

## Message from Management (GRI 2-22)

### Dear Stakeholders

In response to the intertwined changes in the international economy and geopolitical landscape, as well as the escalating environmental challenges posed by climate risks, we upheld our philosophy of “Creating Sustainable Value Together, Building a Sustainable Society Together” in 2024. We remained committed to steady operations while proactively addressing external uncertainties, enhancing corporate resilience, and strengthening our sustainability competitiveness.

### Innovative Product Development

Over the past year, thanks to the collective efforts of all colleagues across the Group, we not only delivered steady operational results but also made tangible progress in product innovation and sustainability management. We actively advanced new product development, focusing on forward-looking key technologies such as lightweight ABS, cooling rubber, and SiC semiconductor materials. We also launched innovative consumer product applications, including the CBC sterilization water bottle, to expand our B2C market presence.

USI Corporation, APC, and Delta Electronics have obtained SGS ISO 14021 certification for pre-consumer recycled materials. Through innovative processes, valuable production waste is sorted, purified, and remanufactured into high value-added recycled products, creating new market opportunities and fulfilling the dual goals of circular economy and green manufacturing.

### Establish carbon reduction goals and green power plans

In our ESG practices, we continue to strengthen international engagement and enhance the maturity of our internal governance. In 2024, USI Corporation and CGPC participated in the international CDP evaluation and both received double B scores in Climate Change and Water Security, demonstrating transparency and proactive action in climate and water resource management. The goal of “27% carbon reduction by 2030 compared to 2017” has been expanded from domestic production plants to all domestic and overseas entities. A 20.7% reduction in emissions was achieved in 2024, reflecting our strong commitment to climate action.

Our grid-connected solar power capacity has increased to 8.6 MW, with an estimated annual power generation exceeding 10.73 million kWh. We are on track to reach installed capacities of 10 MW by 2025 and 20 MW by 2027, steadily advancing toward low-carbon operations.

### Building a Culture of Diversity and Inclusion

At the same time, we remain committed to human rights protection and employee well-being, striving to create a diverse and inclusive workplace environment. This year, USI Corporation, APC, TTC, and CGPC were recognized by the Occupational Safety and Health Administration for their outstanding performance in the “Occupational Health and Safety Indicators.” Through the USI Education Foundation, we have also continued our long-term commitment to social responsibility by supporting rural education, caring for indigenous communities, and promoting environmental protection.

### 2024 ESG Results

In response to the global net-zero transition and domestic carbon fee policies, the Vinyl Chain is actively advancing ESG sustainability management. This includes replacing energy-intensive equipment, increasing the use of low-carbon energy, installing solar power systems, and introducing intelligent process optimization to continuously reduce energy consumption and operating costs while strengthening occupational safety and environmental management.

In terms of environmental management, 1.88 MW of solar energy equipment has been installed at CGPC’s Toufen main factory. Coal-fired boilers have been fully replaced with natural gas boilers, and the complete transition to natural gas is scheduled for completion by 2025. Major improvement projects include: (1) The REVAMPING project for polymerization was initiated, and preliminary hoisting of five reactors was completed on March 25, 2025. (2) An intelligent energy-saving project was implemented for Polymerization #7 dryer.

Major improvement projects at TVCM’s Linyuan factory include: (1) Implementation of intelligent energy-saving measures for the distillation column (2) The steam moisture separator improvement project (Phrase 3). We are committed to enhancing process efficiency and environmental performance across the board, while promoting Process Safety Management (PSM) and the application of intelligent systems.

In terms of talent development, we have planned comprehensive career paths and have continuously improved the work environment since 2019 to foster a comfortable workplace.

Employees have also voluntarily formed a volunteer group engaged in beach cleanups and community service, and established a charity club to support disadvantaged groups through donations, demonstrating both internal cohesion and social commitment.

## Future Outlook

In response to the challenges and opportunities brought by the transformation toward semiconductor materials and the B2C market, we will continue to strengthen market sensitivity and production line flexibility. Through innovation and forward-looking vision, we aim to create sustainable value in collaboration with our industry partners.

With the united efforts of all colleagues, we are confident in our ability to lead the Group steadily forward and make solid progress on the path of sustainable development, shaping a long-term future together.

China General Plastics Corporation     Quintin Wu, Chairman


