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About this Report (GRI 2-1 \ 2-2 \ 2-3 \ 2-4 \ 2-5)

China General Plastics Corporation (hereinafter referred to as "CGPC") has prepared the ESG report for the 11th time since 2014, to inform all our stakeholders of how we are committed to promoting sustainable development corporate. The contents of this report describe in detail our achievements and efforts in corporate governance, environmental protection, employee care, and social charity.

Report Compilation

| Publishing Unit | In accordance with the Guidelines/Regulations |
|---|--|
| Global Reporting Initiative Global Reporting Initiative,Abbreviated as GRI | ♦ GRI Standards (2021 version) |
| Financial Stability Board (FSB) Financial Stability Board | ♦ Climate-related Financial Disclosures Recommended Framework Structure Task Force on Climate-related Financial Disclosures, TCFD |
| Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards Board | ♦ Industry-specific standard for the Chemicals |
| Taiwan Stock Exchange | ♦ Sustainable Development Best Practice Principles for TWSE/ TPEx-Listed Companies ♦ Sustainable Disclosure Indicators - Plastic Industry ♦ Rules Governing the Preparation and Filing of Sustainability Reports by Listed Companies |
| UN | ♦ UN Sustainable Development Goals Sustainable Development Goals, Abbreviated as SDGs |

Data period

The period of information disclosed in this report is from January 1, 2024 to December 31, 2024, and some of the information occurs before January 1, 2024 or in 2025.

External Verification Organization of the Report

This report is prepared in accordance with the GRI Universal Standards. Deloitte is engaged as the third-party assurance provider to review the report's compliance with the GRI Standards and to perform limited assurance procedures on five ESG indicators in accordance with Assurance Standard No. 3000. An assurance report has been issued accordingly.

Report Review and Finalization Procedures

ESG task force: The ESG task force is formed by relevant departments, and the President's Office is responsible for the overall planning, data collection, communication and integration, as well as editing and revision. In the event of information re-editing, such instances will be clearly explained in the respective sections when disclosing the information. The consolidated information will be submitted to the ESG Committee and Board of Directors for review and approval. The results will be disclosed to ensure that stakeholders are informed and understand the progress.

Data collection **Compilation and Review Assurance and Art Editors** Manuscript finalized and published ◆ Relevant units provide information Sustainability Report (first draft) ◆ Third party assurance. ◆ Approved by the ESG Committee. compiled by the Sustainability Team ◆ Issued after approval by the Board of and are approved by supervisors. • Art editing. of the President's Office. Directors. ◆ Review and summary by the ESG • Review by the project secretary. core team leader. ◆ Review of the Group's Environmental Division.

Report Scope and Important Explanation

- ◆ Except for financial performance and greenhouse gas emissions, which are disclosed based on the scope of the consolidated financial statements, all other sustainability performance indicators have been fully disclosed by CGPC, TVCM, and CGPCP. GGTC has only disclosed performance related to human resources. If there is any inconsistency in the scope, an explanation will be added in the respective chapters or to the relevant data.
- ♦ This report presents important information regarding Operating Performance, Environmental, Employees, and Social Welfare. The scope of disclosure covers 94% of CGPC's consolidated operating revenue in 2024.
- ♦ The financial information in this report is consistent with the data in the financial report audited by certified public accountants, and some statistical data are quoted from our annual reports or information disclosed by government agencies and on other relevant websites.
- ♦ 3.3 The risk assessment boundary is primarily focused on the Company.
- ♦ This report mentions the "Vinyl Chain", which consists of three companies: CGPC, TVCM, and CGPCP.
- ♦ The name of CGPC Toufen Plant was changed to CGPC Toufen main factory in August 2023.
- ♦ GGTC was established in February 2022. During its initial phase, employees from the Environmental Development Department of TVCM were seconded to provide support. This team was officially transferred to GGTC on July 1, 2024.

Release Date

The Company's reporting cycle is once a year. You are welcome to download it from the CGPC's official website http://www.cgpc.com.tw/ or you may scan the QR Code below, enter the ESG Sustainable Development section, click "Download Reports", and be linked to the "download page of the ESG Reports" of CGPC.

ESG Report



◆ Last issue: August 2024 ◆ Current issue: August 2025

◆ Next issue: Scheduled for August 2026

Contact Us

If you have any suggestions or advice about this report or CGPC's sustainable development initiatives, please feel free to contact us, and subscribe to our company's ESG e-newsletter •

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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.

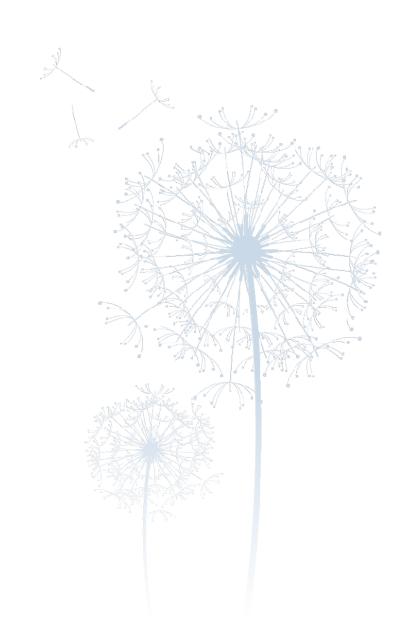
With the united efforts of all colleagues, we are confident in our ability to lead the Group steadily forward and make solid progress on the path of sustainable development, shaping a long-term future together.

China General Plastics Corporation

Quintin Wu, Chairman







Sustainable Management Policy and Achievements

To operate for the next 50 years and develop sustainably as a benchmark enterprise in the Group, we have launched various transformation plans since 2016 and completed one after another (Please refer to ESG Video Zone -<u>Introduction to various improvements</u>). We have adopted four major strategies since 2021 in alignment with the government' s net zero emission policy: adoption of AI production technology, improvement to production efficiency, replacement with energy-saving equipment, and elimination of bottlenecks to increase production capacity and storage and transportation space.





- 1. R&D to increase the percentage of recycled raw materials.
- 2. Increase the percentage of recycled water per year.
- 3. Recovery of heat energy from cracking furnace.
- 4. Recycling and reuse of PE bags.
- 5. Promotion of waste material reuse.



Import system

- 1. PSM system.
- 2. Sustainable development included in KPI evaluation. 8. ISO 14046 water footprint verification.
- 3. ISO-50001 energy management system verification.
- 4. ISO 14064-1 Organizing greenhouse gas inventory.
- 5. ISO 14067 Carbon Footprint of Products and Services. 10. ISO 45001 Occupational Health and Safety
- 6. "GRS" Global Recycling System Certification.
- 7. ISO 46001 water resources management system.
- 9. ISO 14001 environmental management system certification.
- Management System Certification.
- 11. IATF 16949 Quality Management System.
- 12. Clean Production Assessment System Certifi
- 13. Green Building Label Certificate.
- 14. ISO 14021 Verification of Recycled Material Content. (PVC-U pipes, UPVC for electric conduit use)



Establishment of a smart factory

- 1. Manufacturing process Optimization: TVCMe's distillation tower system and CGPC's PVC drying system.
- 2. Manufacturing process Safety Monitoring: Absorption tower process safety monitoring, electrical pane AOI thermal imaging recognition, critical rotating equipment intelligent monitoring system, Intelligent stacker safety assistance system, intelligent improvement of space bag packaging safety operations, tank truck loading safety video recognition, dangerous behavior recognition for adhesive tape machine take-off wheels.
- 3. Image Recognition: Employee facial recognition attendance system, intelligent vehicle control and intelligent truck scales, product processing plant defect recognition system, pipe AOI image detection system.



Carbon Reduction Layout

- 1. CGPC: Energy saving improvement of the cooling tower pump, installation of a new natural gas boiler, construction of a smart automatic warehouse system, improvement of water eliminator and thermal insulation, replacement of 800RT freezer, and update of the D sets of compressors in the coincidence course.
- 2. TVCM: Cracking furnace energy-saving coating, quench tower heat energy recovery, steam Boiler Optimization and Improvement, cooling water tower pump efficiency improvement, and fan frequency conversion control.
- 3. CGPCP: The thermal water vapor heating system is optimized.



Friendly

- . Environmentally 1. CGPC: Constructed a new activated carbon fluidized bed and a new 30-ton natural gas boiler.
 - 2. TVCM: Replacement of VOC control valves, aerobic wastewater sludge reduction project, the 35 ton Steam Boiler Optimization and Improvement.



Establishment of renewable energy facilities and purchase of green electricity

- ♦ As of 2023, CGPC has constructed solar energy equipment with an installed capacity of 2.12MW. In 2024, a fire incident at the plant affected the solar installation capacity. As of the end of 2024, the total installed capacity amounted to 1,880.88 kWp.
- ♦ In addition, the Group is actively developing external renewable energy projects. As of the end of 2024, the cumulative grid-connected capacity of solar energy projects has reached 8.6 MW, generating approximately 10.73 million kilowatt-hours of green energy annually.

Sustainable Management Achievements

2021

- Ranked among top 6–20% in the 8th Corporate Governance Evaluation.
- Received the Platinum Award of 14th TCSA for the report -Comprehensive Performance: Taiwan Corporate Sustainability Excellence Award Single Performance Award–Innovative Growth and Leader Award 1st TSAA Taiwan Sustainable Action Award - Silver Award.
- Served as the leader of the Safety and Health Family in Miaoli County and made donations for anti-pandemic efforts.
- Continuously improved energy conservation and carbon reduction at three entities: Adopted Intelligent in the process, improved the drainage systems, used highefficiency motors, replaced old refrigerators, replaced old air compressors, improved the electric heating of pipeexpanding machines, replaced packaged air conditioners, replaced old street lights with LED ones, replaced old activated carbon fluidized bed reactors, etc.
- Environmental Protection: Remediation of the drainage system, activated carbon fluidized bed.
- Recognized by the Taipei City Government's Environmental Protection Bureau with an appreciation letter for "Excellence in Green Procurement."
- VCM Recycling System
- Continued soil and groundwater environmental remediation efforts (enhancing technology and biological applications) and
- Passed the review for the Action Plan for Accelerated Investment by Domestic Corporations by the Investment Commission, MOEA.
- TVCM was awarded the certificate of cancellation of management for remediation technology at polluted sites from the Environmental Protection Administration. Executive Yuan, and Director Chien, Hua-Yii was awarded the Outstanding Project Manager Award by the Taiwan Soil and Groundwater Environmental Protection Association.

