to an alleviation of risk by the acquisition of insurance, OUCC invested NT\$460 million in the construction of a new CO₂ plant and ethylene recovery system in 2015 to reduce greenhouse gas emission, which will significantly reduce the effect our operations have on the environment.

1. Earthquake Insurance:

Earthquake insurance has been added to the property insurance policy with claims limited to 23% of the total insured amount. According to a seismic risk hazard assessment report prepared by the Fubon Property and Casualty Insurance Company, this insurance is sufficient to cover an earthquake with a regression of more than 2,500 years and will minimize losses to the OUCC from earthquake damage. In addition, OUCC seriously implement equipment maintenance management system to ensure shock-proof design can play the effect of the original planning.

2. Typhoon Flood Insurance:

The insurance coverage for typhoon floods is limited to 1/3~1/2 of earthquake coverage and an insurance claim is limited to 10% of the total insured amount. According to Fubon Property and Casualty Insurance evaluation based on Taiwan University model, the flood height reappeared of Lin Yuan Plant in 100 years would be less than 50 cm. Thus, based on our estimation, in the event of a typhoon flood there should generally be no significant loss if the machines are turned off normally. The important equipment inside the plant was been raised after the "August 8th flood incident" to ease loss and damage from flooding.



Information Security Risk Management

The OUCC has built a remote backup service to control the information security risk. In the Lin Yuan Plant, the IT hub and backup system are located in different buildings and several safety measures have been adopted for control and security:

1. Built up the Cloud Data Center at the Kaohsiung Lin Yuan Plant

The data center contains ERP, applied system, and other important systems and databases and the following efficacy have been proved after some years of application and validation:

- (1) The self-erected cloud database has allowed safer internal data access and reduced the vulnerability of a leased cloud environment to a hacking attack.
- (2) With high flexibility, cloud storage space can be divided and assigned to different types of applied servers by which means the problem of waste of storage space of the old-type has been solved.

2. Two 8MB MPLS VPN Data Lines Set up between Taipei Office and Lin Yuan Plant

Their main use is for video conference and data transmission. In addition to lower cost when compared to a point-to-point line, the use of ISP transmission encryption and decryption technology makes data transmission much safer. The two lines are used together using an ISP full backup facility to achieve an uninterrupted connection. In addition, the line has dynamic bandwidth control (QOS) that provides a bandwidth of 4M that guarantees the quality of video transmission. Data transmission can be up to 16M.



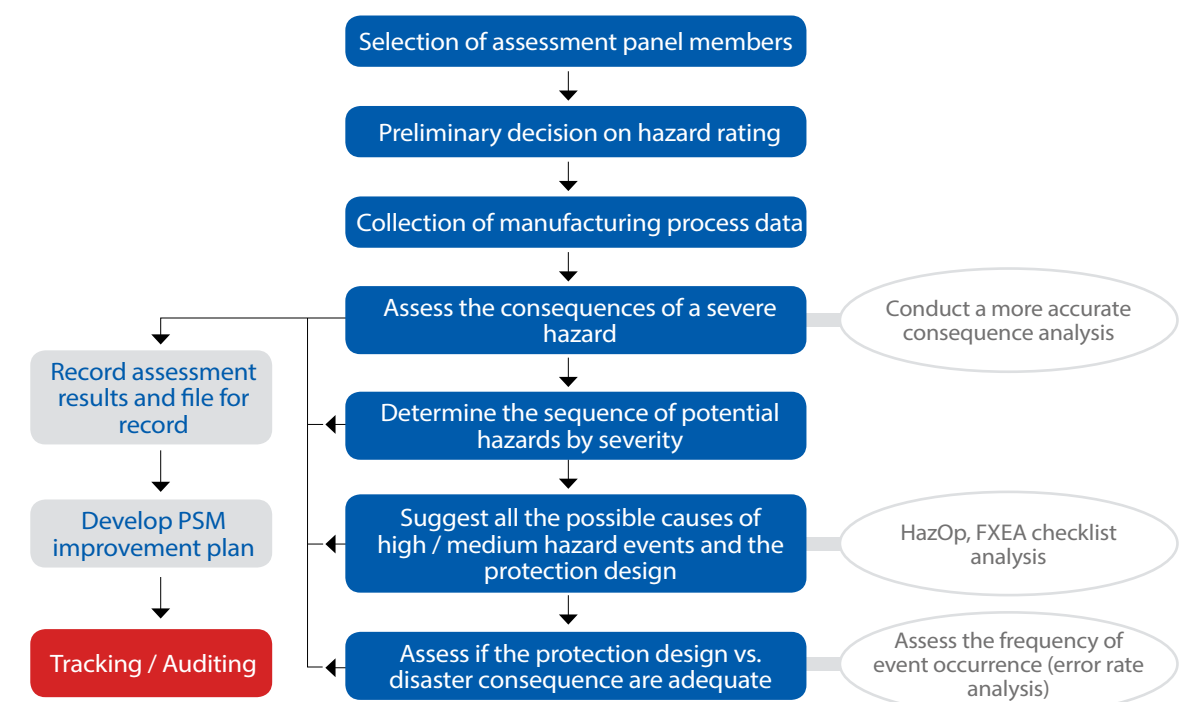
Manufacturing Process Hazard Risk Management

The OUCC regards "hazard control" as the most critical of all safety management measures. We believe that only the most stringent hazard control can actually reduce the risk of workplace accidents, possible personnel casualties, occupational injury and significant property loss. The OUCC has carried out manufacturing process hazard and operability (HazOp) analysis on the more hazardous processes associated with higher risk. A hazard prevention model has been constructed as well as a risk management process that reduce the probability of industrial accidents.

HazOp is a well known analytical technique frequently used by labor inspection units. The OUCC has executed HazOp analysis for all new installations as well as for the existing ones and an assessment is carried out at least once every five years. The personnel with manufacturing process safety assessment certificates or licenses complete a further training course every three years.

Moreover, The OUCC has also introduced Layer of Protection Analysis (LOPA) technique in the newly established EOD plant in 2010. High-impact events from the HazOp analysis of the EOD plant were selected for LOPA analysis. The security protection layer was strengthened to achieve the expected degree of risk management. A LOPA analysis of the existing processes (EG/EA/EC) was also completed.

Manufacturing Hazard Analysis Process

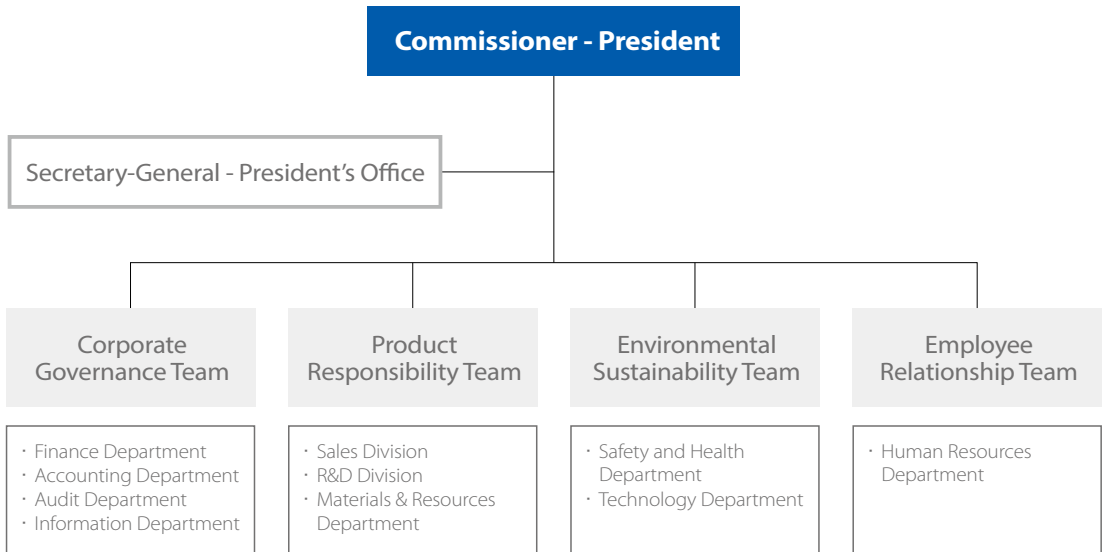


CORPORATE RESPONSIBILITY

CSR management was initiated in 2014 and at the same time a CSR Committee was established. The President was appointed as the Commissioner responsible for final decision making, action plan review, and approval of the final reports.

The head of each department, Assistant Vice-President or Senior Manager, is appointed to the CSR Committee. Top management is responsible for the operation of the committee and formulation of CSR relevant policies, action plans, and cross-departmental coordination. In principle, the CSR Committee holds regular meetings as well as extraordinary meetings for any specific CSR issue that might need an immediate response. All the management processes, results of assessments and general CSR information is communicated to stakeholders through the company CSR website.

Oriental Union Chemical Corporation CSR Committee Organizational Structure



The CSR discussions at the OUCC are initiated by the CSR committee. The considerations and issues in the CSR report are judged in accordance with the management of each department, correspondence with the stakeholders, and the needs proposed by them. Also, to ensure an objective and representative judgment, a CSR Committee meeting is held to discuss and confirm the issues according to the first judgment delivered. These steps ensure that all the issues related to sustainable development will be properly disclosed in the CSR Report.







We use the six principles of the AA 1000 SES “Stakeholder Engagement Standard (SES)” (V.2011) to identify the OUCC stakeholders in accordance with responsibility, influence, familiarity, dependency, status, and policy implications and they include employees, suppliers, corporate customers, shareholders and investors, the government, and the competent authorities.

Diversified Stakeholder Communication

We value the suggestions of our stakeholders which provide strength for progress and help us meet the needs of our corporate customers for product safety and quality. We provide a number of communication channels for employees, investors, suppliers, and the community to easily voice their opinion and receive the response.

The OUCC believes that sustainable action can only be included in corporate business management through an understanding of the needs of stakeholders and by transparent disclosure of the issues of concern in a way that fulfills CSR commitments.

OUCC Stakeholder Communication Channels

Stakeholders	The main communication channel and frequency	Concerned issues
 Investor (shareholder)	1. One shareholders meeting and one investor conference were convened in 2015. 2. Spokesman hot line and mailbox. 3. The company website discloses financial services and corporate governance information. 4. The CSR website and report (annual). 5. MOPS 6. Occasional participation in the investor forum.	• Corporate governance • Industrial competition • Business development and performance • Risk management • Dividend policy
 Employees	1. Employee Welfare Committee 2. Set to convene quarterly labor-employer meetings. 3. Quarterly Occupational Health & Safety Committee	• Occupational health and safety • Labor salary and benefit • Education and training • Freedom of assembly and negotiation
 Corporate customers	1. Annual, customer Satisfaction Survey 2. Through e-mail and occasional distribution meeting. 3. Customer visits (occasional). 4. The company website (occasional). 5. The CSR website and report (annual).	• The impact of products and services on the environment • Greenhouse gas emissions • Customer privacy • Occupational health and safety • Environmental regulations compliance • Anti-corruption
 Supplier / contractor	1. Supplier periodical evaluation (annual). 2. The CSR website and report (annual).	• Raw material • Energy management • Water resources management • Supplier environmental assessment • Supplier social impact assessment
 Local community	1. Charity donations (occasional). 2. Event sponsorship (occasional). 3. Telephone contact (occasional). 4. The CSR website and report (annual).	• Wastewater discharge and waste • Air pollution emission • Environmental regulations compliance • Impact of transportation on the environment • Local charitable events
 Government agency / Non-government agency	1. Periodic reports at the request of government agencies (occasional). 2. Periodic regulatory audit (occasional). 3. Academic research cooperation (occasional). 4. Social participation (related Union / Association (occasional). 5. The CSR website and report (annual).	• Product and service compliance • Compliance with Local regulations

The 2015 G4 major consideration and organization boundary

Note: The OUCC is the main entity within the organization and those outside the organization include local communities, suppliers, storage and transportation companies, and corporate customers. ● Indicates importance or point of impact

Economy category	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Economic Performance		●		●	●
Market image		●			

Environment category	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Material		●		●	●
Energy Consumption		●		●	●
Water Resource Management		●		●	
Air Pollution Emission		●	●	●	●
Effluents and Waste		●	●	●	●
Product & Service Environmental Impact		●			
Environmental Regulations Compliance		●	●	●	●
Impact of transportation on the environment		●	●		●
Overall Environmental Expenditure		●	●		
Supplier Environmental Assessment		●		●	●
Environmental Grievance Mechanisms		●	●		

Labor category	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Labor Employment		●			
Labor Relations		●			
Occupational Health and Safety		●		●	●
Training and Education		●			●
Diversity and Equal Opportunity		●			

Community category	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Local Community		●	●		
Anti-corruption		●		●	
Organization Operation Compliance		●			●

Human rights category	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Freedom of Association & Collective Agreement		●			

Product responsibility	Boundary				
	Scope	The OUCC	Local community	Supplier	Storage & transportation company
Customer Health & Safety		●		●	●
Product & Service Labeling		●		●	

Material Issues of the OUCC in 2015



Note: Indicators of major consideration disclosed in the CSR Report.

SUSTAINABLE RISKS AND CHALLENGES OF THE CHEMICAL INDUSTRY

The OUCC fully understand the challenges faced by the chemical industry for the attainment of sustainable development, especially after the Kaohsiung gas explosion incident in 2014 that has had an indelible affect on stakeholder perception of the petrochemical industry. According to statistics of 2016 Annual Report of Petrochemical Industry Association of Taiwan, the 2015 product value of petrochemical related industries in Taiwan, amounting NT\$3.415 trillion, accounts for 26.6% of the total product value of the manufacturing. It is also one of the most important sources of raw materials essential for consumer goods.

Therefore, the OUCC takes practical action in response to the risks and challenges faced by chemical industry as well as to changes in the external environment. We are committed to communicating and working with stakeholders to build and promote sustainable development for both society and industry.

The OUCC has established policies and standards to cope with the key issues of sustainable development faced by the chemical industry, these include: quality and safety, chemicals delivery, environmental health and safety, emergency response, and climate change. This has been done through staff education and training, with regular drills, that minimize the risks and uncertainties of each issue.

The OUCC understands that the way to sustainable development is long and tough and needs real persistence. The CSR Report will include exact details of every risk that requires strict management in addition to normal internal control.





Quality and Safety

The OUCC has developed and implemented an effective quality management system that undergoes regular improvement. Raw material and product quality both have been upgraded in compliance with local and international standards, in order to maintain the trust of our customers.

Furthermore, highly efficient catalysts are used to enhance the effectiveness of factory production and raw material utilization. The CO₂ emitted in the production of ethylene oxide in the ethylene glycol plant is used as raw material in the ethylene carbonate plant. This reduces greenhouse gas emission and minimizes the effect on the environment.

Challenge

The “quality and safety” issue has been a challenge to the OUCC because our product manufacturing processes involve hazardous and environmental factors. The production technology requirements and specifications, the laws and regulations in force, as well as customer requests present major challenges to both quality and safety. We continue to improve product quality and process safety using all the available strategies and means at our disposal.