2022

- Ranked among top 6–20% in the 9th Corporate Governance Evaluation.
- Selected as a constituent stock of the "Corporate Governance 100 Index."
- Received the Platinum Award in the 15th TCSA Report and the Overall Performance (Taiwan Top 100 Sustainable Exemplary Enterprises Award), as well as the Taiwan Sustainable Action Award (TSAA) in the 2nd edition, with a Silver Award in SDG 12 and a Bronze Award in SDG 6.
- CGPC, TVCM and CGPC Polymer implemented the SO 14067 carbon footprint management system.
- CGPC and TVCM included ISO 14064-1 greenhouse gas inventory Scope 3 in the inventory; CGPCP Polymer implemented ISO 14064-1.
- We have adopted the Global Recycled Standard (GRS) to certify CGPC's eco-friendly TPE leather products.
- CGPC implemented ISO 46001 water resources and ISO 14046 water footprint management system.
- The supervisors at CGPC, TVCM, and CGPCP Polymer included ESG in the KPI evaluation.
- Establishment of renewable energy facilities and purchase of green electricity
- Newly established an automatic storage AI system.
- CGPC has updated the IEM Alkali Liquid Evaporator Renewal and Replacement Project (B0000200), and our first application for greenhouse gas reduction quota under this project was approved by the Environmental Protection Administration, and we were granted a reduction quota of 4,335 metric tons of CO₁e.
- Update 2 cracking furnaces (F-6201 and F-6202) in TVCM's Linyuan plant as part of the offset project (B0000210) and obtained approval from the Environmental Protection Agency for the first greenhouse gas reduction quota application, receiving a reduction quota of 3,129 metric tons CO₂e.
- Three plants have been continuously improving energy efficiency and reducing carbon emissions through the following measures: Replacement of high-efficiency dissolved air flotation blowers, implementation of Intelligent energy-saving measures in processes, energy-saving coating for cracking furnaces, heat recovery in quench towers.
- Environmental Protection: Remediation of the drainage system, construction of a new activated carbon fluidized bed, installation of a LDS System, smart pipeline inspection project.
- · Continued soil and groundwater environmental remediation efforts (enhancing technology and biological applications) and education.

2023

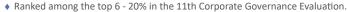
- Ranked among the top 6–20% in the 10th Corporate Governance Evaluation.
- Received the Platinum Award in the 16th TCSA Report and the Overall Performance (Taiwan Top 100 Sustainable Exemplary Enterprises Award), as well as the Taiwan Sustainable Action Award (TSAA) in the 3rd edition, with a Silver Award in SDG 6, a Bronze Award in SDG 12, and a Bronze Award in SDG 8.
- Continued soil and groundwater environmental remediation efforts (enhancing technology and biological applications) and education.
- Three plants have been continuously improving energy efficiency and reducing carbon emissions and environmental protection through the following measures: By integrating Intelligent technologies, we have implemented several projects to enhance operational efficiency and safety. These Intelligent integration projects include: Phase 2 of the Dryer Process Optimization, and Establishment of AI Models for Lightweight Fractionation Tower. In addition, CGPC has installed a natural gas boiler, power monitoring of the major energy-consuming equipment at Linyuan factory, updated water purifiers, intelligent control of the 35 ton Steam Boiler Optimization and Improvement (with the addition of a frequency converter and an intelligent control system), condensate recovery, construction of a wastewater sedimentation tank, D Set of compressors, 800RT refrigerators, energy-saving improvements to the external circulation pump of the chilled water system, cooling towers, etc.
- Establish a computerized maintenance management system (CMMS) and introduce process safety management.
- Participated in the "2023 Industrial Development Bureau, MOEA" Manufacturing Climate Change Adaptation and TCFD Demonstration Project and gave information.
- The Company is obtained the "Cleaner Production Assessment System Certificate" on June 2024.
- Our supply chain was invited to participate in the CDP questionnaire: Climate Change and Water Security, which received B- and B, respectively.
- Bureau of Indian Standards (BIS) certified factory audits.

Sustainable Management Achievements

2024







- Received the Platinum Award in the 17th TCSA Report and the Overall Performance (Taiwan Top 100 Sustainable Exemplary Enterprises Award), as well as the Taiwan Sustainable Action Award (TSAA) in the 4th edition, with a Bronze Award in SDG 8.
- Awarded the 2024 3rd session "Net-Zero Industrial Competitiveness" Excellence Award by the 21st Century Foundation.
- ◆ Continued soil and groundwater environmental remediation efforts (enhancing technology and biological applications) and education.
- ◆ Three plants have been continuously improving energy efficiency and reducing carbon emissions and environmental protection through the following measures: By integrating intelligent technologies, we have implemented several projects to enhance operational efficiency and safety. These intelligent integration projects include: Phase 2 of the Dryer Process Optimization, and Establishment of intelligent Models for Lightweight Fractionation Tower. In addition, CGPC has installed a natural gas boiler, power monitoring of the major energy-consuming equipment at Linyuan factory, updated water purifiers, intelligent control of a 35-ton steam boiler with the addition of a frequency converter and an intelligent control system, condensate recovery, construction of a wastewater sedimentation tank, D Set of compressors, 800RT refrigerators, energy-saving improvements to the external circulation pump of the chilled water system, cooling towers, and so on.
- Establish a computerized maintenance management system (CMMS) and introduce process safety management.
- ♦ Obtained the "Clean Production Assessment System Certificate" and the "Green Building Label Certificate."
- Our supply chain was invited to participate in the CDP questionnaire on Climate Change and Water Security, and received management-level scores of B for both categories.

◆ Continue to make energy conservation and carbon reduction improvements in the three plants: Power monitoring of major energy-consuming equipment, update of water purifiers, installation of frequency converters and intelligent control systems for boilers, and condensate water recycling.

2025

- Update CGPC's PVC compound tanks.
- ♦ In collaboration with external consultants and industry-academia partnerships, incorporated intelligent technology and established an AloT-enabled smart factory.
- VCM Recycling System.
- Continued soil and groundwater environmental remediation efforts (enhancing technology and biological applications) and education.
- ◆ Pass the ISO 14021 Verification of Recycled Material Content (PVC-U pipes \ UPVC for electric conduit



In 2019 The production capacity of VCM reached to **485,000** tons



In 2020 The production capacity of **PVC RESIN** of two plants reached to 450,000 tons



Focus on environmental issues and implementation of energy conservation and carbon reduction measures



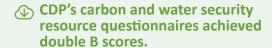
Harmonious relationship with the community and focus on occupational safety and health



Maintenance of shareholders' rights and interests and pursuit of R&D and innovation

2024 Key Performance Achievements

Environmental (



3,888(tons/CO₂e) Annual Carbon reduction

Energy conservation and carbon reduction plan and performance (annual carbon reduction) - equivalent to the annual carbon emissions absorbed by 10 Da'an Forest Parks.

1,055.6(million liters) recycled water consumption

Approximate saving of 422 Olympic-sized swimming pools' worth of water. This achievement is a direct outcome of our commitment to reducing water waste, improving and replacing water-intensive equipment, and increasing used water recycling rates.

Green Procurement Benchmark Enterprise

> In 2024, CGPC received the "2024 Green Procurement Outstanding Performance Award" from the Ministry of Environment. A total of NT\$98.64 million for green procurement declarations in 2024.

Obtained the Clean Production Assessment System Qualification and **Green Building Label Certificate**

Social



1.4% Employment of people with disabilities

The employment of persons with disabilities accounts for 1.4% of the total, which is better than the 1% under the Labor Standards Act.

1,226 (people) Participated in beach cleanup

A total of 1,226 persons participated in the beach cleanup activity at the Long Fong Fishing Port. The activity began in 2017 up till now.

Establishment of **PSM** platform and fabricated process implementation

With support from the IT Department, the development and establishment of the PSM platform was carried out in two phases, aiming to integrate various PSM data through digital management, CGPC has implemented the PSM system in its processing operations to enhance the overall safety culture across the plant.

26.6 (hours) average training hours

Built a comprehensive education and training system, with an average annual training hours of 26.6 hours per person

4,091 (persons) Contractor safety education and training

Increased contractor education to prevent occupational accidents

Governance



Inclusion of **ESG** in KPI evaluation

Included ESG in executive and employee performance **KPIs** evaluation

6-20 % Corporate Governance Evaluation

Ranked among the top 6-20% of the TWSE-listed companies in the 10th Corporate Governance Evaluation in 2024.

98.7 % Customer satisfaction

Services and items and new products are well coordinated, which enhances customer satisfaction.

- **Taiwan Sustainability Action Awards**
 - (1) Taiwan Sustainability Action Awards (TSAA): Project: SDG 8 TVCM steam boiler optimization and improvement (Bronze Award)
 - (2) TCSA:

Integrated Performance Award: Taiwan Top 100 Sustainable Enterprises Award ESG Report: Traditional Manufacturing (Platinum Award)

100 % supplier signed

All new suppliers signed the "Supplier Social Responsibility Commitment"

Recognition from the Occupational Safety and **Health** Administration of the Ministry of Labor

Corporate Sustainability Report Public Occupational Health and Safety Index Active Evaluation of Outstanding Companies



1.1 Company Introduction (GRI 2-2 \cdot 2-7)

CGPC (founded in 1964)



CGPC (stock code: 1305) was founded in 1964 and is one of USI Group's affiliates. CGPC is a mid-stream and downstream plastic raw material and goods supplier in the petrochemical industry. Our production and sales services includes PVC resin (Note), chemicals, PVC pellets, as well as secondary processed tapes, fills, pipes, and profile extruded goods.

| Company name | CGPC |
|--------------------------|--|
| Industry | Plastics manufacturing |
| Location of headquarters | 12F, No. 37, Jihu Road, Neihu District, Taipei City |
| Location of plant | No. 571 Minzu Road, Toufen City, Miaoli County |
| Paid-in capital | NT\$5.81 billion |
| Main products | Raw material products: • PVC resin: Annual production capacity of 230,000 tons per year • Chemicals: Annual production capacity of 68,675 metric tons per year (calculation as per concentration of 100%) • PVC secondary processed products (including 26,700 tons of building materials products, 24,000 tons of film, and 8,600,000 yards of leather. Total annual production capacity of 357,975 tons |
| Number of employees | 607 people |

Note 1: The data in this table is as of December 31, 2023. CGPC company introduction video, Poly vinyl chloride (PVC)

Note 2: Number of employees of CGPC America Corporation as of December 31, 2024: 14.

TVCM (founded in 1970)



In 1970, the Ministry of Economic Affairs launched an initiative to invite six private enterprises, including CGPC, to establish Taiwan VCM Corporation (TVCM) to manufacture vinyl chloride monomer (VCM) to supply the raw materials required by domestic PVC manufacturers. At present, CGPC holds 87.3% of the shares of TVCM.

| Company name | Taiwan VCM Corporation |
|--------------------------|--|
| Industry | Petrochemical manufacturing |
| Location of headquarters | 12F, No. 37, Jihu Road, Neihu District, Taipei City |
| Location of plant | No. 1, Gongye 1st Rd., Linyuan Industrial Park Kaohsiung City |
| Paid-in capital | NT\$2.97 billion |
| Main products | VCM: Annual production capacity of 485,000 tons |
| Number of employees | 157 people |

Note 1: The data in this table is as of December 31, 2024. TVCM company introduction_video.

Note 2: GGTC (subsidiary of TVCM) Number of employees as of December 31, 2024: 25, please refer to the website description.

CGPCP (founded in 2009)

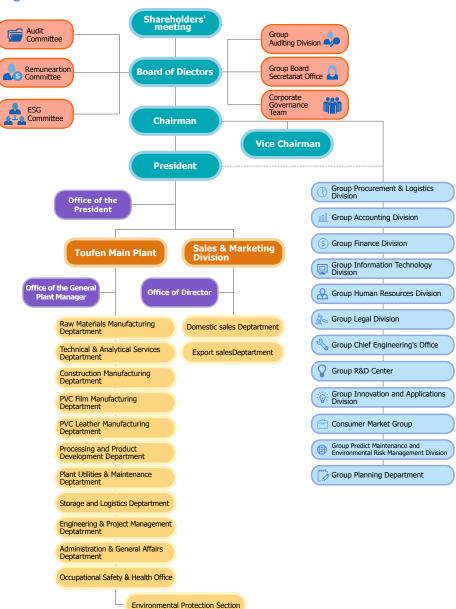


In 2009, CGPC Polymer Corporation established a wholly-owned CGPC Polymer by the Linyuan Plant of TVCM. It mainly produces PVC resin to fully leverage the business advantages of the vertically integrated vinyl chain to reduce costs.

| Company name | CGPC Polymer |
|--------------------------|--|
| Industry | Petrochemical manufacturing |
| Location of headquarters | 12F, No. 37, Jihu Road, Neihu District, Taipei City |
| Location of plant | No.8, Shihua 2nd. Road, Lin Yuan District, Kaohsiung City |
| Paid-in capital | NT\$ 0.7 billion |
| Main products | PVC resin: Annual production capacity of 220,000 tons |
| Number of employees | 40 people |

Note: The data in this table is as of December 31, 2024.

Organizational Chart of CGPC (GRI 2-8)



1.2 Business Philosophy and (GRI 2-6) **Product Introduction**

Since the establishment in 1964, CGPC has adhered to the business philosophy of integrity, care, discipline, and innovation, and has striven to implement corporate governance, fulfill social responsibilities, and promote sustainable management.



Honesty and Integrity

To be honest, tell the truth, and not exaggerate matters. Do not make promises to clients easily. Once making a promise, go all out to keep it.



Pro-activeness, Responsibility and a Disciplined Team

Comply with laws and regulations, do our share and be responsible at work, establish partnership and mutual trust, and work together to be responsible to clients and the Company.



Tolerance, respect, care and harmony

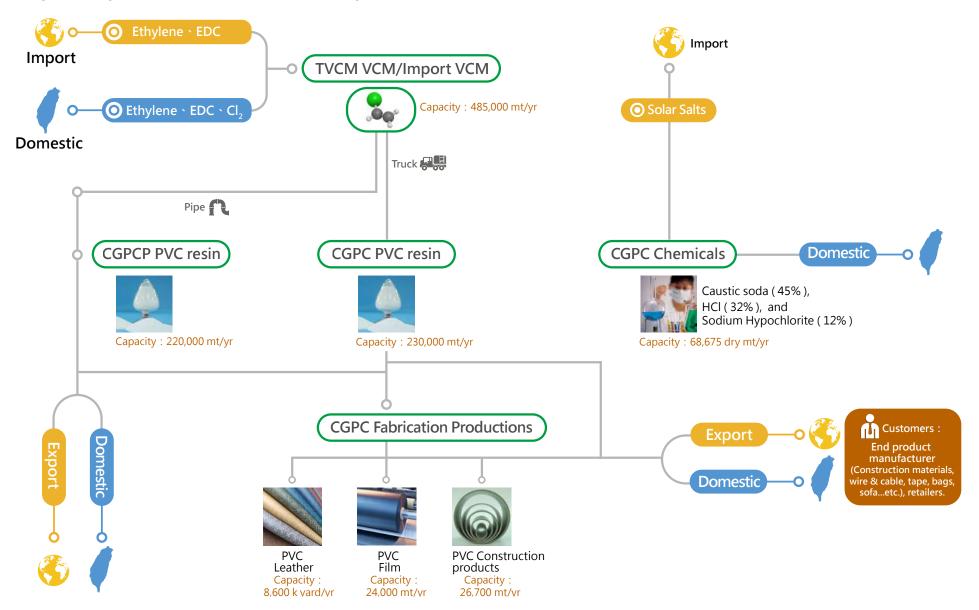
Be more tolerant and respectful of colleagues, clients, companies, families, environment, and society for the purpose of humanistic care and establish harmonious relationships.



Seek innovation and change and pursue excellence

Regardless of raw materials, products, production, marketing, R&D, and management, we must continue to innovate and seek changes, to pursue high quality and great business performance.

Vinyl-Chain Upstream and Downstream relationships (GRI 2-6)



About PVC (GRI 2-6 \ 2-9)

Contribution of PVC to the environment and society

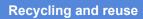


Contribution to reducing resource consumption

- ◆ Reducing CO₂ emissions: PVC has lower energy consumption in its manufacturing and processing compared to other plastics, resulting in lower CO₂ emissions when incinerated.
- PVC composition includes 43% petroleum and the rest is derived from salt, reducing resource consumption compared to other plastics that are predominantly petroleum-based.
- By substituting wood in the production of flooring, wall materials and construction materials, PVC significantly contributes to the reduction of deforestation.
- ◆ PVC can be remade repeatedly and has a long useful life.









Contribution of PVC recycling and re-use PVC recycling and reuse have substantial positive

benefits in mitigating global warming, energy conservation, petroleum resource conservation, and forest resource protection.

Industrial development



Contribution to industry - sodium hydroxide

- Sodium hydroxide, chlor-alkali plants' joint product (commonly known as caustic soda), is an important raw material for papermaking, chemical fiber, detergent, soap, etc.
- Bleaching powder is another important related product in the chlor-alkali industry, serving as a fundamental raw material in the downstream cleaning chemical industry.



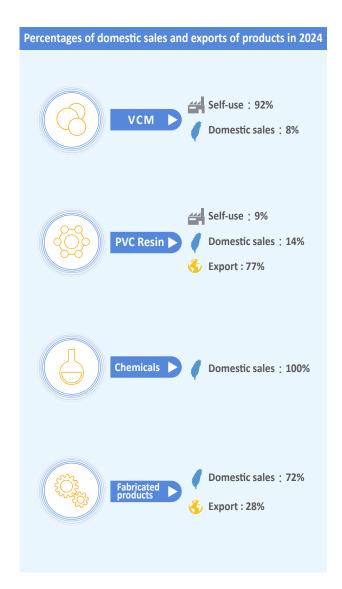
Contribution to the convenience of daily life

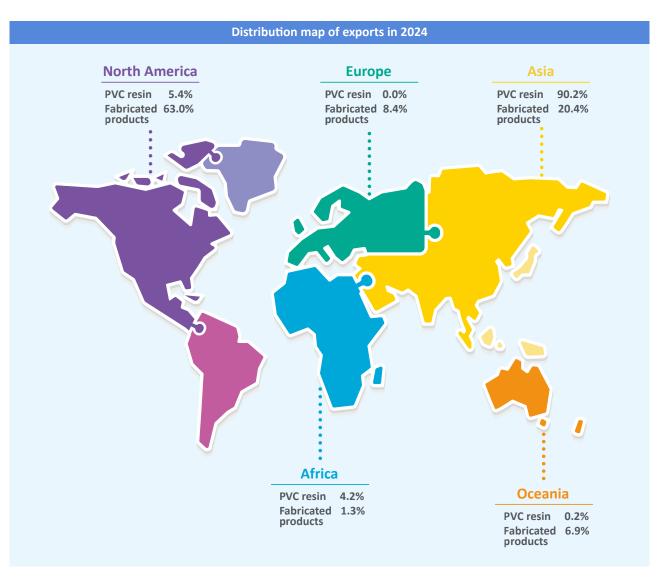
 PVC is used in infrastructure materials and various consumer products such as: shower curtains, table mats, car seat covers, sofa upholstery and footwear, providing consumers with convenience and the opportunity for re-use, thus minimizing unnecessary waste.