Disclosure on Management Approach (DMA)

The OUCC received an SGS ISO-9001 certificate on July 29, 2002. Customers receive products that meet all regulatory requirements according to international standards through a thoroughly systematic operation. There has been no major failure of quality so far and the certification is valid. In response to EU RoHS directives, all material, formulations, and manufacturing processes have been tested individually to confirm the claim that they are all lead and cadmium free.



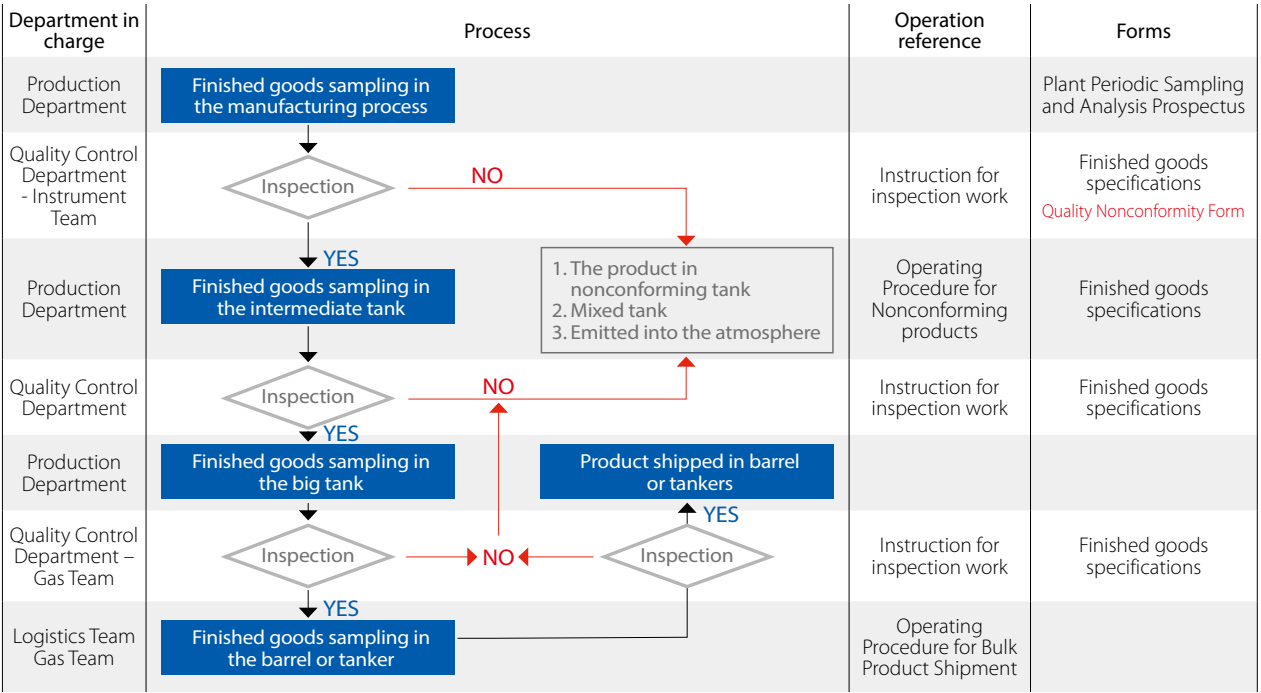
Practices and Results

The OUCC implemented the ISO-9001 quality management system in 2002 and adheres strictly to all its requirements. The entire quality management system follows the corporate spirit of the Far Eastern Group’s “future challenge, dedication and innovation, perspective operation.” The company is absolutely committed to the expansion of sustainable development and the quality and specifications of all the products fully meet international standards and the needs of the customers.

We have deliberately set the product realization process, including raw materials management, incoming inspection, process and production control, product protection, process chain management, product identification and traceability, periodic sampling, field monitoring recording and storage, and statistical technique to ensure that product quality remains in line with customer demand and all the laws and regulations.

A customer satisfaction survey is carried out every year to validate product conformity, to ensure compliance of the quality management system, and to improve its effectiveness. All customer complaints, information or suggestions are taken into account when the performance of the quality management system is measured. An internal audit is carried out every six months and an annual external SGS audit is conducted to ensure effective implementation and maintenance of the quality management system. Corrective action is taken for any nonconformity found during an audit and the root cause is also corrected or eliminated.

All company products are inspected in accordance with the Operating Procedures for Finished Goods Inspection and only those products in complete conformity with the specifications and regulations may be released by the responsible personnel.



Note: “Emissions into the atmosphere” refers to Company gas plant products - nitrogen, oxygen, and argon. These are non-toxic and are emitted directly into the atmosphere in the event of failure of the finished product inspection. Also, gas is not pumped into the storage tank until it passes analysis. Any gas in a storage tank that fails analysis will also be emitted into the atmosphere. However this has never happened.

Low Residual Toxic Substances (Ethylene Oxide & 1,4-Dioxane)

A critical quality control point has been set for each stage of the manufacturing process to reduce the presence of toxic substances in products, for example, the ethylene oxide residue in EOD product is controlled during manufacture and will be less than 1ppm in the final product and 1,4-Dioxane will be less than 5ppm.

As for product safety, lauryl alcohol polyvinyl ether for example is certified by SGS-Taiwan, and can be used safely by the consumer without causing skin sensitivity. The Safety Data Sheets (SDS) of every OUCC product is available to the public on the company website and this includes complete chemical property and toxicity data.

Reducing Harm of Product and Residual Materials

The OUCC fatty alcohol ethoxylates are primarily used as nonionic surfactants and main active ingredient of liquid hand soap, laundry detergents, shower gels, laundry powders, general detergents, and metal cleaning agents. The product specifications are strictly controlled and ethylene oxide residue (affecting human health) ≤ 1ppm, and 1,4-dioxane (side effects) content ≤ 5ppm.

The liquid CO₂ from OUCC only affects health due to impurities in the form of hydrocarbons. The CO₂ factory specification is Methane ≤ 20ppm, total hydrocarbons ≤ 50ppm, and purity ≥ 99.95%. Medical oxygen release criteria are based on the US Pharmacopeia (USP) specifications: Carbon monoxide ≤ 10ppm, carbon dioxide ≤ 300ppm, and purity ≥ 99.0%, odorless and tasteless.

Medical Oxygen GMP

The OUCC medical oxygen (as liquid) received the Executive Yuan Department of Health Pharmaceutical Good Manufacturing Certificate in February 2013. OUCC medical oxygen with the US Pharmacopeia (USP 35) manufacturing specifications is fully compliant with the pharmaceutical manufacturing plant standard Chapter 3 Good Manufacturing Practice and GMP standards of the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S).



Recycling and Reuse

In addition to product quality, the OUCC is also committed to waste recycling and reduction, which contributes not only to the cost down of waste disposal as well as lesser consumption of raw material but to the environmental protection, creating eventually a win-win situation for the industry.

Thermal Kerosene Recycling

Used thermal kerosene is outsourced by OUCC for recovery and refining after which it is returned for reuse at the plant.

Year	Unit	2013	2014	2015
Amount recovered	kg	40,960	37,189	27,544
Amount reused	kg	35,162	31,800	24,000
Recycling percentage	%	85.8	85.5	87.1



Chemical Transportation Safety

Chemical transport can be divided into inland transport and marine transport. Inland transport can be further divided into pipeline transport, railroad transport, and road transport. As densely populated as Taiwan and with no roads especially designated for chemicals transport, most chemicals are transported on public roads resulting in close interaction with the public. Therefore, road accidents involving vehicles transporting chemicals may often present an immediate threat to the lives and property of people in proximity and also cause substantial loss to an enterprise and the society.

Challenge

Road delivery of chemical products via tanker is outsourced to transport providers under contract with OUCC. The petrochemical products carried in tankers may be hazardous under the likely risk of explosion, fire, oxidation, toxicity or corrosion. A road accident can cause a tanker to overturn and leak the contents from a damaged tank, which in many cases is sudden and highly dangerous, threatening the driver and crew of the tanker, other road users, nearby residents and their property but also the rescue personnel, in addition to serious jeopardy to the environment. Such an accident can have grave consequences and involve huge social cost. The root cause of the leakage of hazardous substances includes human error, vehicle failure, faulty storage facilities, bad road conditions, natural disasters and the environment.

Risk factors	Possible incidents
Human error	<ol style="list-style-type: none"> 1. The inlet valve is not closed properly after a tank has been filled. 2. The tanker driver fails to fully comply with traffic rules, for example: speeding, sleep deprivation, drunk driving, running red lights, keeping no safe driving distance, etc. 3. Other road users fail to follow traffic rules and collide with the chemical tanker, or cause the tanker driver to veer and lose control.
Vehicle failure	<ol style="list-style-type: none"> 1. Vehicle mechanical failure: brakes, steering tire blowouts or punctures, structural failure. 2. Transport tank not correctly coupled with the vehicle or the coupling device has been damaged.
Storage facilities	<ol style="list-style-type: none"> 1. The tank has been used for too long and may be corroded or be defective in other ways. 2. The chemical load is incompatible with the tank material. 3. The internal pressure is too high for tolerance of the tank. 4. Leaking valves or leaks from pipeline accessories or other parts.
Road and environment	<ol style="list-style-type: none"> 1. Poor geometric road design: too sharp curves, steep hills, obstructed view of the road, etc. 2. Unclear and insufficient traffic direction and warning signs. 3. Poor road conditions and obstructions.

Disclosure on Management Approach

(DMA)

To ensure the safety of tanker transport, the OUCC transport contract signed with the outsourced transport provider has very strict specifications and conditions. The tankers used on public road must comply with all the national laws and regulations. The potential harm from overturned tankers and the various hazards that may be the root causes of such accidents must be analyzed to review and improve the management system that is essential for transport safety. Furthermore, all the transport companies contracted by the OUCC must have all the aforementioned risks included in their emergency response procedures.

The main OUCC response to chemical transport problems include strengthening hardware inspections, enhancing the proficiency of the operators, and improving emergency response capability. In addition to establishing a security mechanism for outsourced transport companies by strict regulation and audits, information should be gathered for case studies. Information about chemical transport should be sent to drivers and dispatchers and they should undergo periodic education and training. Drills should also be held to enhance their response to a crisis.

Practices and Results

The outsourced gas tankers are all tested by a national certification institution. Three of the six (6) current tanker forwarders used by OUCC have ISO 14001 certification, a 50% pass rate, accounting for 67.6% of freight delivery. Five of these have OHSAS 18001 certification, an 83.3% pass rate, accounting for 91.7% of freight delivery.

To strengthen transportation security, specifications for road safety compliance inspection of the vehicles used by the transport providers is included in the contract, and covers entrance, the transport process, and audits within the scope of labor inspection. We ensure product transportation quality and safety by strengthening the training for handling chemical products and for actions to be taken in response to an emergency.





The management mechanism for the production and delivery process of raw materials, substances, and finished goods:

The delivery route taken by tankers transporting hazardous materials is regulated in accordance with Article 84 of the Rules on Road Traffic Safety. All forwarders were officially informed by the factory that the “Rules Governing Safety and Health for Hazardous Goods Delivery” and “Transportation Violation Penalty Standards” are included in the contract and strict compliance is required.








Road audits include occasional inspection and GPS satellite positioning. These audits include occasional random inspections and vehicles can be followed to record the driver’s behavior on the road, the driving speed, and unloading operations. GPS satellite positioning audits can be used to determine the vehicles position and to check if the driving speed and the idle time on the road have been reasonable, and the choice of route or zone been normal.



Regular Transportation Meeting:

To ensure the effective management of transportation safety and to discuss safety issues with transportation providers, OUCC held meetings with different transportation providers in 2015, including one meeting with tanker transportation companies, two meetings with gas tanker transportation companies and one with container and truck transportation companies. The subjects included: transportation distribution principles, driver training, factory entry and exit procedures, vehicle dispatch ratio (vehicle dispatch rights), follow-up on nonconformity reviews, transportation mode coordination, controversial issues, policies and safety information propagation and response to vendor issues.

Process	Requirements description
 Specification	<div>1. Contract: Supplier conduct is regulated by clauses in the transport contracts.</div> <div>2. The hazardous products road transport prospectus and material safety data sheets must be submitted to the local motor vehicle supervision office for the issue of a temporary permit that must be on board with the driver before loading and shipping. The driver must drive on the scheduled transportation routes at the stipulated times.</div> <div>3. Vehicle hardware requirements: No retreaded tires (except for the onboard trolley) are allowed. Each tanker should have at least two functional (speed and image) event data recorders as well as GPS so the tanker can be located from any computer using a browser.</div> <div>4. Driver requirements: The driver must have dangerous goods transport license, high-pressure gas operating license, high-pressure container operating license, and driver’s license. He must also have an annual physical checkup document. A driver with heart disease or hypertension is prohibited from driving chemical tankers.</div>
 Plant access	Each transport vehicle entering and leaving the factory will be required to have a visual checkup. Drivers are requested to do voluntary inspections and OUCC staff review accordingly. The loaded vehicles must be checked the same way.
 In transit	Each transport route must be confirmed by the motor vehicle supervision office. The driver must drive on the scheduled route set down in the temporary road permit and the journey will be confirmed by GPS recording.
 Emergency response mechanism	Each transport company is required to provide an emergency response prospectus. A transport company is selected from one type of transport service for an emergency drill and the fire brigade is invited to participate. Two or more other transport companies are chosen from each type of transport service to participate in further drills.
 Audit	A transport contract is valid for one year. Drivers should receive refresher training once every six months. The transport company receives an onsite audit that is part of the vendor audit.

Supplier admission control mechanism:

1. Forwarders are requested to comply with the signed admission management document that is included in the contract annexure:

(1) Contractors shall comply with the “Oriental Union Chemical Corporation Operation Safety Code” commitments.

(2) Tanker driver compliance matters;

(3) Tanker operational safety management handbook;
2. Implement personnel, vehicles, cargos, and permit system, ID card control system and tanker weighing system to strictly control the admission of drivers, vehicles and their cargo.

Tanker Transportation Safety Management Mechanism:

Ten freight forwarders were contracted by OUCC in 2015, of these, seven were for tanker transportation and included three gas tankers, three liquid nitrogen tankers, and one EOD tanker. These accounted for 70% of the total transportation service.

1. Ensure that forwarders comply with and sign the safety management mechanism related document that is included as a contract annexure.

(1) Tanker driver compliance: The environmental health and operation safety matters to be complied with under the supervision of OUCC and the disciplinary action to be taken when necessary.

(2) Tanker operation safety management handbook: The tanks and trucks of the forwarders (including the shipment dispatched outside the plant) are all obliged to be in compliance with the requirements of management.

(3) Tanker emergency evacuation plan: To avoid the transportation operation being interrupted by a typhoon. If the Linyuan area should be flooded and roads become impassable, this will ensure the safety of gas tankers and the normal dispatch operation of gas delivery.

(4) Tank (truck) autonomous vehicle checklist: Prepare the safety checklist for the truck driver to check and confirm safety in advance before a double check is carried out by the OUCC loading personnel.

(5) Trailer truck connection and disconnection point checklist: Tank driver shall check and confirm the trailer truck connection and disconnection operation before a double check is carried out by OUCC personnel.
2. Any transportation emergency or nonconformity must be reported and handled in accordance with the “Transportation Incident Emergency Response Operation” and an incident report must be issued within three days after the incident.