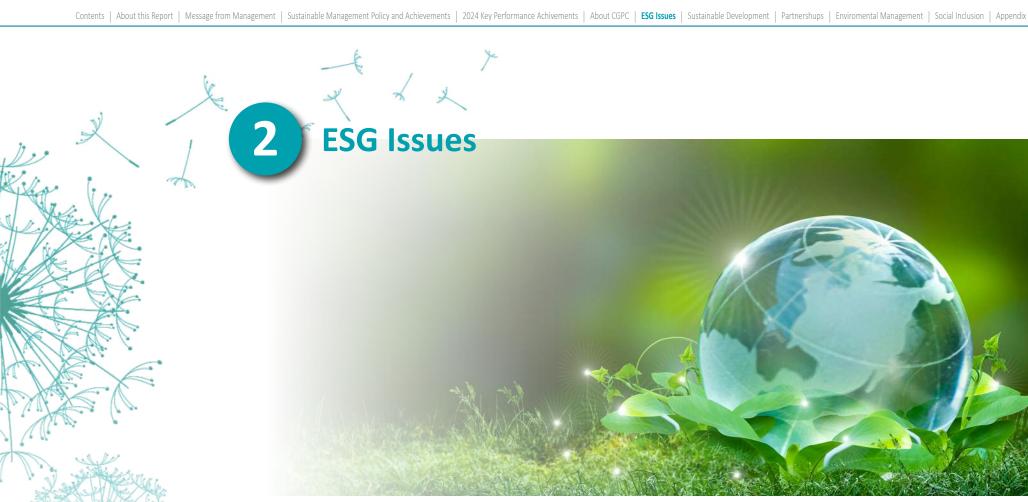
PVC can be remade repeatedly and has a long useful life.

 PVC exhibits excellent chemical resistance, transparency and ease of processing, making it valuable in medical products such as blood bags, transfusion tubing and catheters. Its contribution to healthcare and safety is immeasurable, complying with stringent regulations and standards.

Product sales (GRI 2-6)







Amidst the ever-changing business and technological environment, a company's competitiveness and sustainable values include an ability to adapt to social and environmental changes, effective management of important intangible assets, and creation of enterprise values as a foundation for sustainable development strategies. We develop a sustainable strategy blueprint and actively evaluate the governance, environmental, and social aspects, while implementing various improvement measures in the ESG aspects to facilitate the Company's sustainable development.

(GRI 2-9 \ 2-13 \ 2-16 \ 2-17 \ 2-23 \ 2-24)

2.1 Sustainable Development (GRI 2-23)

CGPC follows the sustainable vision of the USI Group, which is "Creating sustainable values and developing a sustainable society." We strive to continuously create and consolidate sustainable value through our core capabilities, thus contributing to social sustainability.

2.1.1 Corporate sustainability vision and goals

(GRI 2-23 \ 2-16)

Sustainability vision

CGPC follows the <u>sustainable vision</u> of the USI Group, which is "Creating sustainable values and developing a sustainable society." We strive to continuously create and consolidate sustainable value through our core capabilities, thus contributing to social sustainability. The three core strategies of R&D and innovation, stable operation, and social inclusion are the Company's ESG principles and our sustainable development policy.

Sustainable Management Policy

We review the consistency of the analysis results of major issues with the Company's ESG principles every year, have established sustainable management policies and goals based on the sustainable development policy, and review and discuss the achievement of annual performance targets.

SDGs

We examined the connection between the Company's sustainability vision and the UN SDGs and identified 6 SDGs and 15 sub-targets as a sustainable development strategy, while working with internal and external stakeholders and business partners in the value chain to achieve inclusion and shared prosperity through participation and collaboration.

Major issue

The ESG task force gathers various concerning issues, conducts analysis on the level of stakeholders' concern and internal impact on the company, and selects 8 issues as major issues for the company and reported them to the ESG Committee.

2.1.2 ESG strategy (GRI 2-9 \ 2-13 \ 2-16 \ 2-23 \ 2-24)











To pursue sustainable development, the three core strategies of the Company's sustainability vision: R&D and innovation, stable operation, and social inclusion are the Company's ESG principles as our sustainable development policy. The ESG task force collects various issues of concern every year, analyzes material issues as per stakeholders' degree of concern and the level of the Company's internal impact, and has established the sustainable development policies and goals. The analysis results should be consistent with the Company's ESG principles. Meanwhile, the ESG task force examined the connection between the Company's sustainability vision and the 17 Sustainable Development Goals (SDGs) set by the United Nations Sustainable Development Group and focused on 6 SDGs and 15 sub-targets as a sustainable development strategy, while working with internal and external stakeholders and business partners in the value chain to achieve inclusion and shared prosperity through participation and collaboration.

2.1.3 Grievance mechanism (GRI 2-3)

| Aspect | Environmental | Social | Governance |
|----------------------|---|--|--|
| Material Issues | ◆ <u>Climate change and energy</u> <u>management</u> ◆ <u>Water Resources Management</u> | ◆ <u>Talent Attraction and Retention</u> ◆ <u>Occupational Safety and Health</u> | Economic performance R & D and innovation Intelligent Management supply chain management |
| Track Issues | Air Pollution ControlWaste Management | ◆ <u>Talent Development and Cultivation</u> ◆ <u>Transportation Safety Management</u> | ◆ <u>Product Quality</u> |
| Grievance Channel | 1. Internal grievances File a complaint to the Occupational Safety and Health committee and the environmental safety unit. 2. External grievances File a complaint with the local competent authority (environmental, health and safety related units) through phone calls, visits or in writing. These complaints are received by the designated units within the CGPC's premises. The environmental and safety units then verify the contents of the complaints. | 1. Union All union members can respond through the union if they have various suggestions for the Company or have questions about their own rights and interests. 2. Labor-management meeting CGPC has established a labor-management meeting in accordance with the law, which is attended by representatives of the management and labor, facilitating the communication between labor and management with positive assistance. 3. Employee grievance mailbox • File a complaint orally or in writing to company. • File a complaint through the Occupational Safety and Health committee and the environmental safety unit. 4. External entities File a complaint through the e-mail, phone call, visits or in writing. | 1. Report the grievances to the company's executive team Please refer to the respective chapters for detailed explanations.(7.1 GRI Standards Index). 2. Audit Committee's mailbox The Regulations on the Handling of Reported Cases of Illegal and Unethical or Dishonest Conduct, specifying the reporting procedures and relevant confidentiality mechanisms, and reporting channels, including reporting in person, reporting by phone, and reporting by sending a letter, and a unit is designated for acceptance of such reports. |

2.1.4 Procedure of SDGs identification

As a member of the global world, CGPC needs to start from our core values and connect them with the UN SDGs. We identified the relevance to the SDGs in three stages and set relevant goals and included them in our business plan.



2.1.5 Response to the UN SDGs

| SDGs | Sub-target | Policies | Target and plan | 2025 target | 2027 target | 2030 target | Corresponding chapter |
|--|---------------------------------|---|--|---|---|---|---|
| 3.Good Health and Well- Being | 3.9 | Establish a SOP of safety management to take care of employees. | Achieve zero disaster and zero disabling, and Implementing ISO 45001 with the involvement of all | 1. Disabling injury frequency rate (F.R.): 0 | 1. Disabling injury frequency rate (F.R.): 0 | 1. Disabling injury frequency rate (F.R.): 0 | 6.4 Safe and Healthy |
| 3健康與福祉 | | | employees. | Contracted suppliers' occupational accidents (times): 0 | Contracted suppliers' occupational accidents (times): 0 | Contracted suppliers' occupational accidents (times): 0 | <u>Workplace</u> |
| 4. Quality Education 4.教育品質 | 4.3 4.5 | Fostering a safe, harmonious, and innovative environment that prioritizes learning and growth is crucial for CGPC's team to make progress. It is only through the continuous improvement of all employees' abilities that we can achieve advancement. | Increase training sessions | 200 sessions | 200 sessions | 250 sessions | 6.3 Talent Development and Cultivation |
| 6. Clean Water and Sanitation | 6.3 6.4 | Analyze and improve water consumption, recycle water for reuse, and reduce | Water intensity of the plant (ton/ton) | 3.74 | 3.31 | 3.19 | 5.3 Water Resources |
| 6 浮水與衛生 | 6.5 6b | environmental pollution. | R2 Water recycling rate per year increase 0.4% | 81.0% | 81.8% | 83.0% | <u>Management</u> |
| 8. Decent Work and Economic Growth 8 就業則 經濟原表 | 8.2 8.3 8.5 8.7 8.8 | Creating a happy workplace is a consistent commitment of CGPC. | Reduce employee turnover | ≤ 2.8% | ≤ 2.8% | ≦ 2.7% | 6.2 <u>Talent Attraction and</u> <u>Retention</u> |

| SDGs | Sub-target | Policies | Target and plan | 2025 target | 2027 target | 2030 target | Corresponding chapter |
|---------------------------------|--------------|---|---|--|--|---|---|
| 12.Responsible Consumption and | 12.4 12.5 | Improve product quality and reduce cost, develop high value-added new products, reduce | Promote circular economy to reduce waste and increase recycling rate. | Decreasing of waste generation per unit of production (kilograms/ tons): 0.0060 | Decreasing of waste generation per unit of production (kilograms/ tons): 0.0050 | Decreasing of waste generation per unit of production (kilograms/ tons): 0.0045 | 5.5 Waste Management |
| Production | | waste, and increase the recycling rate. | | 2. Recycling rate: 80% | 2. Recycling rate: 85% | 2. Recycling rate: 90% | |
| 12 責任消費 | | | | 3. Landfill rate : 20% | 3. Landfill rate: 15% | 3. Landfill rate: 10% | |
| co | | | Actively implementing proposals for | Implemented proposals for improvement: 23proposals | Implemented proposals for improvement: 23 proposals | Implemented proposals for improvement: 24 proposals | |
| | | | improvement and product quality improvement projects, as well as conducting research and development of highvalue-added new products, | 2. Product Quality Improvement Project :10 projects | 2. Product Quality Improvement Project :11 projects | 2. Product Quality Improvement Project :12 projects | 3.5 Technology Research and Development 4.2 Product Quality |
| | | | while promoting the use of eco-friendly materials. | 5. New product development: 10 projects | 5. New product development: 10 projects | 5. New product development: 12 projects | 4.2 Froduct Quality |
| 13.Climate Action 13 氧條行動 | 13.3 | Implement energy conservation and carbon reduction initiatives, reduce the impact of corporate operations on the environment, to achieve the goal of environmental friendliness, low pollution, and low energy consumption. | Advocating energy efficiency and carbon reduction in line with government policies, and gradually adopting renewable energy sources or purchase green energy. | Actively implementing energysaving and carbon reduction programs, utilizing low-carbon fuels and renewable energy sources (greenhouse gas emissions): 26.85(ten thousand metric tons of CO ₂ e) | Actively implementing energysaving and carbon reduction programs, utilizing low-carbon fuels and renewable energy sources (greenhouse gas emissions): 28.99(ten thousand metric tons of CO ₂ e) | Actively implementing energysaving and carbon reduction programs, utilizing low-carbon fuels and renewable energy sources (greenhouse gas emissions): 29.97 (ten thousand metric tons of CO ₂ e) | 5.2 Climate Change and Energy Management |
| | | | | 2. Reducing the emission intensity of sulfur oxides(ton/kt): \leq 0.003 | 2. Reducing the emission intensity of sulfur oxides(ton/kt): \leq 0.003 | , | |
| | | | | 3. Reducing the emission intensity of nitrogen oxides(ton/kt): ≤ 0.226 | 3. Reducing the emission intensity of nitrogen oxides(ton/kt): ≤ 0.224 | 3. Reducing the emission intensity of nitrogen oxides(ton/kt): ≤ 0.222 | |
| | | | | 4. Reducing the emission intensity of VOCs (ton/kt): ≤ 1.404 | 4. Reducing the emission intensity of VOCs (ton/kt): ≤ 1.393 | 4. Reducing the emission intensity of VOCs (ton/kt): ≤ 1.376 | 5.4 Air Pollution Control |
| | | | | 5. Reducing of Hazardous Air Pollutants (HAPs) (ton/kt): 0.068 | 5. Reducing of Hazardous Air Pollutants (HAPs) (ton/kt): 0.068 | 5. Reducing of Hazardous Air Pollutants (HAPs) (ton/kt): 0.067 | |

2.2 Sustainable **Management Policy**

(GRI 2-22 \ 2-23 \ 2-24)

CGPC, on the basis of sustainable development, business strategy, and corporate culture, incorporates the stakeholders' issues of concern into the factors for decision-making. With a focus on stakeholders' issues of concern, we continue to implement corporate sustainable development strategies in various aspects, including climate change and energy management, corporate governance, environmental protection, employee care, supply chain management, and social participation.

2.2.1 ESG Committee

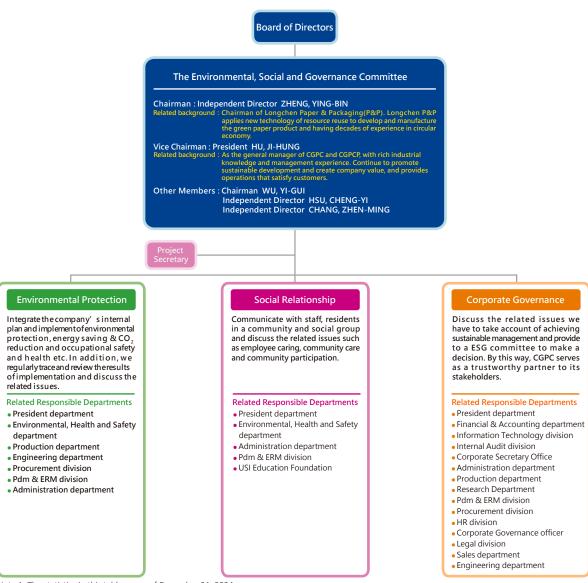
(GRI 2-10 \ 2-11 \ 2-12)

In 2015, CGPC formally established the ESG Committee, which was upgraded to a functional committee under the Board of Directors in 2017 as the highest guiding unit. Independent director Ying-Pin Cheng serves as the chair of the ESG Committee to regularly review ESG policies, strategies, goals, and action plans, while guiding the implementation and tracking the progress and performance improvement of each action plan. (See the minutes of the committee meetings on the official website for details)

2.2.2 Organizational Structure of the ESG Committee

(GRI 2-9 \ 2-13 \ 2-14 \ 2-16)

The ESG Committee holds two meetings annually, during which each operating unit provides sustainability-related information, including identification results of stakeholder, issues of concern and responses, material issues, ESG plans and execution outcomes. The ESG Core Team consolidates the information and reports to the Sustainability Development Committee through the Project Secretary, who subsequently presents the report to the Board of Directors. The Board of Directors oversees and reviews the management and performance of governance, environmental, and social aspects and providing guidance and direction on critical issues and instruct strategies for their implementation. The organizational structure and responsibilities are as shown in the figure:



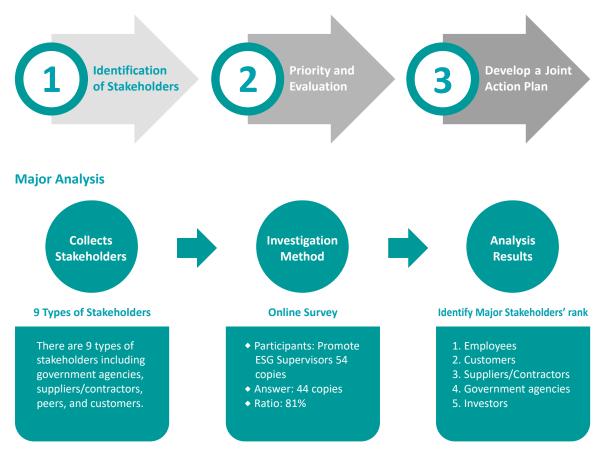
Note 1: The statistics in this table are as of December 31, 2024.

Note 2: On June 2, 2025, the Company completed the re-election of the Sustainable Development Committee. Independent Directors Mr. Ting-Chang Wang, Mr. Cheng-I Hsu, and Ms. Chen-Ming Chang were appointed as members of the 4th-term Sustainable Development Committee. Mr. Ting-Chang Wang serves as the Chairperson of the Committee and acts as the convener and chair of its meetings.

2.3 Identification of Major Stakeholders (GRI 2-29)

Our company adheres to the AA1000 Stakeholder Engagement Standards (SES) for stakeholder engagement, which are identified every two years. We assess the governance, economic, environmental and social issues and the impact on stakeholders, considering factors such as responsibility, influence, dependency, diverse perspectives and tensions. We conduct surveys using an online questionnaire targeting key stakeholders such as department managers. The results are then systematically organized using a weighted average scoring system. Based on this assessment, the identified stakeholders are ranked as follows: 1. Employees, 2. Customers, 3. Suppliers/contractors, 4.Government agencies, 5.Investors.

Major steps for stakeholder engagement





2.3.1 Stakeholder communication management and issues of concern (GRI 2-29)

Stakeholders' identity information, issues of concern, communication channels, and response methods are submitted to the Board of Directors every year. (Please find the ESG webpage for each complaint unit: Stakeholders'

| Contact Information | Contact Information) | | | | | | | |
|--|---|--|---|---|--|--|--|--|
| Identification of Major Stake- holders | Significance of Stakeholders to the Company | Communication Channel/Frequency | Issue of Concern | Summary of CGPC's Response | | | | |
| Employees | Employees are the foundation of our sustainable development. We pay attention to the employment criteria, remuneration and benefits, training and evaluations and equal opportunities for promotion, while providing a grievance mechanism. | 1. Performance interview/every six months 2. Labor-management meeting/monthly 3. Union labor representative assembly/annual 4. Employee grievance mailbox processing/anytime 5. Bulletin board and email/anytime 6. Various work review meetings/weekly, monthly, and quarterly 7. CGPC Family Newsletter/every two months 8. Birthday party, employee comminicate/from time to time | 1. Economic performance 2. Human rights and labor-management relations 3. Occupational safety and health 4. Talent development and cultivation 5. Talent attraction and retention | Salary is adjusted based on the price index and individual performance (employees' average salary increase in 2024 was about 3.08%). The union holds meetings to communicate face-to-face with employee representatives regularly. 91% of employees participated in the union and signed a human rights protection policy. The Occupational Safety and Health Committee meeting is held quarterly and a total of 17 critical occupational safety issues were discussed in 2024. Named an excellent enterprise in training by the Taoyuan-Hsinchu-Miaoli Regional Branch, Workforce Development Agency, Ministry of Labor. In 2024, a total of 258 people were subsidized by the Workforce Development Agency, Ministry of Labor. The total education hours were 125 hours and the subsidy received amounted to NTD 110 thousand. Senior executives engage with employees during quarterly birthday gatherings and hold irregular meetings with the labor union (12 times in 2024). The Company has responded to the suggestions made by stakeholders. Please refer to the CGPC Family E-newsletter, November-December issue. | | | | |
| Clients | Clients are CGPC's sources of revenue. We listen to their needs and collect market information and provide products and information in alignment with their needs in real time. | Sending samples/from time to time Product exhibitions/from time to time Visits, phone calls, emails, video conferences/anytime Client satisfaction survey/annually Client feedback and complaint response form/anytime CGPC Family Newsletter/every two months | 1. Economic performance 2. Client relationship management 3. Technology R&D 4. Product quality | We learn about <u>clients' opinions</u> through the annual client satisfaction survey. In 2024, the number of clients responding to the survey who were "Satisfied" or above accounted for 98.7% of the total number of clients who responded to the survey (target was 90%). In 2024, new rubber product offerings included seats and soft leather upholstery for automobiles and motorcycles, TPE environmentally friendly materials, and soft leather for furniture. Sales of these new products accounted for approximately 5.4% of total rubber product sales. In 2024, there were 44 <u>quality improvement proposals</u> and the resulting benefits reached NTD 6.09 million, and the amount of the resulting benefits increased compared to the previous year. | | | | |
| Suppliers/Contractors | Suppliers/Contractors are CGPC's important partners in sustainable development, affecting our production, services, and operations. We learn about suppliers' concerns through communication channels to reduce business risks and costs. | 1. Review meeting/from time to time 2. Supplier evaluation and commitment/ annually or add manufacture. 3. Contractor safety and health education and training/from time to time 4. Industry exchange seminars/at least once a year 5. Visits, phone calls, and emails/from time to time 6. CGPC Family Newsletter/every two months | Supply chain sustainable management Occupational safety and health | (1) Engage in meetings with suppliers from time to time to meet our needs for quality and transactions. (2) Conduct supplier evaluation once a year and inform them of the results. (3) Motivate suppliers to sign a social responsibility commitment. (4) Contact point: Mr. Chen, Material Planning Department at (02) 8751-6888 ext. 3771 In 2024, a total of 4,091 participants completed safety training for contractors entering CGPC facilities. From 2022 to 2024, there were no contractor-related incidents reported at CGPC, TVCM, or CGPCP. (See CH6.4.4 Contractor Safety Management for details) | | | | |