Environmental Safety and Health

The OUCC is committed to the provision of a safe and healthy working environment and have made “zero accident, zero injury, and zero pollution” our goal. We have also complied with and introduced the relevant international SHE standards and regularly review the implementation of environmental health and safety to achieve protection of the global environment and the safety and health of our employees. It is our mission to create the best possible relationship with our employees, suppliers, contractors, customers, shareholders, and the community, and together we may achieve the vision of sustainable development.

The OUCC supports “responsible” industrial development and improvement in collaboration with the Taiwan Responsible Care Association (TRCA). We are committed to the pursuit of balanced industrial safety, health, and environmental protection in accordance with the purpose of the TRCA.



The OUCC employees have achieved the goal of environmental protection with “Safety and Health, clean production, continuing improvement, and full participation.” Our industrial safety challenge is about how to build a “factory environment safer than home” and help all employees and suppliers understand, cooperate, and ensure the overall process and operation safety. We are therefore committed to ensure the health and safety of all personnel at the plant by carrying out all standard operations strictly according to SOP to the smallest detail.



(DMA)

The environmental safety and health policies are carried out in every part of the plant to make sure production runs smoothly. Well-developed industrial safety and environmental protection measures are implemented and there are personnel responsible for air, water and toxic pollution, and waste, etc. They plan, develop, supervise and promote environmental health and safety management. They are also responsible for equipment inspections and the guidance of implementation in other departments as well as equipment inspections related proceeding.

Dedicated Environmental Protection Personnel



1. Air pollution staff: Three Class A dedicated personnel.
2. Water pollution staff: Two Class A and two Class B dedicated personnel.
3. Toxic chemicals staff: Four Class A trained and qualified personnel.
4. Waste staff: One Class A trained and qualified personnel in waste management.

The OUCC has an Occupational Health and Safety Committee where the labor representatives account for 42% of the members. The OUCC has received ISO-14001 environmental management as well as OHSAS-18001 occupational health and safety management system certifications which ensure standard control and compliance. HAZOP was carried out for each plant before construction began and the procedure for the management of change (MOC) is mandatory and must be carried out in advance to ensure safety remains intact after any changes related to process equipment, chemicals, technology, security and operation have been made.

Labor Safety & Health Committee	Unit	2013	2014	2015
The management of Labor Safety & Health Committee	Remark	Plant Manager	Plant Manager	Plant Manager
Total number of members of Labor Safety & Health Committee	Persons	12	12	13
Number of labor representative	Persons	5	5	6
Percentage of labor representatives	%	42	42	46

The environmental health and safety risks assessment for employees is carried out in accordance with “ISO 14001:2004 4.3.1 environmental considerations” and “OHSAS 18001:2007 4.3.1 hazard identification, risk assessment and determine control method.”

The Kaohsiung Lin Yuan Plant was awarded the 2015 Union Defense Operation and Management of Toxic Chemicals Excellent Award issued by Environmental Protection Administration.

OUCC Safety, Health, and Environmental Principles



1. It is the responsibility of the staff as a whole to ensure a safe, healthy, and environmentally friendly workplace.
2. All injuries and occupational diseases can be avoided.
3. It is the responsibility of supervisors at all levels to train staff to work safely.
4. Employees are the most important company asset, and safety in work is also one of the conditions of employment.
5. Any nonconformity must be corrected as soon as possible.
6. Avoiding injury is a major employee contribution to the company.
7. Audits are necessary.
8. Contractor safety and management is as important as that of the employee.
9. Safety off the premises of the office and plant is also important to the employee.
10. Continue to improve clean production and be a good neighbor in the community.



The OUCC upholds the spirit of self-discipline, has joined the Taiwan Responsible Care Association (TRCA) to promote responsible care and has taken up six standard management guidelines (CODE): process safety, emergency response and safety, distribution safety, contractor safety, waste and reduction management, and product safety management.

OUCC cooperated closely in the environmental monitoring and sampling analysis carried out by the Kaohsiung City Environmental Protection Bureau and the Environmental Protection Administration of the Executive Yuan, ROC (Taiwan), in 2015. The results of the monitoring and sampling of the onsite soil and groundwater were consistent with groundwater pollution monitoring standards. In addition, we cooperated with the Environmental Protection Administration of the Executive Yuan, for the promotion of the petrochemical process hazardous air pollutants reduction action and conducted an RTO-2 exhaust survey and analysis at the Linyuan plant with satisfactory results.

In addition to continued implementation of “ISO-14001 environmental management” we are actively promoting improvement in the effectiveness of the pollution prevention system and control. Eighteen underground monitoring wells have been prepared, as well as flammable gas monitoring stations to ensure environmental pollution prevention. The recycling of carbon dioxide is being done, waste gas incinerators and wastewater plants are being constructed and other environmental engineering projects are under way.

Amending Occupational Safety and Health Management Mechanism Standard Operating Procedures (SOP)

- 1. The “Hazardous Duty Consent Form,” was amended to designate authority and responsibility of the personnel at all levels clearly, according to the danger or hazard of the task, and a third copy of the form is to be held at the on-duty supervisor’s office for control.
- 2. Enact and amend the “Typhoon and Storm Prevention Graded Contingency Plan” to clearly define the activating timing for senior supervisors’ stationing and discharge to be free from the weather impact.
- 3. The “Emergency Response Team Members and Mandate” was enacted and a regular emergency response organization was set up in the plant to strengthen incident response capability.
- 4. A “Pre-Startup Safety Review (PSSR) Procedure” was introduced to prevent operation, maintenance, or the related engineering safety problems when new or amended processes and equipment are just activated or started up.

In addition, the procedures in the preceding paragraph can help ensure that the process security measures have already been implemented, process safety information has been updated, safety devices and chains have been set up, and all the personnel concerned have received appropriate training before starting up and also to ensure that new or modified equipment and processes have been assembled properly according to the design and are safe for production.

Record of Awards from 2014-2015

Date	Contents
2014.01.01	The workplace of this plant has been declared a non-smoking area as a health promotion measure. This establishes a good healthy working environment, and it has received healthy workplace certification in the form of a health promotion mark from the Ministry of Health and Welfare.
2014.04.30	Passed ISO14001 and OHSAS18001 certification again.
2014.08.19	Received the SGS “Environmental Sustainability Award”.
2014.11.21	A commendation was received from the Fengshan District Office of Kaohsiung City for a donation of 500kgs of EG to facilitate spraying operations to help contain a dengue epidemic in the community.
2014.12.24	The Kaohsiung Lin Yuan Plant received a “One Million Accident-Free Working Hours” certificate from the Occupational Safety and Health Administration, Ministry of Labor.
2015.11.06	Actively participated in activities of the toxic chemicals union defense operation organization, and received the toxic chemicals union defense operation outstanding management – Excellence Award from the Environmental Protection Administration of the Executive Yuan, ROC (Taiwan) in 2015.

We believe that “no matter how big the plant, there can be no gray safety area, because a chemical plant without safe production is ineligible for an industry leader.” An “equipment autonomous management and maintenance observation activity” is regularly carried out at the plant to strengthen the stable operation of equipment and to prevent failure and detection of abnormal conditions in a timely way. Units are selected for audit and observation on a monthly basis, and 2~3 special teams do walking management tours of the plant to record any nonfunctioning or nonconforming equipment or environmental problems in the plant and provide recommendations for their improvement.

Response to the Safety Demands of Employees

We held plant safety meetings in 2015 to discuss and devise effective means to implement safety and health proposals made by the employees, including:

- 1. Incentive bonuses for the false alarm incidents: To encourage employees to actively propose the false alarm incident for discussion and early warning to prevent the occurrence of unexpected disasters. We created new bonus categories of NT\$500 and NT\$100 in addition to the original NT\$1,000 and NT\$200.
- 2. Enact the “Hazardous Work Permission (HWP)” check mechanism: In addition to the inspection performed by the person in charge at the workplace, the mid-shift supervisor shall perform a check and correct any deficiency, to prevent accidents during hazardous operation in the plant.

In addition, record of any significant event that occurs during a shift must be passed on to the following shift personnel when exchange to ensure a complete understanding and followup.

Educational Training of 2015

Education and Training Project	Frequency	Hours	The number of participants	Investing amount
Fire safety	Twice a year	6	320 persons each time	Estimated NT\$100,000 each time
Environmental Protection				
Safety and Health				
Outsourced training for licensed occupation safety personnel	Regular	3~6 hr	150 persons a year	Estimated NT\$150,000 a year

Occupational Accident Statistics

Lost Day Rate (LDR)		Unit	2013	2014	2015
Female labor	Work days missed	Day	0	0	0
	Total working hours	Hour	35,904	40,128	69,720
	LDR	%	0	0	0
Male labor	Work days missed	Day	23	0	0
	Total working hours	Hour	598,426	606,423	707,160
	LDR	%	7.69	0	0

Absence Rate (AR)		Unit	2013	2014	2015
Female labor	Total working days	Day	4,488	5,016	8,715
	Days absent	Day	0	0	0
	AR	%	0	0	0
Male labor	Total working days	Day	74,803	75,803	883,015
	Days absent	Day	0	0	0
	AR	%	0	0	0

Injury Rate (IR)		2013	2014	2015
Male labor		0.33	0	0
Female labor		0	0	0

Occupational Disease Rate (ODR)		2013	2014	2015
Male labor		0.33	0	0
Female labor		0	0	0

Injury rate (IR) = (Number of persons disabled or injured / Total working hours) x 200,000

Occupational diseases rate (ODR) = (Number of occupational diseases / Total working hours) x 200,000

Lost day rate (LDR) = (Number of days lost due to illness / Total working hours) x 200,000

Absentee rate (AR) = (Labor absence days / Total working days) x 100%

Total working hours = Number of employees x total working days x working hours per day (8),

or

Total working hours = Actual statistical value in the human resources system

Total working days = Actual number of working days

Total days absent = Actual statistical value in the human resources system

Note: 1. 200,000 factor is used because each 100-employee works 50 weeks a year and 40 hours per week. 2. The OUCC absentee rate calculation is based on the number of absence days.





Health and Safety Promotion Project

We have set “Rules Governing Workplace Health” for the safety and health of employees, visitors, and contractors and to avoid occupational risk and protect all the people in the plant. We also take steps to ensure that all personnel are qualified and competent for their assigned mission both physically and mentally. The OUCC Safety & Health Department has defined and implemented an operational environment test routine for the review, confirmation and control of occupational hazards.

We comply with the “Labor Health Protection Rules” in the implementation of general physical examination and health checkup for all plant employees. The Chungho Memorial Hospital of the Kaohsiung Medical University has been appointed by the Ministry of Labor and Department of Health as the medical institution responsible for the care of OUCC plant staff. A “Labor Health Checkup Handbook” is issued to all employees and their Safety and Health Department physical checkup records are kept for 10 years.

The hospital will inform the OUCC organizer and the employee of any abnormal findings before a written report is issued. They will assist the employee with further medical review, advice and treatment until recovery. Other relevant health and safety prevention measures include:



Healthcare measures

1. A medical kit is located at the worksite in the plant and it is checked and replenished at frequent intervals. There are also two resuscitators available to strengthen emergency rescue capacity and two automated external defibrillator (AED) are installed in 2015.
2. There is a full-time physician and a nurse stationed in the plant to provide employees with healthcare and counseling
3. Invited AED manufacturers to hold different time-frames course for four times according to the factory shifts. Total participants are 340 people.

Health checkup

1. One annual checkup and a re-check are arranged for every employee.
2. One annual checkup and one senior management health checkup every two years are arranged for managers and supervisors.
3. A counseling follow-up service is provided.
4. Health checkup report is provided with the checkup items described and health education is also provided.
5. A 4-cancer screening (National Health Bureau) is coordinated with the health checkup.

Health counseling & assistance

1. Assist employees and their families to get treatment and registration service.
2. Provide individual counseling service and suggest that employees avoid work in certain fields.
3. Regarding the occupational risk, assess potential risks, but there is no high-risk occupational disease detected.
4. Quarterly urine drug testing.

Health education advocacy

1. Arrange health education advocacy at any time depending on the epidemic situation (please refer to the CDC & government health units).
2. Invite lecturers to speak about safety and health education at the plant.
3. Work with local health units to arrange health courses and advocate and support the policies of the government.
4. Advocate safety on a daily basis.
5. An alert announcement would be made when the PM2.5 measured by the Environmental Protection Agency is high to remind employees to wear mask outdoors and reduce strenuous outdoor activities.

Health promotion activities

Invite senior teacher from Meiho University to hold four times of educational training courses of “prevention of three-hypers and cancers”, “healthy aging”, and “happiness upon the switch of thoughts” in the first and second half year of 2015. The total participants of first half year courses are 310 people, while the participant of second half are 340.

Note: 1. According to information from the Ministry of Health about the top ten causes of death in recent years, heart disease is amongst the top three. Deaths caused by heart disease are mostly in the form of sudden cardiac arrest, and defibrillation is one way to help restore normal heart function.
2. Automated External Defibrillator (AED) is an equipment that can automatically detect heart rhythm in a patient and administer electric shocks to help restore normal function. It is easy to use with voice instructions and the graphics provided. It is a fool proof device and it is thus called a “fool-proof” AED. Data Source: Ministry of Health and Welfare – AED First Aid Information Network (<http://tw-aed.mohw.gov.tw/>).



Air Pollution Control and Prevention

Pollutant emission	Unit	2013	2014	2015
TSP	ton	1.983	2.671	3.11
SOx	ton	12.134	19.843	13.264
NOx	ton	9.9	16.726	13.372
VOCs	ton	44.461	46.674	47.307

Air Pollution Control (Lin Yuan Plant)

The Lin Yuan Plant has acquired eight Fixed Pollutant Operator Permits in accordance with Article 24 of the Air Pollution Prevention Act. The main air pollutant emissions are: volatile organic compounds (VOCs), ethylene oxide (EO), and ammonia.

The pollution prevention equipment in the Lin Yuan Plant includes: Two Regenerative Thermal Oxidizers (RTO), one Direct fired Thermal Oxidizer (DFTO), two Catalytic oxidizers, and seven Scrubbers with 99% pollutant removal efficiency.

Type of pollution prevention equipment	QTY (unit)	Pollutants
Regenerative thermal oxidizer	2	VOCs
Direct-fired thermal oxidizer	1	VOCs
Catalytic oxidizer	1	VOCs
Scrubber	7	VOCs



Waste Disposal

The OUCC has outsourced chemical waste removal to a qualified waste treatment company. Recycled materials, after preliminary classification in the plant, are donated to the community charitable organization (Tzu Chi) for further processing and recycling.

Treatment	Unit	2013	2014	2015
Recycling	Ton	10.34	15.8	27.13
Incineration	Ton	205.33	146.866	210.76
Other (physical treatment and sanitation landfills handler)	Ton	1268	1652.82	952.926

Note: 1. Recycling waste includes: Paper, fluorescent tubes, plastics, glass, household appliances, etc.
2. Incineration waste includes: Mixed plastics, wood mixtures, lubricants, oil mixtures, household garbage, etc.
3. Other waste includes: Ion exchange resins, insulation materials, fire-resistant waste, organic sludge, other single non-hazardous metal or mixed metal, non-hazardous organic waste or solvents, wires and cables, sandblasting waste, etc.