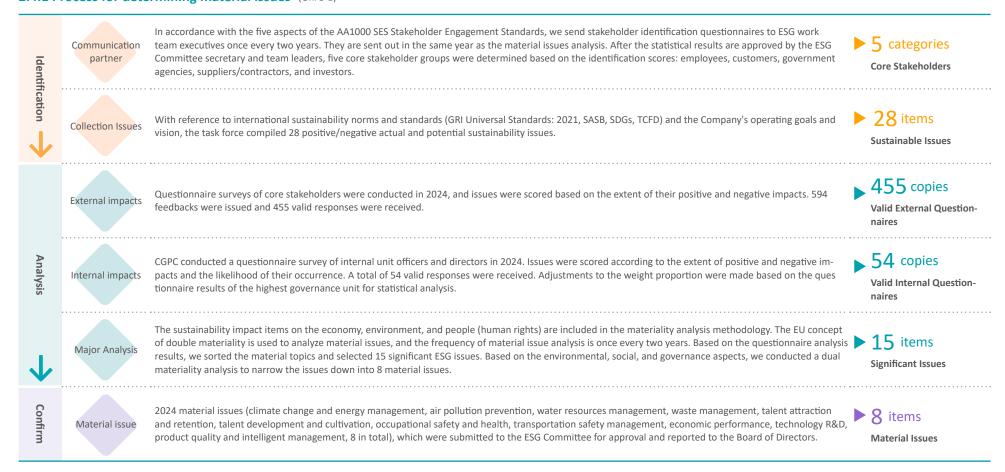
| Identification of Major Stake- holders | Significance of Stakeholders to the Company | Communication Channel/Frequency | Issue of Concern | Summary of CGPC's Response |
|--|---|--|---|--|
| Government agencies | Comply the relevant laws and regulations of government agencies, actively cooperate with the implementation of government policies and actively engage in two-way communication to gain its trust, support and collaboration opportunities. | 1. Meet with regulatory authorities or correspondence with official documents / From time to time. 2. Dispatch of employees to participate in public hearings, coordination meetings or regular meetings / From time to time. 3. MOPS/release as required 4. CGPC Family Newsletter/Every two months | 1. Climate change and energy management 2. Water resource management 3. Air pollution control | In 2024, environmental and occupational safety penalties amounted to NTD 1.06 million (4 cases) and NTD 90 thousand (2 cases), respectively. All improvements have been completed, and we did not violate regulations in terms of product services, client relationships, or labor and human rights. (Please refer to CH3.4 Regulatory Compliance for details) In recent years, we have actively promoted various improvement initiatives to strengthen the Company's operations. The specific measures are as follows: Implemented Management System. Established an Activated Carbon Fluidized Bed to reduce VOC emissions, continuously promote circular economy practices, and lower carbon emissions (please refer to CH.5.1.3 and CH5.4 for details). Planning for climate change risk management (please refer to CH5.2 for details). Established a water recycling system (HBF), with a total recycled water volume of approximately 1,055.6 million liters in 2024. The R2 water recycling rate increased by 0.44% compared to the previous year. Please refer to CH5.3 for details. |
| Investors | CGPC should provide every investor with fair access to the Company's material information, to disclose the Company's market value and sustainable development trajectory. | Shareholders' meeting/annually MOPS/release as required The Company's website "Investor Relations"/Any time Annual report/annually Financial statements/quarterly ESG report/annually Investor conference/four times per year CGPC Family Newsletter/every two months The Company's website "USI Joint Stock Network"/Irregular Setup of whistleblowing mailboxes | 1. Economic performance 2. Client relationship management 3. Technology R&D | Annual shareholders' meetings and quarterly investor conferences held by the Company are held to report our operating results and future outlook to our shareholders and the public. Regularly disclose financial information on the MOPS of the Taiwan Stock Exchange and the Company's website. Set up the investor section on the Company's website. Formulated the Business Integrity Practices to prohibit employees from unethical conduct. Established the Company's internal and external reporting channels and response systems to duly implement the Codes of Ethical Conduct and the Business Integrity Practices formulated by the Company and ensure whistleblowers' and relevant people's legitimate rights and interests. |

Note: CGPC Family Newsletter has been released once every two months (published after the middle of the second month) since March 2022.

2.4 Identification of Material Issues (GRI 2-23)

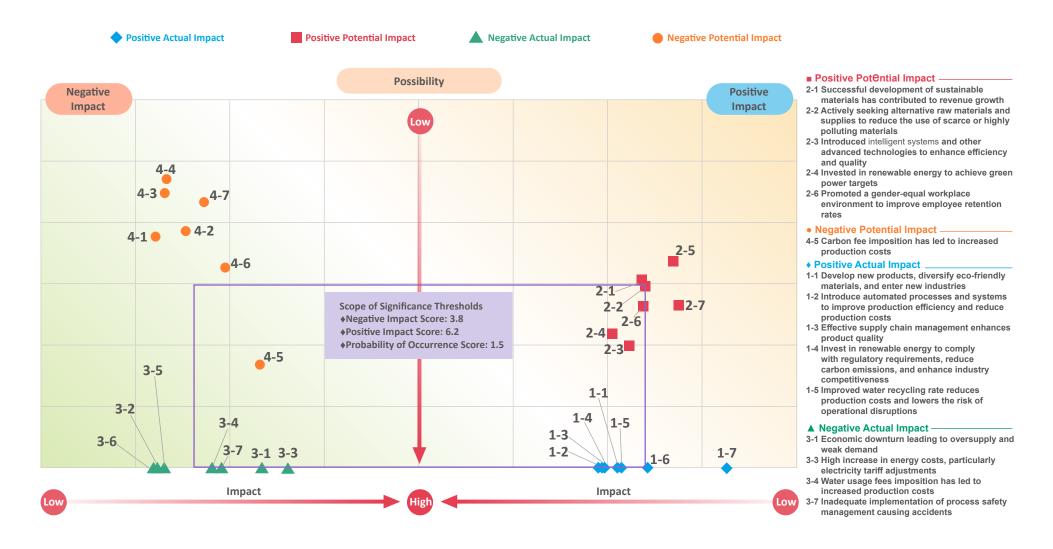
The Company followed the GRI Universal Standards to determine the three major steps of identification, analysis, and verification. A materiality analysis is performed every two years, and a dual materiality approach is incorporated. The sustainability topics analyzed were the "impact level to the company's operations" and "the impact level on the economy, the environment, and people (including human rights)". The identification process and results of material topics are discussed by the Group's ESG experts, reported to the ESG Committee, and finally submitted to the Board of Directors for approval to ensure that the direction of sustainable operations and reported contents meet the concerns and expectations of internal and external stakeholders.

2.4.1 Process for determining material issues (GRI 3-1)



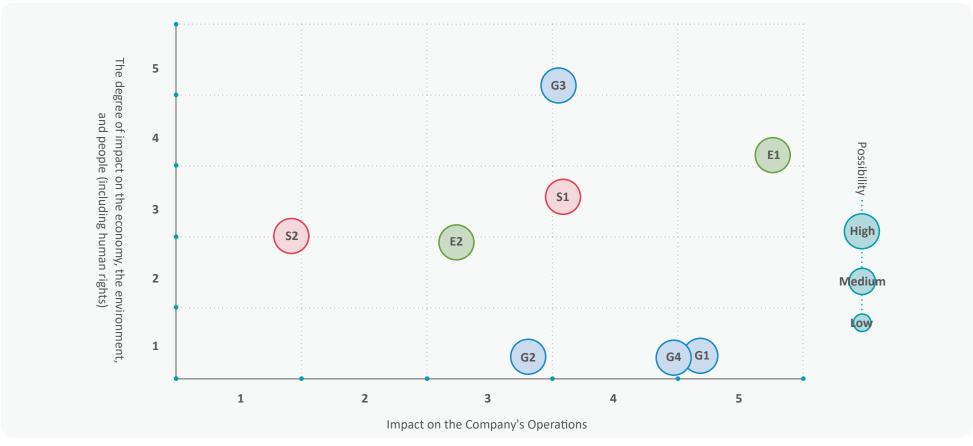
2.4.2 Major analysis (GRI 2-23, 2-25, 3-1, 3-2, 3-3)

To ensure the completeness of ESG issues, we made reference to the requirements of the GRI Universal Standards revision, SASB Chemical Industry Indicator Issues, SDGs, and domestic and international sustainability issue trends. There are 28 items gathered through several communication channels. A daily chart was created based on the "extent of impact" and "possibility of occurrence", and the threshold of significance was set based on the ESG working group, the opinions of stakeholders, and internal and external experts, and 15 ESG issues were selected as "Significant Issues".



Selection of Material Topics

CGPC classified the 15 significant Issues in terms of environmental, social, and governance aspects, and conducted a dual materiality analysis based on "the impact level on the Company's operations" and "the impact level on the economy, the environment, and people (including human rights)", and converged them into 8 significant issues. Raised these material issues to the Board of Directors for approval and the outcome was reported to the ESG Committee.