Recycling Statistics

	Unit	Paper	Fluorescent tubes	Plastics	Glass	Household appliances	Total
2013	Kg	6,700	40	1,050	2,040	510	10,340
2014	Kg	9,750	130	2,900	2,810	210	15,800
2015	Kg	17,210	140	4,590	3,940	1,250	27,130

Environmental Issues Appeal Mechanism

The OUCC has stipulated operating procedures for“Environmental, labor safety and health, internal quality control, and external communication”. All advice, complaints or grievances made by the public are dealt with by the Environmental Safety Division or the shift supervisor and are all recorded in the “External Communications Log.” The Central Safety Committee depends on the Log content to ensure adequately trained security personnel respond in the shortest time. Minutes of any meetings held about the issue or investigation are kept and investigation or review of the issue must be carried out as soon as possible, depending on the severity of the matter.

We have “Liaison for Stakeholders” and “Liaison for Environmental Protection Business” setup with several smooth communications channels. Contact information is also provided on the company website to ensure any environmental issues are dealt with immediately. There have been no complaints filed with the company over the last three years after effective management was implemented.



Environmental Expenses and Fines

The OUCC values the importance of environmental protection and makes every effort to reduce environmental impact through the promotion of investment in environmental resources. We are convinced that only the effective management of environmental impact and minimization of the impact of company operation on the environment can allow a harmonious and prosperous relationship to be built between industry and the community, so will the sustainable development of the company be possible. The 2013~2015 statistics of environmental protection expenditures is as follows:

Item	Unit	2013	2014	2015
Environmental protection expenditure	NT\$	9,241,527	11,589,570	8,723,963
Soil pollution / sewage treatment expenditures	NT\$	6,497,657	5,866,799	7,863,403
Total	NT\$	15,739,184	17,456,369	16,587,366

The 2015 Environmental Protection Related Fines

Type	Fine description	Amount (NT\$)	Corrective action
Environmental protection related fines	Equipment components leak exceeding the threshold (08.04.2015)	200,000	1. EG Team performs VOC test and requirements continuously, and arranged for the infrared detector manufacturer to provide practical training at the plant. 2. Set up Management of Change (MOC) improvement for the nonconformity. 3. Request to have the test performed at each shift and in each zone continuously.
	Discarded lubrication oil containers not properly labeled (09.10.2015)	6,000	Have the disposed lubrication oil container labeled immediately and check the labeling of all the disposed lubrication oil containers.



Noise Prevention Measure

The OUCC plant “Noise prevention measures” include:

- 1. Notices of wearing ear protection are displayed at all the entrances to the plant with noise pollutant.
- 2. Personal hearing tests are carried out every six months.
- 3. Plant personnel must wear earplugs or earmuffs before entering noise polluted spaces.
- 4. Every employee is arranged for an annual precision hearing test.



Reduction of Workplace Noise

To reduce the impact of noise on employees in the workplace we introduced the “EG Plant Compressor (PC-101RN) Noise Improvement Project” in 2015. The EG plant compressors are enclosed with noise insulating walls to reduce the harm of noise on employees.



Emergency Response Mechanism

For risks associated with processing, operations, and transportation, which might occur at any time, the company regards product type and departmental accountability to proceed with comprehensive simulation and preparation for the probable accidents. A contingency plan is formulated and practical exercises, education and training are arranged to help on-site staff quickly appreciate the situation at an accident site and react effectively, so to minimize the damage of the accident and its effect on people and the environment.



Even the slightest negligence in the handling of chemicals during manufacture, storage or transport may lead to a chemical spill, fire, poisoning, or even explosion that may physically injure or harm the health of employees or even cause serious work environment pollution and personnel casualties. The biggest challenge to the OUCC is how to prevent an accident in advance, on a daily basis, and also how to respond and resolve an accident should one occur.



The OUCC has prepared an “Emergency Response Plan” for the prevention of occupational accidents and the protection of employees against fire, leaks, typhoons, floods, earthquakes, war, transportation accidents, and to deal with notifications, evacuations, rehabilitation, and so on. Regular drills and contingency measures are organized to cope with disasters that might occur, and to take immediate action in the event of an accident in an organized and systematic way to minimize damage and loss.

We use the “prevention is better than cure” strategy, and apply the concept of risk assessment to any potential risk in the production and manufacturing process. We apply simulation to predict the occurrence of possible disaster situations and use the results to formulate an emergency response plan. Education of the response teams is done and drills are held so that any inadequacy or insufficiency can be corrected in advance.

In the event of a disaster or an emergency the internal and external reporting procedure is immediately activated in accordance with the “OUCC Emergency Response Reporting Process.” In addition, the following comprehensive emergency response protocols are used to ensure that all employees will respond in the same coordinated way in the event of an accident:

- 1. The OUCC field pipeline leak emergency response principles.
- 2. The EG Plant raw materials field pipeline transportation procedures and nonconformity process.
- 3. The OUCC Lin Yuan Plant “Rules Governing Oxygen and Nitrogen Gas Transmission Pipeline Nonconformity”.
- 4. Nitrogen gas pipeline leak emergency response plan.





Potential manufacturing process and transportation accidents at OUCC are likely to involve chemical spills, fire, tanker accidents, and explosion.

An emergency response team was established in 2015 to reduce the incidence and consequences of accidental chemical leaks. The task force arranged the groups according to the nature of the emergency response needed. We are confident that the members selected have sufficient knowledge and experience to effectively reduce the impact of an emergency and to control the escalation of any such incident.

We engaged external experts who gave our personnel 140 hours of training sessions. These included mobilization of the emergency response teams, general emergency response exercises, fire-fighting equipment operation. Staff from the Linyuan fire brigade instructed our personnel in the operation of the plant fire-fighting equipment. A total of 680 people/times took part in training sessions in 2015.



The 2015 Emergency Response Team Training List

No.	Date	Training Programs	No. of Participants
1	5/21, 6/3, 6/10, 6/15	General emergency response exercise: Liquid nitrogen leak exercise	340 people
2	10/28, 11/6, 11/10, 11/17	General emergency response exercise: EG plant reactor fire exercise	340 people

To ensure a convergent result for each emergency response, all emergency response plans were consolidated into one in the event of fire or leakage. We have also introduced simple and effective guidelines to ensure emergency response team members are fully aware of their particular role so they can make a correct and prompt response based on the nature of any incident.



No.	Potential disaster	Oriental Union Chemical Corporation Emergency Response Plan
1	Leak, fire	Emergency response team members and missions
2	Transportation incident	Transportation incident emergency response operation
3	Typhoon and storm	Typhoon and storm graded emergency response plan
4	Earthquake	Earthquake emergency response procedure

Emergency Response Mechanism for Liquid Leaks

1. A transportation accident shall be reported immediately, depending on the situation and severity, in accordance with the "OUCC Emergency Response Report Flowchart."
2. The Plant Manager or Director will use the reporting system to dispatch personnel to the site. The Environmental Safety Department (environmental protection related follow-up), Production Department (chemical-related follow-up), and Storage and Transportation Department (transport company vehicle scheduling and replacement related follow-up), shall all be informed and assistance may also be requested from the Maintenance staff if necessary.
3. The Safety & Health Department shall contact the local fire brigade (119), environmental agencies, transportation agencies, the Executive Yuan EPD Southern Taiwan environmental toxic disaster response team, ERIC national toxic disaster counseling center, or other toxic chemical disaster prevention center, and chemical disaster relief organization support units to request support and assistance.
4. The Storage & Transportation Team shall dispatch one emergency vehicle equipped with emergency response equipment with all the necessary personnel to the accident scene.
5. Site commander: A local relief personnel assigned to the accident scene shall act as the site commander and coordinate operations with the environmental safety personnel to manage disaster relief. To secure the safety of personnel, unauthorized persons should be removed from the accident scene.
6. Warning signs should be set up around the scene of the accident to prevent secondary damage, the area should be cordoned off and access should be denied to unauthorized persons.
7. An announcement should be made by the spokesperson of the Lin Yuan Plant.
8. Request the transport company to arrange trucks and cranes for backup and to recover the damaged or undamaged goods or shift the tank and return it to Kaohsiung Plant for further processing.
9. Contact a waste disposal company that is equipped with vacuum slurry tankers as needed (such as, acids, alkalis, etc.) to help recover and transport the chemicals in the tanker or which have been spilled, clean the container, and drain the liquid from gutters and return it to the Kaohsiung Plant for further processing.
10. Decontaminate the ground and clean and wash the gutters until test samples are approved by the local Environmental Protection Bureau.
11. Take photos of the chemical barrels, vacuum slurry tankers, and contaminated soil and oil absorbent sheets removed from the accident site and returned to the Kaohsiung Plant for the records and future reference.
12. Accident review: The Storage & Transportation Team shall complete an accident report and hold a meeting with the relevant units and transport companies to discuss prevention of the recurrence of similar incidents.
13. The liquid recycled in the vacuum tankers should be discharged at the location designated by the production and the environmental protection units. The discharge pipe shall be covered by a filter to block debris. The production unit must deliver the recovered liquid to the wastewater plant spare pool at the manufacturing unit after an analysis of chemical concentration and COD value.
14. The contaminated soil and oil absorbent sheets recovered must be handled by waste disposal vendors qualified by the Environmental Safety unit.



Tanker Leak Emergency Response Exercise

In 2015 we carried out a “liquid oxygen leak” emergency response exercise in collaboration with Hongxing Transportation. A liquid gas tanker leak was simulated to see how a driver and an emergency response team could control and handle the incident and site by implementing the emergency procedures and the required skill in comprehension and operation of the equipment. This simulation enables to strengthen the emergency response capability of the operating personnel.

Simulation scenarios

After the unloading of liquid oxygen at a customer’s site, the driver of the tanker (LO108) was on his way back to OUCC in Linyuan. When he stopped for a lunch break at the Xinying highway station (south bound), he found a minor liquid oxygen leak from the rear pipeline valve when doing an inspection before starting off.

Exercises

- The response to a pipeline leak in transit;
- The driver’s report of the incident and the precautionary measures taken at the site of the incident;
- How well the company personnel handled the situation after receiving notice of the emergency;
- Post-processing capability and aftermath: Site leak handling, review of the cause of the incident and the inclusion of other drivers in the review as a learning experience.



Liquid Nitrogen Emergency Response Plans

To help the front-line staff immediately respond to a chemical emergency incident, including fire, explosion, and leak, OUCC continued to provide training and also initiated a liquid nitrogen emergency response exercise with transportation companies in 2015 for the purpose of enhancing safety and effectiveness in handling chemical disasters.

Simulation scenarios

A scenario was simulated in which a liquid nitrogen tanker had a punctured tire at the intersection of Ling-Kong Road and High-Wei Road in Taichung City and skidded into the guard rail causing liquid nitrogen to leak, filling the air with a pungent odor and a white vapor. The driver reported the incident and OUCC immediately activated the “emergency response team” and requested external support for an emergency rescue operation.

Exercises

- The exercise was supervised by an Environmental Technical Team including members from the Yunlin Environmental Protection Administration (Executive Yuan), in collaboration with the Longjing Fire Department, the Chiang-Pen Petrochemical Transportation Corporation, as well as Hawk Ming Transportation from Taichung City who all helped complete the emergency response exercise.
- We strengthened the tanker driver response capability in the face of chemical disasters through practical training courses, rehearsals, practice, and formal drills.



Representatives were sent to the “EO Defense Organization Real Exercise” arranged by the Taiwan Responsible Care Association (TRCA) on December 1

The purpose of this exercise was to help the defense organization become familiar with reciprocal support channels and improve their response skills and awareness. The exercise was a joint prevention and relief effort arranged by the Taiwan Responsible Care Association (TRCA) which had commissioned the Southern Disaster Response Counseling Center of the National Kaohsiung First University of Science and Technology to arrange a series of 10 real exercises over 5 days for 17 different defense organizations, the EO defense organization members were supported by an emergency response team from OUCC.

The exercise courses included: A draft of different incident scenarios, command assignments, an examination and check of the function of the response, protective and decontamination equipment and operation. Real exercises include: disaster reporting, control and quarantine in the disaster zone, transportation defense team support and contact, emergency response procedures and equipment operation, decontamination and recovery.





Energy and Climate Change

The issue of global warming and climate change has become a serious concern to industry. The energy supply in Taiwan relies mainly on foreign imports and is derived mostly from fossil-fuel that is more likely to produce excessive greenhouse gas emissions. The occurrence of extreme weather in recent years and an awareness of the need to save energy and reduce carbon emission has become a matter of urgency to both industry and the public.

The company understands that the energy and climate change issues will be even more closely linked to the future business environment and costs. We are therefore paying close attention to it, and, taking the existing and potential impact on our operations into consideration, are formulating appropriate energy saving, carbon reduction and greenhouse gas emission reduction strategy.



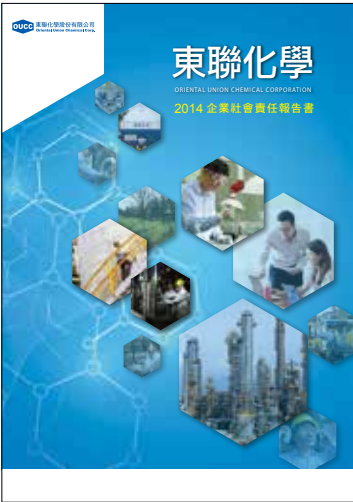
Being in the upstream supply chain of the chemical industry, we well understand that in addition to energy use, the challenge of the OUCC is to reduce the greenhouse gas emission of finished product by improving process energy efficiency and cooperating with suppliers and customers from the product life cycle perspective.

Another challenge is the R&D of products that have the environmental qualities to meet customer needs as well as to balance technology innovation and energy efficiency, surely a challenge to the Company's plant energy management.








To ensure that we can control and keep track of the energy situation in the OUCC plant, we started plant greenhouse gas inventory in 2014 in accordance with the ISO14064-1 inventory system. We also introduced the ISO14064-1 greenhouse gas management system in 2015 and have our inventory data verified by a public verification institution. The main purpose is to establish a systematic database for the energy consumption and greenhouse gas emission of the Lin Yuan production base.

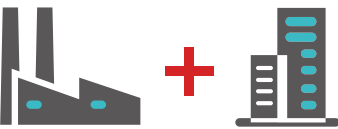
We are paying close attention to the industrial energy-saving and carbon reduction requirements imposed by the domestic authorities and have discussed OUCC carbon management and policy through the CSR Committee. We also request that each plant business unit should shoulder the responsibility for developing and implementing carbon management action plans and also to regularly disclose performance in carbon management and greenhouse gas emission for publication in the annual CSR report.



The OUCC Energy Consumption

GRI indicator		Unit	2013	2014	2015
Gasoline		Kilo-Liter	17,294	15,183	15,313
		GJ	565	496	500
Fuel		Kilo-Liter	1,936	2,959	1,496
		GJ	77,814	118,932	60,117
Diesel fuel		Kilo-Liter	394.59	368.15	777.1
		GJ	13,877	12,948	27,329
Power		kWh	313,401,856	320,848,073	354,742,076
		GJ	1,128,450	1,155,261	1,277,301
Steam		ton	953,263	1,003,444	893,977
		GJ	2,668,464	2,808,935	2,502,503
Total energy consumption		GJ	3,889,170	4,096,571	3,867,750
Energy intensity (Energy consumption / Number of Employees)		GJ / person	11,506	11,738	9,917

Note: GJ data of 2013-2015 has been converted as a comparable contrast ratio.