E Environmental Aspect

(E1) Climate Change and Energy Management

E2) Water resources management

S Social Aspect

(S1) Occupational safety and health

S2) Talent attraction and retention

G Governance Aspect

G1 Economic performance

G2 Supply chain management

G3 Technology R&D

G4 Intelligent management

Positive and negative impacts of material issues

15 Significant Issues 8 Material Issues

| | | | | | U Wateriai issues | |
|-------------------------|------|----------------------|--|---|--|--|
| ESG | Item | Issue orientation | 2024 Issue items | | ESG Issue | |
| | 3-3 | (Negative actual) | High increase in energy costs, particularly electricity tariff adjustments. | | | |
| E Environ- mental | 4-5 | (Negative Potential) | Increased production costs due to carbon fees. | • | Climate Change and Energy Management (GRI 302 Energy) | |
| | 1-4 | (Positive Actual) | Invest in renewable energy - meet regulatory requirements, reduce carbon emissions and improve industry competitiveness. | | | |
| | 2-4 | (Positive potential) | Invest in renewable energy - achieve green electricity goals. | | | |
| | 1-5 | (Positive Actual) | Improved water recycling rates - reduce production costs and mitigate operating disruptions. | | Water Resource Management | |
| | 3-4 | (Negative actual) | Water consumption charges - Increased production costs. | | (GRI 303 Water and Effluents) | |
| S | 3-7 | (Negative actual) | Process safety management is not implemented - causing accidents. | | Occupational Safety and Health (GRI 403 Occupational Safety and Health) | |
| Social | 2-6 | (Positive potential) | Promote an equal workplace environment for women - Increase the company's talent retention rate. | • | <u>Talent Attraction and Retention</u> (GRI 401 Employment Relations) (GRI 405 Employee Diversity and Equal Opportunity) | |
| | 3-1 | (Negative actual) | Poor market conditions - oversupply and low demand. | | Economic Performance | |
| | 2-1 | (Positive potential) | Successful development of sustainable materials - Revenue expansion. | | (GRI 201 Economic Performance) | |
| | 1-1 | (Positive Actual) | Develop new products, diversify products - environmentally friendly materials and enter new industries. | • | Technology Research and Development | |
| G Gover- | 2-2 | (Positive potential) | Actively seek alternative raw materials to reduce the use of scarce or highly polluting raw materials. | | (Custom theme) | |
| nance | 1-3 | (Positive Actual) | Proper supply chain management - quality improvement. | | Supply Chain Management (NEW) (GRI 308 Supplier Environmental Assessment) (GRI 414 Supplier Social Assessment) | |
| | 1-2 | (Positive Actual) | Introducing automated processes and systems - improving production efficiency and reducing production costs. | • | Intelligent Management | |
| | 2-3 | (Positive potential) | Introducing intelligent and other advanced technologies - improving efficiency and | | (Custom theme) | |

Description of remedies and preventive measures against negative impacts of material issues

| Material issue | Considerate Aspects | Item | Significant Impact Items | Remedial and Preventive Measures for Material Issues' Negative Impact | Section |
|---|---|------|--|---|-------------------------------------|
| Climate Change and Energy Management | Negative Actual Impact 3-3 High increase in energy costs - electricity tariff adjustments during standby periods 3. Conducting regular thermal imaging measurements to detect abnormalities arrange immediate improvements to reduce the probability of equipment break | | 2. Adjusting scheduling to shorten production preparation time and reduce energy waste | 5.2 Climate Change and Energy Management 5.3 Water Resources Manage- | |
| J. J | Negative Potential Impact | 4-5 | Imposition of carbon fees - increased production costs | By implementing control measures, developing a carbon reduction roadmap and improving equipment, the company aims to reduce greenhouse gas emissions and minimize its impact on climate change. It also aligns with national regulations on greenhouse gas reduction and management by adopting energy-saving and carbon reduction measures. | ment 5.4 Air Pollution Control |
| Water Resources Management | Negative Actual Impact | 3-4 | Imposition of water usage fees - increased production costs | Enhance water recycling efficiency Concentration Ratio Improvement for Cooling Towers Strengthen inspections and gradually add smart water meters to timely and promptly return water consumption-related data to improve water consumption management and leak tracking. The cost of replacing old water equipment with new products has been increased to 150 (tons/hour) from 100 (tons/hour), and the conversion rate of pure water has been increased (the maximum production of pure water is increased and water consumption is saved). | 5.3 Water Resources Manage- ment |
| Occupational safety and health | Negative Actual Impact | 3-7 | Inadequate implementation of process safety management - resulting in accidents | CGPC is committed to "Zero Occupational Accidents" as its safety goal and is dedicated to process safety management. To prevent potential incidents, we continue to strengthen our existing systems with the following specific measures: 1. Improved management systems: Strict monitoring of disabling injury frequency rate and severity rate. 2. Incentivizing safe behavior: Promote safety awareness through safe working hours reward programs. 3. Risk-tiered control: Conduct risk assessments and apply control measures based on the severity of hazards. 4. Enhanced safety systems: Implement stricter management systems such as PSM (Process Safety Management). 5. Strengthened safety training: Provide regular training to improve employees' emergency response capabilities. 6. Comprehensive prevention mechanisms: Increase inspections and reinforce protection for high-risk processes. 7. Open communication channels: Maintain close engagement with stakeholders. CGPC is committed to continuously improving safety management to ensure employee safety and fulfill its social responsibility. | 6.4 Occupational Safety and Health |

| Material issue | Considerate Aspects | Item | Significant Impact Items | Remedial and Preventive Measures for Material Issues' Negative Impact | Section |
|-----------------------|---------------------------|------|--|--|--|
| Financial performance | Negative Actual Impact | 3-1 | Economic downturn - oversupply and weak demand | Over the past decade, global petrochemical and plastic production capacity has expanded significantly, far exceeding market demand and resulting in oversupply. Since the onset of the U.SChina trade war in 2018, the issue of overcapacity in mainland China has worsened. In response to the economic downturn, Chinese petrochemical and plastics manufacturers have resorted to aggressive low-price dumping, intensifying industry competition. This has not only squeezed global profit margins for petrochemical and plastic products but also prolonged the global industry cycle to approximately 3 to 5 years. At the same time, the outbreak of the COVID-19 pandemic further exacerbated China's economic decline. Domestic demand weakened significantly, intensifying the supply-demand imbalance and driving China's GDP growth rate down to 2.3% - 5.2% in 2023. Under these circumstances, Chinese PVC manufacturers have continued low-price dumping in an effort to survive, severely impacting the global PVC market and putting the resilience of Taiwanese companies to the test. In the face of these severe challenges, CGPC's management team is actively seeking breakthroughs. By introducing intelligent technologies, the Company has built process data models to identify optimal operating parameters and monitor process safety, enabling intelligent manufacturing through optimal process design and control. This has led to improved product quality, a safer working environment, and energy conservation and carbon reduction (for example, from June to September 2024, carbon reduction from a key dryer unit was equivalent to one-third the annual carbon absorption of Daan Forest Park). At the same time, CGPC has extended its industrial value chain by diversifying and upgrading its product offerings, such as antifouling leather, scratch-resistant leather, and slow-heating leather. In addition, with a focus on circular economy, the Company has developed recycled and low-carbon environmentally friendly products, such as eco-friendly recycled rubber, carb | 3.2 Economic Performance 5.2 Climate Change and Energy Management 5.3 Water Resources Management 5.4 Air Pollution Control |

2.4.3 Changes in Material Issues (GRI 3-2)

The 2024 material issues are identified once every two years, with the most recent identification conducted in December 2024.

| Aspect | Year | Material issue | Change status | Descriptions | | | | | | |
|---------------|------|-------------------------------------|---|--|--|--|--|--|--|--|
| Environmental | 2023 | Air pollution control | | Key material topics such as Air Pollution Control, Waste Management, Transportation Safety Management, Talent | | | | | | |
| | 2023 | Waste Management | | Development and Training, and Product quality are currently being properly managed. However, we will continue to monthese areas and adjust our management strategies as needed. In light of the increasing severity of global issues such as | | | | | | |
| Social | 2023 | Transportation Safety Management | Currently well-managed, with ongoing monitoring | climate change and water scarcity, we will focus our efforts on the areas of energy and water resources management. In addition, in response to technological advancements and the importance of knowledge transfer, we place strong emphasi on talent attraction and retention, while strengthening occupational safety and health to ensure worker safety and enhance the Company's competitiveness and sustainability in the face of future challenges. | | | | | | |
| | 2023 | Talent development and cultivation | | | | | | | | |
| Governance | 2023 | Product quality | | | | | | | | |
| | 2024 | Supply chain management | New Topic | In recent years, the COVID-19 pandemic and shifts in the geopolitical landscape have disrupted global industrial supply chains. To strengthen supply chain resilience, CGPC is actively restructuring its production and sales deployment to ensure stable supply chain operations. | | | | | | |