Greenhouse Gas Emission (Summary)

Unit		2013			2014			2015		
		Lin Yuan Plant	Taipei Head Office	Subtotal	Lin Yuan Plant	Taipei Head Office	Subtotal	Lin Yuan Plant	Taipei Head Office	Subtotal
Scope 1	t-CO ₂ e	53,229	2.39	53,231	77,236	3.01	77,239	66,732	3.18	66,735
Scope 2	t-CO ₂ e	245,142	53.79	245,196	236,544	43.69	236,588	254,214	45.57	254,260
Total emission	t-CO ₂ e			298,427			313,827			320,995
Number of employees	Person			375			388			390
Emission intensity	t-CO ₂ e / Person			795.8			808.8			823.1
Emission coefficient sources	Remark	1. EPA GHG emission coefficient management list 6.0.2 version 2. Power conversion CO ₂ emission equivalent is calculated in accordance with the annual electricity emission coefficient published by the Department of Energy.								
Global warming potential (GWP value)	Remark	IPCC The 2 nd Assessment Report in 1995								
Emission collection method	Remark	Operational control								

Note: 1. The 2013 data is of self-inventory
2. The 2014 data is certified by SGS-Taiwan



ERU (ethylene recovery unit) Improvement

An ERU (ethylene recovery unit) was installed in 2015 which uses permeable membranes to recover ethylene and methane as well as Argon emitted. The system enhances the energy efficiency of the plant by the expected average recovery of 56% of ethylene and 50% of methane, and the CO₂ emission reduction of 7,900 MT per year.



Greenhouse Gas Emission (Lin Yuan Plant)

		CO ₂ emission	2013	2014	2015
Scope 1	Process, fuel		53,229	77,236	66,732
	Power		168,534	175,276	189,563
Scope 2	Outsourcing steam		76,608	61,268	64,651
	Subtotal		298,371	236,544	254,214
Emission coefficient sources	Remark	EPA GHG emission coefficient management list 6.0.1 version	EPA GHG emission coefficient management list 6.0.2 version		
Global warming potential (GWP value)	Remark	IPCC The 2 nd Assessment Report 1995	IPCC The 2 nd Assessment Report 1995	IPCC The 2 nd Assessment Report 1995	
Emission collection method	Remark	Operational control	Operational control	Operational control	
Total (t-CO ₂ e)			282,416	313,780	320,946

Note: 1. The 2013 data is of self-inventory
2. The 2014 data is certified by SGS-Taiwan
3. 2015 emission coefficient source is based on the publicized 6.0.2 version of Environmental Protection Agency



Greenhouse Gas Emission (Taipei Head Office)

		Unit	2013	2014	2015
Scope 1	Official car fuel consumption	L	1,058	1,331	1,373
	Official car CO ₂ emissions	t-CO ₂ e	2.39	3.01	3.18
Scope 2	Power consumption	kWh	103,046	83,705	87,253
	CO ₂ emission from electricity consumption	t-CO ₂ e	53.79	43.69	45.57
Total		t-CO ₂ e	56.18	46.71	48.75

Note: 1. The 2013-2015 data are of self-inventory
2. Oil consumption is converted in accordance with the annual average unit price of the "Oil price data management and analysis system" of the Department of Energy MOEA Office.

Reducing the Impact of Transportation on the Environment

In response to the need to save energy and reduce carbon emission, we require employees at the Lin Yuan Plant, the main manufacturing base of the OUCC, to take use of the company shuttle bus, or to join the car pool system for commuting, to cut down on the use of vehicles and indirectly reduce the emission of greenhouse gases.

In addition, we are reducing carbon emission by cutting down on travel between Taipei and Kaohsiung and increasing the use of video conferencing. The monthly management meeting is a good example: Twelve meetings were held in 2015 and ten people would travel on Taiwan High Speed Rail “Taipei – Zuoying” generating 12.91 kg of CO₂ emission per person (based on the carbon footprint announced by HSR). The CO₂ reduction reached was 12.91 × 10 persons × 12 times = 1,549kg, as a contribution to the effort of easing global warming.

The Mitigation of Transportation Emission

1. Action I: To reduce the greenhouse gas emission from employee commuting

The utilization of carpools after a quantization under Category III will also be applied as a reference for a more efficient transportation plan for the future reduction of employee travel emissions.

Employee commuting carbon emission calculation

Based on the calculation of carbon emission by staff at the Linyuan plant:

- 1. Linyuan plant employees: 330 people (Commuters by shuttle bus: 250 people; commuters by cars: 80 people), the number of transportation vehicles: shuttle bus: 4 bus-trip per regular working day, 3 bus-trip for rotating shift per day.
- 2. According to the ITRI research published by Environmental Protection Administration of the Executive Yuan, the traditional engine cars and buses mileage carbon emission coefficient and its associated calculation is as follows:
 - (1) Ordinary engine car: According to Ministry of Transportation, the urban average fuel efficiency = 9.2 km/L.
* Gasoline engine car carbon emissions coefficient = 0.109L/km × 2.36KgCO₂/L × 1,000g/kg = 256.5gCO₂/km. A fuel consumption rate of 0.109 means car can travel 9.2 km per liter gasoline.
 - (2) Public transportation: City bus mileage carbon emission coefficient (gCO₂/km) = 47.7(gCO₂/km).
- 3. The average commuting distance = 50km
- 4. Regular working days = 248 days, working days of rotating shift = 365 days
- 5. Employee commuting carbon emission = 256.5gCO₂/km × 50 km/person ·day × 80 people
 - * 248 day/year +47.7(gCO₂/km) * 50 km/bus-day * 4 bus-trip
 - * 248 day/year +47.7(gCO₂/km) * 50km/bus-day * 3 bus-trip
 - * 365 day/year = 259.43 ton/year



2. Action II: Enhancing the fuel efficiency of outsourced tankers

We started from supplier management and introduced strict procurement specifications for outsourced tankers. A condition of the 2015 tanker outsourcing contract stipulates that no truck head may be over 15 years in use. This encouraged the use of new energy-saving truck heads. A total of 43 vehicles were retired in 2015. The CO₂ emission generated in the transportation process was reduced effectively through this supplier CSR management mechanism.

Energy savings result	Unit	2015
Calculation baseline year	Year	2014
Amount invested for process improvement	NTD	21,517,304
Energy consumption reduced by process improvement	GJ	110,309
Amount invested for equipment improvement or renewal	NTD	261,514,451
Energy consumption reduced through equipment improvement or renewal	GJ	1,452
Total investment amount for energy saving	NTD	283,031,755
Total energy-saving	GJ	111,761

Tanker transport emissions calculation

Tankers traveling distance and diesel consumption calculation: The total transportation mileage in 2015 was 15,577,705 km and the annual transportation diesel consumption was estimated to be 5,192,568 liters and the CO₂ emission was about 14,435 tons.

- A. The CO₂ emission was 2.78 kg/liter (diesel) according to the coefficient suggested by the Environmental Protection Agency of the Taoyuan City Government.
- B. According to the standard industry data, large vehicle fuel consumption is 3 km/liter (diesel).
- C. The annual OUCC CO₂ transportation emission estimated in 2015 was 14,435 tons.





Water Resource Management

The protection of water resources and the development of water-saving technology have become issues of great importance due to the gravity of global climate change. Although with abundant rainfall, Taiwan suffers from water supply instability and is often faced with water shortage due to its terrain formation.

The water for the OUCC Lin Yuan Plant comes from the Fengshan industrial water Reservoir. To fully utilize water resources, an investment was made in a water demineralization system years ago to recycle process wastewater for the cooling tower. Currently, further investment is planned for the recovery of cooling tower wastewater. Moreover, the electrochemical and Electrodialysis Reversal measures for reducing the hardness of the water and for the wastewater recycling and reuse for cooling tower are under consideration.

The OUCC will continue to face the challenges involved in the protection of the environment and water resources and promote improvements in our processes and technologies and seek for the best water management solution to fulfill our corporate social responsibility.



Wastewater Treatment & Discharge

The chemical plant wastewater contains incompletely reacted raw material, and/or inflow medium of solvent used in production. Any wastewater or liquid waste produced in the manufacturing process that has not been properly treated would be a serious hazard should it be discharged into the environment.

In this regard, the OUCC abides by the 61-WI-278 “Procedure for OUCC production process wastewater discharge” stipulating emission limits of COD<100ppm and SS<30ppm. The total treated wastewater is piped into the Industrial Park Joint Wastewater Treatment Plant. The initial rainfall (about 30 minutes) is collected in a storage tank and then passed into the wastewater treatment plant for further processing.

Tap Water Usage Statistics (M³)

	Unit	2013	2014	2015
Lin Yuan Plant	M³	1,708,523	1,912,869	1,816,317
Taipei Headquarters	M³	936	1,602	1,608
Total	M³	1,709,459	1,917,471	1,817,925

Note: Taipei Headquarters 2013 figure was estimated from the unit price of water.
The 2014~2015 figure is based on the water bill data.

Wastewater Discharge

Classified by water quality and discharge destination	2013	2014	2015
The total amount of wastewater discharged m³/year	624,538	686,885	550,627
Discharge destination	Piped into the joint wastewater treatment plant		
Water quality and discharge	In line with the Effluents Standard / activated sludge treatment method		
Standards, methods, and assumptions	Joint wastewater treatment plant limit		

Water consumption increased at the end of 2012 when the new plant came into operation, and the amount of wastewater increased. On-going plant construction in 2014 resulted in more water being consumed at the construction site and by contractors. Due to the completion of various projects in 2015, the wastewater generation has significantly reduced to normal operation level.

Drinking Water and Production Water System Bypass

To reduce water pollution, improve water consumption efficiency, and safeguard the health of our employees, on account of the current water consumption at Linyuan plant and demand for household water from the same source, an independent domestic water consumption mechanism was planned. In 2016 the water supply for domestic usage will be totally separated from the plant water system. Further, to prevent the possible contamination of domestic water by plant water, an independent stainless steel storage tank for domestic water will be installed, replacing the original carbon steel tank, along with its own pumping and pipeline system. An amount of NT\$3.5 million has been allocated for this project which will be implemented in two-phases:

- Phase 1

A separate domestic water source with its own exclusive water tank and pump was completed and put into operation on 03/15/2016.
- Phase 2

Connect the additional domestic water consumption pipelines of EOD, EA2, GAS, and the EC plant and change Eye-shower water source from the plant water supply to the domestic water supply. This task is expected to be complete by the end of June 2016.



Electronic Signature for Archives

To facilitate the countersigning of documents and forms by the management from both Taipei office and Linyuan plant, the electronic signature system has been developed with the following benefits:

1. The heads of departments can sign documents and forms online and this not only saves paper, but also saves time and improves efficiency.
2. Files that are prepared and stored in the document database are secure and cannot be easily misplaced. The system provides an intelligent search engine for indexes and queries as well as allowing inter-departmental file access, a process that is both easy and time saving.
3. The electronic sign-off process is transparent and readily accessible for follow up approval, to track progress and to allow comments from other department heads.
4. The file archiving system uses a “one-time random password” file protection technology to control access for reading, printing, saving as PDF and as the original. It also preserves a record of file formation, revision, deletion, and reading. The file watermark can be used to effectively remind employees of the importance of document & data security.



SUSTAINABLE PARTNERSHIP



A good partnership plays a vital role in the OUCC operation that includes employees, suppliers, and the residents of the community. Enterprises that seek sustainable development must listen to the voice of partners, substantiate care, and conduct the appropriate communications. We believe that a sustainable partnership will help the OUCC move towards a better future, develop better products, and construct a safe and stable work environment.

A focus on compliance and response to customer requests is the main OUCC operational objective and the company works incessantly to enhance participation of the stakeholders, provide the correct information to the people who care about the OUCC and those we care about. We maintain excellent interactive relationships, continue to optimize manufacturing processes and plant environmental safety and health, and strengthen participation in all social activities.

EMPLOYEES

The OUCC is committed to the creation of a healthy and safe workplace, the development of an appropriate and adaptable staff training program and the construction of a fair and free work atmosphere with sound welfare, work environment, organization and culture cultivation. We make sure there is a balance between work and non-working time for our employees.

Our staff management system is based firmly on the labor laws. We have established an appropriate management system. Employees are assigned to the most suitable job positions depending on their technical and functional competence. There is no discrimination based on gender, religion, nationality, political or personal belief, or ethnicity with respect to employment, salary, performance evaluation, promotion, education and training, or personal benefits.

We inform the employees of company operating results and conditions using internally published documents or regular formal or informal departmental meetings. The information transparency between employers and employees is ensured and timely.



Hiring of Employees

The OUCC arranges recruitment in accordance with application made by the individual department and approved by the President. Candidates are interviewed by the HR and the department that made the request. Child labor is strictly prohibited and we comply strictly with the relevant labor laws and regulations and protect the rights of all employees.

The work involved in the chemical industry can be physically taxing and in persistency, so it is important that workers at the production sites be physically fit. This means that the percentage of male employees (including direct and indirect employees) is higher than that of female employees. However, the OUCC values and cares about the development of female employees and those with excellent performance are promoted in accordance with the same principles applicable to male employees.

OUCC Employment (2013-2014)

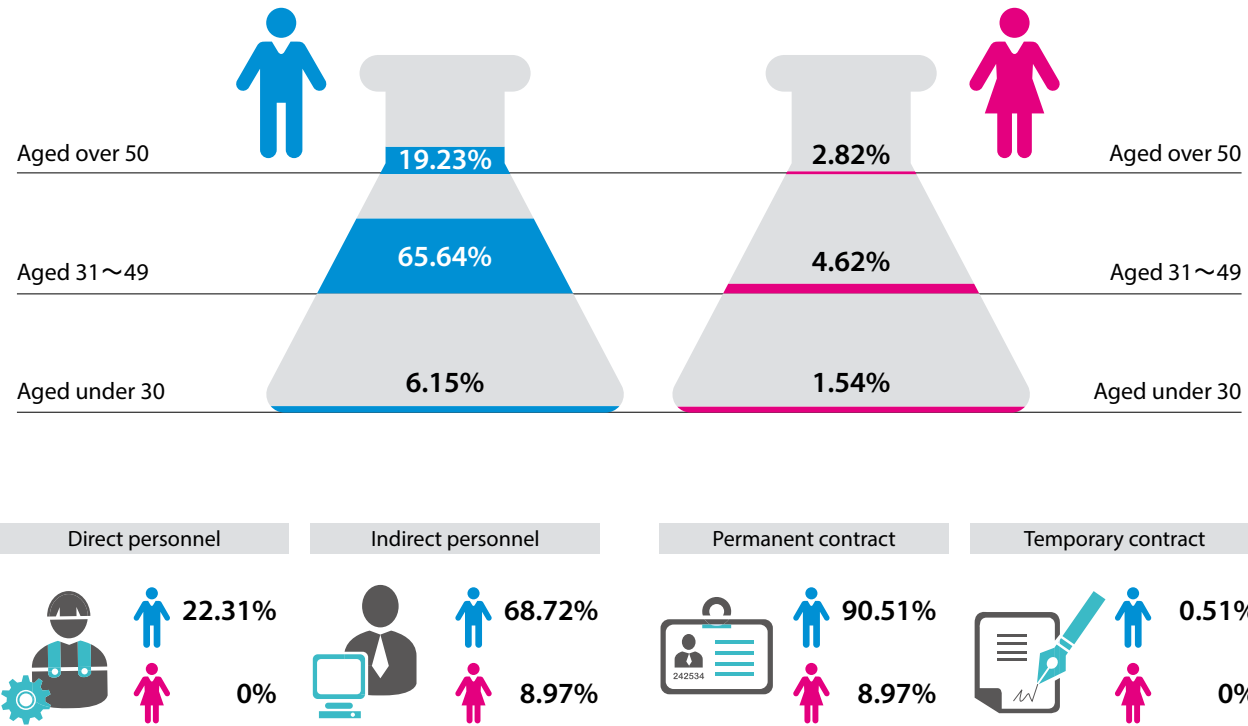
Year		2013		2014	
Total Number of employees		375		388	
Domestic employees	Male	343	91.47%	353	90.98%
	Female	32	8.53%	35	9.02%
Direct personnel	Male	83	22.13%	84	21.65%
	Female	0	0	0	0
Indirect personnel	Male	260	69.33%	269	69.33%
	Female	32	8.54%	35	9.02%
Permanent contract	Male	342	91.2%	351	90.46%
	Female	32	8.53%	35	9.02%
Temporary contract	Male	1	0.27%	2	0.52%
	Female	0		0	
Percentage of employees aged under 30 (%)	Male	18	4.80%	21	5.41%
	Female	3	0.80%	6	1.55%
Percentage of employee aged 31 – 49 (%)	Male	231	61.60%	243	62.63%
	Female	20	5.33%	20	5.15%
Percentage of employees aged over 50 (%)	Male	94	25.07%	89	22.94%
	Female	9	2.40%	9	2.32%

Note: 1. "Direct personnel" refers to plant shift employees.
2. "Indirect personnel" refers to plant non-shift employees.
3. "Permanent contract" refers to non-contractual employees who are hired officially.
4. A "Contract employee" is an employee contracted for a certain period, for example, consultants or commissioned managers.



OUCC Employment (2015)

There were **390** employees on the payroll in **2015**, including **35** females who accounted for **8.97%** of the total.



The OUCC headquarters is in Taipei City and the factory is in the Lin Yuan Industrial Zone of Kaohsiung County. To promote and increase employment opportunities for the region, close to 30% of the employees at the Lin Yuan Plant are local residents. We take direct action to support and encourage local employment.

Percentage of Kaohsiung Plant Employees from Lin Yuan Area

Job Title	Number of persons		Percentage	
	Lin Yuan	Non-Lin Yuan	Lin Yuan	Non-Lin Yuan
Engineer / Manager and above	13	156	3.72%	44.70%
Operation-Foreman	7	20	2.01%	5.73%
Operation-Operator	89	64	25.50%	18.34%
Total	109	240	31.23%	68.77%

Most OUCC employees are of an age where their children are mostly beyond infancy.
No employee applied for parental leave without pay in 2015.

Between 2013 and 2015,
41 male employees and 5 female employees were eligible for parental leave;
and 7 male employees and 2 female employees were eligible for parental leave in 2015.



29 employees,
including 25 male
and 4 female employees,
resigned or retired in 2015.

Employee Turnover and Turnover Rate (2015)

Number of resignations		29	
Sex	Male	25	86.21%
	Female	4	13.79%
Age	Under 29	2	6.90%
	Aged 30~50	12	41.38%
	Over 51	15	51.72%

Note: 1. Employee resignation and retirement by gender calculation formula: Number of employees resigning (including retirees) / Total number of employees of the year.
2. There were 384 employees on the payroll in 2012, 375 employees in 2013, 388 employees in 2014, and 390 employees in 2015.

New Recruitment

Year		2013		2014		2015	
Number of new employees		4		31		32	
Sex	Male	4	1.07%	27	6.96%	29	90.63%
	Female	0	0%	4	1.03%	3	9.37%
Age	Under 29	0	0%	12	38.71%	11	34.38%
	Aged 30~50	2	50%	17	54.84%	20	62.50%
	Over 51	2	50%	2	6.45%	1	3.12%

Note: 1. The new recruit ratio by gender calculation formula: Number of new recruit/ Total number of employees of the year.
2. There were 384 employees on the payroll in 2012, 375 employees in 2013, 388 employees in 2014, and 390 employees in 2015.
3. The age distribution of employees is based on the ratio of annual turnover to the total number of employees on the payroll.

Number of Disabled Employees Recruited

Year		2013		2014		2015	
Number of employees		3		3		3	

Employee Ethical Behavior

We value the ethics and integrity of our employees who are requested to sign a “Letter of Consent” when joining the company. This document becomes part of their personnel record and is a declaration by the employee to abide by the company rules and regulations and also those of personnel management, as well as a commitment for non-disclosure of the company business confidentiality. The document content is published within the company and is available for examination and reference by all employees.

1. Code of Conduct and Code of Ethics:

Work rules include: (1) General rules (2) Employment (3) Service, holidays, days off, special leave (4) Request for leave (5) Salary (6) Year-end bonus (7) Safety, health, welfare, pension, and occupational accident compensation (8) Discipline (9) Performance evaluation and reward & penalty (10) Resignation, termination, and severance (11) Retirement (12) Annex.

2. Confidentiality commitments:

(1) the definition of confidential information (2) confidentiality obligations (3) the legal effect of breach of contract and breach of contract liability (4) effect after the termination of employment (5) The transfer of rights (6) the applicable law and jurisdiction.

Comprehensive Staff Training

Talent is the most important asset of the OUCC and is also the basis of sustainable development. The key to nurturing human resources is to help employees strengthen their technical capacity through practice and work training while encouraging the enthusiastic acceptance of challenges at work to aggregate and inspire new work value.

The OUCC upholds the values of “sincerity, diligence, thrift, prudence, and innovation” to establish an appropriate “talent selection, incubation, application, and retention” system in response to development of the industrial environment.

To achieve these objectives, the OUCC has implemented a range of appropriate training programs for employees from the beginning. There is an extensive education and training program available that allows employees to build up mid- and long-term technological capabilities together with those accumulated continuously from on the job training and sharing. Both help them find the stage to demonstrate their expertise.

In terms of nurturing talent, the OUCC provides professional training related to business management and plant management, and actively cultivates participation in the relevant professional and technical courses. This stimulates managers and potential managers and helps them improve the quality of manpower, to create a win-win situation for employees and the company by fulfilling all the operational needs.

Type	Training Content
New recruits	The Administration Office introduces the history of the company and work rules / departmental introduction / internal training of the specific department.
General employees	Organization internal training / mandatory training / professional training
Management staff	The company will arrange management training, for example: for leader selection and nurturing programs / in basic finance and accounting / talent management for furthering performance.

Note: General staff (team leaders and subordinates) and management staff (team leaders and superiors).

New recruits at the OUCC will receive general training from the HR Department and will then be trained by personnel in the department in which they will be positioned. Professionals with all the necessary qualifications will help to train the new recruits and assist them in obtaining the relevant licenses and certificates

Nature of training	General staff	Management staff
Content of On-the-Job Training	The professional certificate and permit of the first pressure container, high pressure gas specific equipment, anoxic operation supervision, forklift truck, fixed crane, specific chemical material, boiler, and so on.	Leader selection and nurturing programs / basic finance and accounting / talent management for furthering performance

Employee Training Hours and Input

Gender	Female			Male			Total average hours
	Training	Total training hours	Total number of persons	Average training hours	Total training hours	Total number of persons	Average training hours
	2013	428	32	13.38	11,198	343	32.65
	2014	170	35	4.86	14,408	353	40.82
	2015	185	35	5.29	10,942.5	355	30.82

Average Training Hours by Job Title

Job title	Unit	2013		2014		2015	
		Male	Female	Male	Female	Male	Female
General staff	hour	9,612	292	5,822	176	10,625.5	185
Management staff	hour	1,027	277	414	14	317	0
Total training hours	hour	10,639	569	6,236	190	10,942.5	185
Average training hours	hour	31.02	17.78	17.67	5.43	30.82	5.29

Note: General staff (team leaders and subordinates) and management staff (team leaders and superiors).

The OUCC Training Investment Statement

	Unit	2013	2014	2015
Total employee training amount	NT\$ million	0.76	0.94	0.66
Total employee training hours	Hour	11,626.0	14,578	11,127.5
Total number of employees	Person	375	388	390
Total employee training amount / Total Revenue	%	0.0055%	0.0076%	0.0056%
Total employee training amount / Total number of employees	NT\$	2,018.5	2,435.3	1,683.0
Total employee training hours / Total number of employees	Hour	31.00	37.57	28.53

Potential Personnel Training

A potential talent and leader nurturing mechanism has been implemented to search for competent successors for existing supervisory and management posts. Promising personnel are selected to take part in short-term management seminars and encouraged to participate in management master programs in domestic universities to enhance their management capacity.

The nurturing record of job rotation, training which aim to equip the personnel with comprehensive operation familiarity is filed with HR. Job rotation and promotion programs to enhance education and training has facilitated the cultivation of competent successors for managerial and supervisory posts.

Far Eastern Group affiliates started cooperating with the Yuan Ze University and the Oriental Institute of Technology in 2012 in the “Industry-Academy Internship and Talents Training Program” to help talented students with practice and training and to cultivate talent needed by the Far Eastern Group in the future. OUCC has participated in the plan and has accepted internship applications from Yuan Ze University students and is looking for those with the kind of skill that will be needed by the Company in the future.

Reward Mechanism

The OUCC has formulated the “Rules Governing the Payroll” as a reference for determining personnel remuneration and salary increases. To keep the salary competitive to attract and retain the talented candidate or personnel, the Company studies proactively the industry pay levels and review regularly of its remuneration policy. According to the “Rules Governing the Payroll:”

A. Annual salary adjustments are approved in accordance with operating results and industry salary adjustment.

B. Staff performance evaluation is as follows:

- (1) **Excellence A - 90~100 points** - Outstanding performance with special tangible or intangible contribution to the company (evidence enclosed)
- (2) **Excellence AB - 85~89 points** - Outstanding performance
- (3) **Above average B - 80~84 points** - Performance in line with operational need (above average)
- (4) **Average BC -70~79 points** - Performance in line with operational need
- (5) **Below average C - 69 points or less** - Poor performance, not in line with operational need, no pay raise, job transfer, demotion, or dismissal. (evidence enclosed).

C. Principles for annual staff performance evaluation are separately prescribed and depend on market conditions. The performance evaluation criteria include:

- (1) Employee job performance.
- (2) Employee job responsibility.
- (3) The competitiveness of the current employee salary in the salary market.
- (4) Job performance and salary relationship of employee and subordinates, supervisors, and colleagues.
- (5) Budget.

Performance Evaluation

The OUCC has clear specifications for employee performance evaluation and employee incentive which are defined to substantiate the development of talent and decide pay differentiation. To maintain both equity and employee development, managers at all levels will discuss daily performance with the staff during the evaluation period.

The OUCC employee performance evaluation system includes: probation evaluation, routine evaluation, project evaluation, and annual evaluation. New recruits are evaluated for qualification after a 6-month probation period to confirm their competence.

All employees (including the President) are evaluated annually after a one year term of employment. Performance is evaluated every year and includes attendance, leadership skills, work ability, work performance, and so on. In addition, any particular merits or demerits, should be reported to the Personnel Review Committee and to the President for approval before commendation is given, or disciplinary action is taken.

Pension Mechanism

We have implemented an employee retirement plan in full compliance with the “Labor Standards Law” and “Labor Pension Act.” The sound financial system of the OUCC ensures that retired employees will have a guaranteed pension and will be able to work for the company and develop a career without worrying over their future financial security.

The rules for employment, service, performance evaluation, incentive and disciplinary act, promotion, and retirement pension are all set out in detail in the “Work Rules” of the OUCC. The Labor Pension Committee is set up according to the Law and a pension reserve is appropriated in an amount equivalent to 10% of the total monthly salary in accordance with the employee retirement plan and deposited in a trust fund account at the Bank of Taiwan as per government regulations. Pension reserve committee meetings are held periodically to review pension appropriation, investment and implementation to protect the interests of the employees. In addition, for those employees who have chosen the Labor Pension Act, an amount equivalent to 6% of the monthly salary respectively for each employee is deposited in a personal account with the Bureau of Labor Insurance to safeguard the interests of the employees.

When the Oriental Petrochemical (Yangzhou) plant was being constructed in Yangzhou China in 2008, we took advantage of some of our mentally and physically fit professional retirees whose experience and knowledge made their contributions as consultants invaluable to the project.



Employee Benefits

The OUCC has Employee Welfare Committee, which in addition to the lawful benefits, arranges welfare activities for the employees that include an annual dinner, scholarship grants, subsidies for activity, birthday, wedding, funeral, childbirth, and monetary gifts for three public festivals, and the year-end, as well as group insurance. The welfare committee also organizes employee annual tours and other activities, in addition to the health checkups, to keep balance of the physical and mental health of employees. The meal allowance offered to our employees was increased from NT\$1,800 to NT\$2,400 per month from July 2015. The employee benefits expenses totaled NT\$100,531,126 in 2015 with welfare subsidy of NT\$4,237,523 .

According to the Article 34 of the OUCC Incorporation, OUCC shall appropriate 1%~2% of any earnings as remuneration for employees. If the Company accumulates a loss, an equivalent amount should be reserved as compensation.

The OUCC Employee Benefits Expenses

	Unit	2013	2014	2015
Pensions	NT\$	21,636,447	23,086,913	22,678,660
Insurance expenses	NT\$	29,292,739	30,258,237	30,620,549
Employee bonuses	NT\$	21,914,302	18,261,918	17,337,837
Special bonuses	NT\$	24,271,566	19,938,495	19,090,734
Shuttle bus	NT\$	11,028,307	10,957,465	9,366,375
Employee health checkup	NT\$	1,425,572	1,121,200	1,436,971
Total	NT\$	109,568,933	103,624,228	100,531,126

Note: Employee benefits include regular appropriation (for example: pensions, insurance, business transportation, and private healthcare), as well as other employee subsidies, such as: housing subsidies, interest-free loans, public transport subsidies, educational grants, and dismissal subsidies, but does not include education and training, protective equipment, and staff costs or expenses directly related to the job.

For the employees from **Linyuan area** and those who reside beyond reach of the shuttle bus, the Company provides each with transportation subsidy, which totaled **NT\$1,731,400** in **2015**.

Sum of Subsidy

	Unit	2013	2014	2015
Subsidy amount	NT\$	1,706,100	1,681,900	1,731,400



The 2015 Welfare Measures List

Welfare measures	Description	Subsidy amount (NTD)	Number of beneficiaries (person)
Marriage subsidy	Staff marriage subsidy, NT\$2,000/person	14,000	7 people
Childbirth subsidy	Employees childbirth subsidy, NT\$1,000/per birth	13,000	13 people
Hospitalization subsidy	Staff hospitalization subsidy, NT\$1,000/time	9,000	9 people
Staff travel subsidy	Full subsidy for each employee, partial subsidy for maximum three lineal family members	1,117,213	Employee:148 people Family member: 222 people
Individual travel subsidy	Encouraging employees to travel, NT\$2,000/time	1,531,580	About 766 people/times
Social group activity	Encouraging employees to organize social group activities, each social group NT\$10,000/year, Taipei Office social group NT\$13,000/year	163,000	About 250 people
Birthday celebration subsidy	Staff birthday celebration, NT\$2,000/person	772,000	386 people
Year-end dinner	Employee year-end dinner	410,680	387 people
Retirement Benefits Application	Employee retirement gifts	207,050	14 people
Total		4,237,523	



Social Activity

The OUCC does not have a large number of employee but they are as close as family. Our employees develop all kinds of associations for exercise and stress relief. There are currently 20 social groups that receive annual grants from the company and a total of NT\$163,000 was provided in grants (to 16 social groups) in 2015.

When a social group is formed the Director of the group files an application and a prospectus for annual group activity and a budget, a group members list, the purpose of the new group, and an introduction of the social group to the Employee Welfare Committee for a resolution. Grants are provided to the officially established social groups.



Women's Health in the Workplace

To protect the health of our female employees at the Kaohsiung Linyuan plant we have had the "Maternal Employee Health Plan" available for female employees who are pregnant, will be pregnant, likely pregnant, and within a period of one year after birth. This provides physical and mental health care during pregnancy, childbirth, or nursing period. In addition, we have set up a "nursing room" for breastfeeding.

Maternal health protection measures, including the assessment of hazard & health risk and control, the interviews with physicians, risks classification management, adaptive work allocation and so forth, are chiefly for those female employees who might be exposed to hazardous working conditions. A "Healthy Mothers Protection Committee" has been established by Human Resources Department, the Department of Safety and Health, plant nurse, and director of the workplace maternity unit to study maternal health hazard control and work adaptability adjustment practices. Risk levels are classified and adjusted in accordance with health risk assessment to ensure the nature of the work is in line with a proper level of care for the health of female employees.

Prevention of Abnormal Levels of Fatigue

An undue level of workplace fatigue has been a concerned issue in recent years. To protect employees who work in shift, at night, or for long hours, from risk to their physical health that can result from accumulating stress & fatigue and even trigger brain and cardiovascular disease, OUCC has introduced "Procedures for Preventing Diseases Triggered by an Abnormal Workload" at the Linyuan Plant and has taken safety and health measures to prevent fatigue and ensure the physical and mental health of the employees.

The Linyuan Plant "Occupational Safety & Health Committee" holds meetings every three months. The plant nurse reports health service related matters concerned with the prevention of bad health conditions triggered by abnormal workload and all the health management, occupational disease prevention, health promotion, and other health protection matters are reviewed at the meeting. In addition, we have arranged for plant nurse to assess personal fatigue risk factors, working patterns and environmental risk factors, as well as the monthly overtime hours of employees with abnormal workloads. Health management measures are taken according to different levels of workload to safeguard employee health.



The OUCC Union



The OUCC Union was established in 1988 to protect the interests of members, increase their knowledge and skills, and promote the manufacturing business for the purpose of improving members working conditions and lives. Union members constitute 68.72% of the employees. Union action on behalf of the employees resulted in salary bracket adjustment and annual pay increases in 2014. The salary bracket has also been adjusted in 2015.

In the interest of occupational safety and health, 42% of the membership of the health and safety committee are labor representatives. Besides, all health and safety issues are regulated by the “Occupational Safety and Health Committee.”

Transparent and Smooth Communication

The OUCC has comprehensive management rules and regulations designed to ensure fair and reasonable treatment of all personnel. Employees can express their opinions and discuss and solve differences at labor-management meeting which are held from time to time. Employees and employer are able to present views in the spirit of coexistence and by friendly interaction to maintain harmonious labor relations for the common good.

The Oriental Union Chemical Corporation pays careful attention to the voices of the employees and cares for them. The Company promotes healthy communication with their employees using a range of different means. In addition to regular labor-management meetings, the Company communicates and discusses the operating conditions and objectives by means of special internal meetings.

OUCC has a Labor Union formed to protect the rights of employees and which gives them freedom of association and collective bargaining power. We believe that the union represents the viewpoint of the majority of employees on all labor-management issues and harmonious labor relationships can be effectively established through proper communication with the union and a good working environment be created.

All decisions which result in significant operational changes, are discussed at regular Board and other related meetings, after which they are presented to the employees and union representatives through the staff meetings, plant operation meetings, or through other suitable channels. Before the implementation of any major change in business operation that might affect employee rights, an appropriate notification is made in accordance with all the relevant laws and regulations. There has been no major change in business operation that might have affected employee rights during this report period.

The percentage of the health and safety issues reached in the official agreement signed with the Union

Does the official agreement signed with the Union contain health and safety issues?	Remark	A collective agreement is included in Chapter IX Safety and Health and Chapter X Occupational Accident Compensation		
If 'YES', what is the percentage of the health and safety issues reached in the official agreement?	%	2013	2014	2015
		10.42	10.42	10.42



Human Rights Protection and Appeal Mechanism

The OUCC abides strictly by the rules for gender equality as set out in the “Act of Gender Equality in Employment,” and the “Prevention of Sexual Harassment,” and has established a “Sexual Harassment Complaint Handling Mechanism” to prevent workplace violation and sexual harassment. OUCC is vigorous in its advocacy and promotion of the anti-gender discrimination policies and acts.

The risk of the OUCC operation violating human rights is not high. Although there is no minimum period of time defined for reporting any major changes in business operation, there are many effective channels by which employees may be informed about such changes. Employees are encouraged to question any changes made to their job responsibilities.

In order to assist employee to have better understanding about human right, the document system is explained and made available to employees in new employee education and training course. The relevant human rights trainings include “Work Rules,” “Rules Governing Personal Information,” “Rules Governing Employee Grievances,” and “Act of Gender Equality in Employment and Sexual Harassment Prevention, Grievance, and Discipline.”

The OUCC treats all their employees fairly and complies strictly with all the relevant labor laws and human rights regulations. The OUCC applies the “Rules Governing Employee Grievance” in response to any human rights issues. A contractor grievance window is anticipated to be established to provide a smooth channel for employee grievances to be dealt with by the relevant facilities. There were no complaints about human rights in 2015. Related measures are implemented including:

1. Regulate labor conditions and relevant regulations in accordance with government labor related laws and regulations.
2. Provide open, fair, and impartial job opportunities to all applicants in accordance with the “Employment Service Act.”
3. Abide strictly by the “Rules Governing Employee Grievance” and establish a smooth grievance channel.
4. The “Human Resource Evaluation Committee” has been established to administer the “Rules Governing Human Resource Evaluation” and matters that involve commendation or disciplinary action will be discussed and decided by the departmental heads with a final decision approved by the President in accordance with the “Work Rules.”
5. The “Act of Gender Equality in Employment and Sexual Harassment Prevention, Grievance, and Discipline” is stipulated to protect employee rights to work and maintain gender equality in employment. The real promotion of the spirit of gender equality must abide and a sexual harassment-free working environment must prevail. All the appropriate preventive, corrective, and disciplinary action against sexual harassment must be present and all employees must have unimpeded access to a clear grievance channel to ensure their best interests.
6. The “Rules Governing Personal Information” have been clearly set down for the preservation of confidentiality and the management of personal information, and also to ensure the safety and legality of the OUCC collection, processing, usage, and international transmission of personal information.
7. The company will establish a Contractors grievance window on the website to provide a smooth channel for their complaints.

CUSTOMERS

The OUCC upholds the values of “sincerity, diligence, thrift, prudence, and innovation” to maintain a stable and good relationship with their customers. Customer opinion is highly valued and regular customer satisfaction surveys are carried out. For a contract review or change, the related product must be presented in advance to ensure that the company can actually meet the customer’s requirements.

Customer Privacy Protection

The OUCC assumes responsibility for the protection of customer privacy. All the customers’ intellectual property rights are held in the strictest confidence to ensure customer product competitiveness.

Customer Satisfaction Management

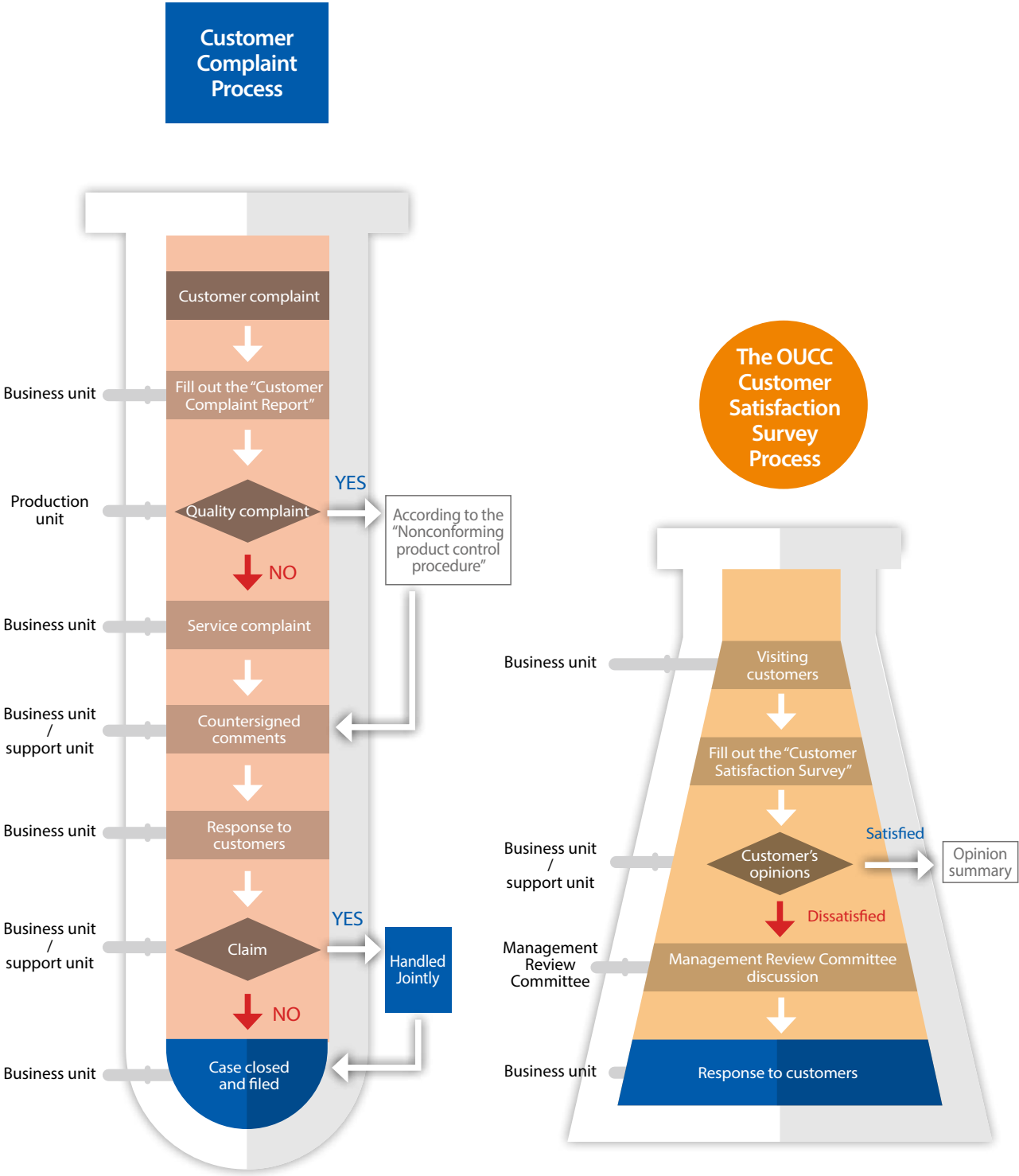
In order to ensure product quality relevance, sufficiency, and effectiveness, the OUCC convenes a quality management meeting every six months to review the quality of management, to consider customer feedback, the quality objective process performance, product compliance, the internal and external audits and nonconformity correction, resource status and demand, and the follow-up quality corrective and preventive actions for review and resolution by the Audit Committee.

In the event of a customer complaint, a reply must be made to the customer within three working days. The content of the complaint and any loss to the customer must be accurately documented, the root cause analyzed, and corrective or preventive action or continuous improvement must be implemented. The OUCC uses the following procedures to maintain a good customer relationship:

- 1. Occasional customer visits
- 2. An annual customer satisfaction survey
- 3. Occasional distributor meeting (sales)

A business unit receiving a customer complaint should respond immediately and complete a “Customer Complaint Handling” form with the complete details and date of occurrence, name, tanker number, and delivery number.

The 2015 EG/EO Customer Satisfaction Survey attained a score of 32.4 points out of perfect score of 35 points, and the survey content including: Service, delivery, quantity, accuracy, quality, packaging, transport and overall satisfaction, and so on.



SUPPLIERS

The success of the OUCC business operations relies to a considerable extent on the support of the suppliers, with whose involvement the Company is able to maintain sustainable development as well as the continuous trust of the community and our stakeholders.

As high as the CSR awareness of today, our challenges, in addition to continuing to optimize supplier management processes, are to meet the demands of our customers and supply them with quality products. We also have to ensure that our suppliers treatment to their labor, behavior towards the environment, and business integrity meets the expectations of society through our supplier screening mechanism.

Contractor Management

The OUCC has internal “Rules Governing Suppliers”. The OUCC believes that the company should provide a safe working environment for employees, work together with the suppliers to fulfill corporate social responsibility, and establish a higher environmental protection, safety, and health standard for the industry taken as a whole.

We take the initiative with our suppliers with respect to environmental matters, as well as safety and health issues. We also encourage them to enhance their management in breadth and depth. We have provided grants in accordance with the internal management approach of a company in the hopes of integrating all the supply chain partners in the fulfillment of corporate social responsibility. We work closely with our suppliers to strengthen these partnerships and have started with social welfare and participation in social activities.

The OUCC is very conscious of the danger of disaster. To instill an appreciation of this ever existing hazard the company has prepared the “Contractor Work Safety Rules” for contractors carrying out construction or repair & maintenance on the plant premises. It is a must that all the contractor’s workers have the necessary work safety licenses and certificates and are qualified to carry out the work they are assigned. Contractors are also required to sign the “Contractor’s Operation Safety Commitment to the OUCC while Working in the Plant” indicating their full understanding of the rules for working on the OUCC plant premises

Screening and Evaluation

To strengthen the awareness and execution of corporate social responsibility in the suppliers, we have worked closely with them, and with our contractors, on five matters: labor, health & safety, environment, management, and business ethics.

Suppliers must comply with the petrochemical industry code of conduct and the OUCC “Environmental Safety and Health Policy.” The OUCC uses a supplier self-evaluation process with a questionnaire to help them understand the meaning and requirements of the policy. Suppliers and contractors sign a Letter of Commitment to guarantee compliance with environmental safety and health. The OUCC supplier screening and evaluation mechanism and result include:

- 1. New suppliers must pass a Supplier Evaluation.
- 2. Existing suppliers must receive and complete an annual evaluation (on-site or written evaluation).
- 3. The evaluation process includes record evaluation and field evaluation. The items include company management, quality, delivery, price, service, and environmental safety. Only when the suppliers’ rating score reaches standard requirement could the suppliers be listed as qualified.

- 4. Forwarders evaluation system: Ten forwarders who had agreed to the terms of the “Environmental Safety and Health Policy Handbook” also agreed to be audited on their commitment to environmental safety and health. Currently, there are six (6) outsourced tanker forwarders, three of these have ISO 14001 certification, (a 50% pass rate, accounting for 67.6% of freight delivery) and five of the six have OHSAS 18001 certification (83.3% pass rate, accounting for 91.7% of freight delivery).

Note: The Oriental Union Chemical Corporation has 3-in-1 ISO certifications, which means a declaration of compliance with environmental policies and an environmental impact assessment must be sealed, signed and returned to the Company by the suppliers.

Transportation Supplier’s Safety and Health Quality Audit

As an enterprise committed to substantiating responsibility, the OUCC is doing everything possible to realize the goal of transport safety. Contracted transport service providers must participate in the Kaohsiung City – Kaohsiung County - Pingtung County diesel self-management program and receive their qualification mark, and comply with the environmental and safety standards requirements. A regular “Outsourcing Transportation Safety and Health Quality Audit and Survey” is performed in the forth quarter for all the main transport service providers. Annual accident statistics accounted for 50% of the score, while transportation safety and hygiene quality audit accounted for another 50%. The transport service provider will not be renewed if the evaluation score is below the standard score.

The total number of evaluation audit on transport is six in 2015 with the passing rate of 100%.

The items audited include:

- 1. Transport Company Profile and transport policy.
- 2. Security System and policy.
- 3. Work procedures and emergency response.
- 4. Driver qualification (employment / training).
- 5. Driver qualification review (evaluation).
- 6. Equipment safety.

In response to trends in CSR management, contracted tanker or transport companies will be requested of their environmental safety and other health-related matters mentioned in their contracts. They must pass environmental management system certification, or must be free of any industrial safety accident within the previous five years. All suppliers are invited to participate in CSR management and development.



COMMUNITY

The OUCC applies their corporate spirit of “taking from society, giving back to society” to sponsor charity groups or to engage in activities of the affiliated charitable foundation of the company, of which sponsorship is subject to the Company’s yearly operating performance. We also engage in feedback to the community and collaborate with suppliers to maintain our partnerships. Suppliers and employees are also invited to participate in social welfare activities with the support of enterprises.

The OUCC has occasionally arranged blood donation drives, held along with FE Group other donation activities such as the Taipei Expo, August 8th hurricane donations, 921 earthquake donations; and spontaneous employee donations to disadvantaged groups and volunteer work. The amount for community sponsorship totaled NTD 1.315 million and donated more than NTD 1.42 million to disadvantaged minority and charity groups in 2015.

Activities	Briefing	Invested amount (NT\$ Ten Thousand)
Temple festival		4.6
Heads of sub-ward and heads of tithing gathering	Festival, observation	27.6
Social group and association activities	Observation, gala	11.5
Others	Press Association and school arts activities	6.3
Work with the industry in Lin Yuan to sponsor the Lin Yuan District Office for community activities, such as scholarships, emergency assistance, reconstruction of public space, and the training of environmental volunteers.	Jointly shared amount of Good-neighbor's fund	81.5
Total		131.5

Donation

	Unit	2013	2014	2015
Cash donation amount	thousand	1,648	3,793	1,413
Supplies donation amount	thousand	13	28	10
Total	thousand	1,661	3,821	1,423

The 2013~2015 Dengue Smoke Agent Donated

	2013	2014	2015
Donation content	Ethylene glycol	Ethylene glycol	Ethylene glycol
Donation volume	500kg	1,000kg	500kg
Donation recipient	Fengshan District Office	Lin Yuan and Fengshan District Office	Fengshan District Office

ASSOCIATION MEMBERSHIP LIST

We keep interacting with many external organizations across the industry. In addition to active participation in annual meetings, summits, and General Assemblies of international, national, and regional organizations, we make serious effort to understand and respond immediately to the suggestions of external stakeholders with respect to the industry and the sustainable development of OUCC by participation in all the discussions of industry-related issues.



Due to the huge impact of the chemical industry on the livelihood of people and the community, in addition to involvement in public policy debates, the OUCC has become a member of the TRCA. We take an active part in training, discussions and providing advice on industrial safety standards from actual work safety experience.

Association and union name	Admission Status	Membership
	(Group, individual)	(General member / Director / Supervisor)
Petrochemical Industry Association of Taiwan	Group	Member
Taiwan Chemical Industry Association (TCIA)	Group	Executive director, member
Taiwan Responsible Care Association (TRCA)	Group	Supervisor, member
Taiwan Institute of Chemical Engineers	Group	Member
Taiwan Industry Gas Association (TIGA)	Group	Director, member
Industrial Gas Association of ROC	Group	Director, member
Specialty Chemical Development Association of ROC	Group	Director, member
The Institute of Internal Audit, ROC (Taiwan)	Group	Member
Industrial Safety and Health Association (ISHA) of the ROC (Taiwan)	Group	Member
Kaohsiung Commerce and Trade Development Association	Group	Member
Kaohsiung Personnel Representative Association	Group	Member
Kaohsiung County Industrial	Group	Member
Chinese Arbitration Association, Taipei.	Group	Member
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Group	Member

Event sponsorship:

Association	Event	Amount
Taiwan Chemical Industry Association	2015 Taiwan Chemical Industry Association Summit Forum	30,000
Taiwan Chemical Industry Association	Association Journal publication sponsorship	30,000
Taiwan Power Company	Green Power Purchase Certificate	100,000

ASSURANCE STATEMENT



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE Oriental Union Chemical Corporation's CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2015

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Oriental Union Chemical Corporation (hereinafter referred to as OUCC) to conduct an independent assurance of the Corporate Social Responsibility Report for 2015 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the OUCC's CSR Report of 2015 and its presentation are the responsibility of the management of OUCC. SGS has not been involved in the preparation of any of the material included in OUCC's CSR Report of 2015.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all OUCC's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity at a moderate level of scrutiny for OUCC and moderate level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from OUCC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 12121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within OUCC's CSR Report of 2015 verified is accurate, reliable and provides a fair and balanced representation of OUCC sustainability activities in 01/01/2015 to 12/31/2015.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

OUCC has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

OUCC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, OUCC's CSR Report of 2015, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. More governance related GSDs may be further enhanced in future reports. More disclosures on DMA component are recommended. Disclosures of EC5, EN10, and LA7 are also encouraged.

Signed:

For and on behalf of SGS Taiwan Ltd.

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
22 June, 2016
WWW.SGS.COM



AA1000
Licensed Assurance Provider
000-8

GRI INDEX

GENERAL STANDARD DISCLOSURES

Indicator	Disclosure Item	Page Number and Explanation	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization	23	P96-97
G4-2	Provide a description of key impacts, risks, and opportunities	7, 28-31	P96-97
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization	2	P96-97
G4-4	Report the primary brands, products, and services	7	P96-97
G4-5	Report the location of the organization's headquarters	10	P96-97
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations	10	P96-97
G4-7	Report the nature of ownership and legal form	2	P96-97
G4-8	Report the markets served	13	P96-97
G4-9	Report the scale of the organization	10	P96-97
G4-10	Report the total number of employees	77	P96-97
G4-11	Report the percentage of total employees covered by collective bargaining agreements	88	P96-97
G4-12	Describe the organization's supply chain	13	P96-97
G4-13	Report any significant changes during the reporting period	2	P96-97
G4-14	Report whether and how the precautionary approach or principle is addressed	26-29	P96-97
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	46, 94	P96-97
G4-16	List memberships of associations and national or international advocacy organizations	95	P90-92
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	2	P96-97
G4-18	Explain the process for defining the report content and the Aspect Boundaries	36-37	P96-97
G4-19	List all the material Aspects identified in the process for defining report content	36-37	P96-97
G4-20	For each material Aspect, report the Aspect Boundary within the organization	36-37	P96-97
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	36-37	P96-97
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	No significant changes	P96-97
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	No significant changes	P96-97
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization	35	P96-97
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	35	P96-97

Indicator	Disclosure Item	Page Number and Explanation	External Assurance
G4-26	Report the organization's approach to stakeholder engagement	35	P96-97
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	34-35	P96-97
REPORT PROFILE			
G4-28	Reporting period for information provided	2	P96-97
G4-29	Date of most recent previous report	2	P96-97
G4-30	Reporting cycle	Annual	P96-97
G4-31	Provide the contact point for questions regarding the report or its contents	2	P96-97
G4-32	Report the 'in accordance' option the organization has chosen	2	P96-97
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	2	P96-97
GOVERNANCE			
G4-34	Report the governance structure of the organization	Please refer to OUCC 2015 Annual Report p.28	P96-97
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	34	P96-97
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	34	P96-97
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	34	P96-97
G4-38	Report the composition of the highest governance body and its committees	26	P96-97
G4-39	Report whether the Chair of the highest governance body is also an executive officer	No	P96-97
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	27	P96-97
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	25, 26	P96-97
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	25, 26	P96-97
G4-51	Report the remuneration policies for the highest governance body and senior executives	26	P96-97
G4-52	Report the process for determining remuneration	26	P96-97
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior	25, 80	P96-97
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	27	P96-97
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	2	P96-97

SPECIFIC STANDARD DISCLOSURES

Indicator	Disclosure Item	Page Number and Explanation	External Assurance
CATEGORY: ECONOMIC			
MATERIAL ASPECT: ECONOMIC PERFORMANCE			
G4-DMA		20	P96-97
G4-EC1	Direct economic value generated and distributed	20	P96-97
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	31	P96-97
G4-EC3	Coverage of the organization's defined benefit plan obligations	82-83	P96-97
G4-EC4	Financial assistance received from government	None	P96-97
MATERIAL ASPECT: MARKET PRESENCE			
G4-DMA		82	P96-97
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	78	P96-97
CATEGORY: ENVIRONMENT			
MATERIAL ASPECT: ENERGY			
G4-DMA		66	P96-97
G4-EN3	Energy consumption within the organization	67	P96-97
G4-EN5	Energy intensity	67	P96-97
G4-EN6	Reduction of energy consumption	70	P96-97
G4-EN7	Reductions in energy requirement of products and services	70	P96-97
MATERIAL ASPECT: WATER			
G4-DMA		66	P96-97
G4-EN8	Total water withdraw by source	72	P96-97
MATERIAL ASPECT: EMISSIONS			
G4-DMA		48	P96-97
G4-EN15	Direct greenhouse gas (GHG) emissions (SCOPE 1)	68, 69	P96-97
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (SCOPE 2)	68, 69	P96-97
G4-EN18	Greenhouse gas (GHG) emissions intensity	68	P96-97
G4-EN19	Reduction of greenhouse gas (GHG) emissions	70、71	P96-97
G4-EN20	Emissions of Ozone-Depleting substances (ODS)	None	P96-97
G4-EN21	NO _x , SO _x , and other significant air emissions	56	P96-97
MATERIAL ASPECT: EFFLUENTS AND WASTE			
G4-DMA		48, 72	P96-97
G4-EN22	Total water discharge by quality and destination	73	P96-97

Indicator	Disclosure Item	Page Number and Explanation	External Assurance
G4-EN23	Total weight of waste by type and disposal methods	57	P96-97
G4-EN24	Total number and volume of significant spills	None	
MATERIAL ASPECT: PRODUCTS AND SERVICES			
G4-DMA		40	P96-97
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	41-43	P96-97
MATERIAL ASPECT: COMPLIANCE			
G4-DMA		48	P96-97
G4-EN29	Monetary value of significant fines and total number of significant fines and total number of non-monetary sanctions for non-monetary for non-compliance with environmental laws and regulations	58	P96-97
MATERIAL ASPECT: TRANSPORT			
G4-DMA		44	P96-97
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operation, and transporting members of the workforce	45, 70	P96-97
MATERIAL ASPECT: OVERALL			
G4-DMA		58	P96-97
G4-EN31	Total environmental protection expenditures and investments by type	58	P96-97
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA		92	P96-97
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	92, 93	P96-97
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA		57	P96-97
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	57	P96-97
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: EMPLOYMENT			
G4-DMA		75	P96-97
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	76-79	P96-97
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation	84, 85	P96-97
G4-LA3	Return to work and retention rates after parental leave, by gender	78	
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA		88	P96-97

Oriental Union Chemical Corporation · The 2015 Corporate Social Responsibility Report			
Indicator	Disclosure Item	Page Number and Explanation	External Assurance
G4-LA4	Minimum notice periods regarding operational changes	88	P96-97
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA		48	P96-97
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety program	49, 88	P96-97
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	52	P96-97
G4-LA8	Health and safety topics covered in formal agreements with trade unions	88	P96-97
MATERIAL ASPECT: TRAINING AND EDUCATION			
G4-DMA		80	P96-97
G4-LA9	Average hours of training per year per employee by gender, and by employee category	81	P96-97
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	82, 83	P96-97
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	82, 83	P96-97
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA		75	P96-97
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	76-78	P96-97
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES			
G4-DMA		92	P96-97
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	92, 93	P96-97
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	92, 93	P96-97
SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA		89	P96-97
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No relevant issues	P96-97
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA		88	P96-97
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	No relevant issues	P96-97

GRI Index			
Indicator	Disclosure Item	Page Number and Explanation	External Assurance
MATERIAL ASPECT: CHILD LABOR			
G4-DMA		76	P96-97
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No relevant issues	P96-97
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-DMA		89	P96-97
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	89	P96-97
SUB-CATEGORY: SOCIETY			
MATERIAL ASPECT: LOCAL COMMUNITIES			
G4-DMA		94	P96-97
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Linyuan Industrial Area	P96-97
MATERIAL ASPECT: ANTI-CORRUPTION			
G4-DMA		27	P96-97
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	27	P96-97
G4-SO4	Communication and training on anti-corruption policies and procedures	27	P96-97
G4-SO5	Confirmed incidents of corruption and actions taken	No relevant issues	P96-97
MATERIAL ASPECT: COMPLIANCE			
G4-DMA		19	P96-97
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No relevant issues	P96-97
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA		92	P96-97
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Haven't used criteria for impacts on society to screen suppliers	P96-97
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA		40	P96-97
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No relevant issues	P96-97
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA		40	P96-97

Indicator	Disclosure Item	Page Number and Explanation	External Assurance
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	100%	P96-97
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No relevant issues	P96-97
G4-PR5	Results of surveys measuring customer satisfaction	90	P96-97
MATERIAL ASPECT: CUSTOMER PRIVACY			
G4-DMA		90	P96-97
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No relevant issues	P96-97
MATERIAL ASPECT: COMPLIANCE			
G4-DMA		40	P96-97
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No relevant issues	P96-97



OUC 東聯化學股份有限公司
Oriental Union Chemical Corp.