2.5 Description of material issues (GRI 3-3)

■ Direct Effect ; ⊚ Indirect Effect

| | | | Significance and Impacts on the Company | Corresponding to GRI Guidelines Major Topics | Material issue indicators | Short- term goals 2025 | Mid- term goals 2027 | Long- term goals 2030 | Corresponding chapter | Value Chain Impacts (Stakeholder Impacts) Boundaries and Involvement Levels | | | | |
|---------------|--|---------------------|---|--|---|---------------------------------|-------------------------------|--------------------------------|---|---|---------------------|-----------------|---------|-----------|
| Aspect | Material issue | ESG principles | | | | | | | | Upstream | | Corporate Downs | | nstream |
| | | | | | | | | | | Supplier Contractor | Government agencies | Employees | Clients | Investors |
| Environmental | 3 | | With the deterioration of the environment and ecology, shortage of energy and natural resources, exacerbation of climate change and stricter government laws and regulations, the Company has continued to promote and implement energy conservation and carbon reduction initiatives and develop green products with practical actions, in order to achieve the Government agencies' requirements. | GRI 302:2016 Energy | GHG emissions (Unit: 10,000 tons CO ₂ e/ton) | 26.85 | 28.99 | 29.97 | 5.2 Climate Change and Energy Man- agement | | | | • | |
| | | Stable operations | | | Energy Consumption per Core Product Unit (Note) Energy consumption (Unit: 10,000 tons CO ₂ e/ton) | 4.65 | 4.59 | 4.50 | | • | • | • | | • |
| | Water Stable | | GRI 303:2018 Water and Effluents | Water Intensity of Plant Operations (Unit: ton/ ton) | 3.74 | 3.31 | 3.19 | 5.3 Water Resources | | • | • | o | • | |
| | Management | ement | pollution, and maintain employee and community residents' health and the ecological balance. | water and Emacrits | Water recycling rate (Unit: %) | 81.0 | 81.8 | 83.0 | Management | | | | | |
| Social | Occupational Social | | GRI 403:2018 Occupational safety | Disabling injury frequency rate (F.R.) | 0 | 0 | 0 | 6.4 Occupational Safety | • | • | • | • | | |
| | health | | prevent occupational accidents, to maintain employees' and contractors' health and safety. | and health | Severity of disabling injuries (S.R.) | 0 | 0 | 0 | and Health | | | | | |
| | Talent Attraction and Retention | Social inclusion | Employees are CGPC's foundation for sustainable development. The Company firmly believes that only when employees are satisfied can we continue to hit new highs. Therefore, we are committed to creating a happy workplace for our employees. | GRI 401:2016 Employment GRI 405:2016 Diversity and Equal Opportunity | Overall employee turnover rate (Unit: %) | ≦ 2.80 | ≤ 2.80 | ≦ 2.70 | 6.2 Talent Attraction and Retention | © | © | • | © | 0 |

Note: Core products: CGPC PVC Resin, TVCM VCM, and CGPCP PVC Resin.

● Direct Effect ; ⊚ Indirect Effect

| | Material issue | | | Corresponding to GRI Guidelines Major Topics | Material issue indicators | Short- | Mid-term goals 2027 | Long- term goals | Corresponding chapter | Value Chain Impacts (Stakeholder Impacts) Boundaries and Involvement Levels | | | | |
|------------|--|----------------------|---|--|---|--|---------------------------|--------------------------|---|---|---------------------|-------------------------|---------|------------|
| Aspect | | ESG principles | | | | term goals | | | | Upstream | | Corporate Governance | Down | Downstream |
| <u> </u> | | | | | | 2025 | | 2030 | | Supplier Contractor | Government agencies | Employees | Clients | Investors |
| | Financial performance | Stable operations | It is the foundation of the Company's sustainable development, enabling shareholders to obtain reasonable return on investment and the Company to have sufficient resources to take care of employees. The Company also creates mutually beneficial and win-win relationships with partners, to facilitate the growth of both society and the Company. | GRI 201:2016 Financial performance | Risk management | Short-term: Focus on immediate financial risks and market volatility to ensure liquidity. Mid-term: Adjust business models to maintain competitive advantage and ensure agility in responding to challenges. Long-term: Continuously monitor changes in laws and regulations to ensure corporate compliance, and assess the potential impact of policy changes on business operations. | | 3.2 Economic Performance | © | • | • | © | • | |
| Governance | Technology Research and Development | R&D and innovation | R&D and innovation are the foundation of the Company's sustainable development. Improve process technology and quality, reduce costs, understand market needs, develop new products with high added value, and enhance market competitiveness. Strengthen the trust of our customers and suppliers in our company. | Self-defined topic | New Product development (Unit: cases) | 10 | 10 | 12 | 3.5 Technology Research and Development | © | © | • | • | • |
| Φ | Supply chain management (new topic) | Stable | social and environmental impacts. We | | Signing rate of existing supplier commitment letters (Unit: %) | 100 | 100 | 100 | 4.3 Supply Chain | • | • | • | • | • |
| | | operations | | | Local procurement rate (Unit: %) | ≥ 70% | ≥ 70% | ≥ 70% | Management | nagement | | | | |
| | Intelligent Management | Stable operations | By implementing intelligent systems, optimizing process technology and management, and achieving energy savings and carbon reduction, we aim to enhance competitiveness and move towards sustainable operations. This approach enables product consistency and contributes to the economic, environmental and societal needs, meeting the requirements of various stakeholders. | Self-defined topic | Intelligent automation projects (Unit: cases) | 7 | 7 | 8 | 3.6 Intelligent Management | • | • | • | • | • |



Practicing sound corporate governance is the top priority of sustainability management. Therefore, we continue to develop and improve countermeasures for problems and actively improve the management system to create more fruitful results.

(GRI 2-2 \times 2-9 $^{\sim}$ 2-21 \times 2-26 \times 2-27 \times 201-1 \times 201-4 \times 307-1 \times 418-1 \times 419-1)







Information on awards received

♦ Corporate Governance Evaluation



Ranked among the top 6 - 20% of the TWSE-listed companies in the 11th Corporate Governance Evaluation

♦ Net-Zero Industrial Competitiveness Excellence Award



CGPC received the "2024 Net-Zero Industrial Competitiveness" Excellence Award in the Petrochemical Industry category.

♦ Taiwan Corporate Sustainability Awards



2024 17th Taiwan Corporate Sustainability Awards

- 1. ESG Report-Platinum Award
- 2. Integrated Performance Award: Taiwan Top 100 Sustainable Enterprises Award

♦ TRCA Outstanding Award



TVCM received the Outstanding Performance Award from the Taiwan Responsible Care Association (TRCA) for its excellence in the 2023 "Chlorine Gas Emergency Response Joint Drill"

♦ Taiwan Sustainability Action Awards



CGPC was rewarded at the 4th "Taiwan Sustainability Action Awards" SDGs 8 Optimization and Improvement of Steam Boilers - Bronze Award

♦ Recognition from the Occupational Safety and Health Administration



CGPC was recognized by the OSHA, receiving the "2024 Outstanding Enterprise in Proactive Disclosure and Evaluation of Occupational Health and Safety Performance in Corporate Sustainability Reports (Publicly disclosed evaluation results of occupational safety and health performance, recognizing the top 10% of outstanding enterprises by capital category)"

3.1 Corporate governance (GRI 2-16)

CGPC values the rights and interests of shareholders, and strictly abides by the relevant regulations on information disclosure, and provides information to shareholders on the Company's financial, business, insider shareholding and corporate governance conditions through the Market Observation Post System or the Company's website. We have established a corporate governance system in order to protect the rights and interests of shareholders and implement equal treatment of shareholders. A corporate governance system in which the shareholders have ful rights to know, participate in and decide on material issues. (Please refer to 2024 Board of Directors' Resolutions).

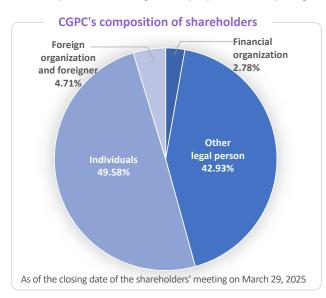
3.1.1 Transparent information disclosure (GRI 2-9)

We adhere to the business philosophy of ethics, care, discipline, innovation and trustworthy corporate governance principles. Through our website, the Market Observation Post System, annual report, ESG report, investor conference and other diverse information channels, we disclose the information related to corporate governance, operations, financial statements, institutional investor conferences, the Group's current information, etc. to improve the communication with stakeholders and the speed, quality and credibility of information disclosure.

In 2024, the 4 sessions of institutional investor conferences, annual general meeting and the abovementioned diverse information disclosure channels helped us collect shareholders' opinions which are given to the management team as reference for decision-making. In addition, we value the rights and interests of foreign investors and the globalization of enterprises, and have followed corporate governance evaluation standards to improve the annual report, update information on the MOPS and the Company's website and disclose information in English. We actively establish good two-way communication channels with shareholders through various ways to realize the protection of shareholders' rights and interests.

3.1.2 Information on appointment of the Board and the status of operation (GRI 2-9~2-21)

The Board of Directors is the highest governance body of the Company. CGPC strictly requires all board members to comply with laws and regulations, and to act in accordance with the law as the highest operational principle. GRI 2-17 The term of office of the directors is 3 years and they may be re-elected. The number of independent directors for this term was increased from 3 to 4 and appointed on May 30, 2022. The current Board of Directors consists of 9 senior members from diverse professional fields, with expertise in areas such as operations, finance, law, and environmental protection. Among them are 4 independent directors, including 1 female director, accounting for 44% and 11% of the board, respectively, to enhance gender diversity. To strengthen directors' professional competencies, the Company arranges various annual training programs. In 2024, directors completed 6 hours of internal training and 54 hours of external training. All directors met the training hours required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEX Listed Companies," contributing broader perspectives and improving the quality of decision-making. (For details on director training, please refer to the Company's official website)



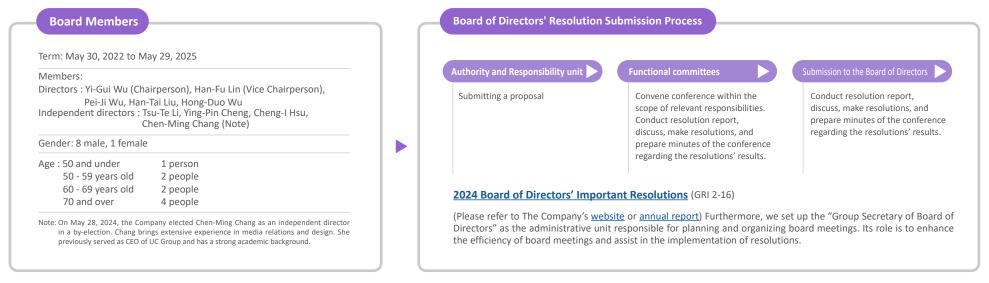


On July 11, 2024, a 3-hour training course was arranged, featuring Kai-Lung Hua, Chief Technology Officer of Microsoft Taiwan, as the keynote speaker. The topic was "Digital Transformation and the Intelligent Future - Applications of Generative AI."



On October 16, 2024, a 3-hour training course was arranged, featuring Dr. Che-Liang Liu from the Chung-Hua Institution for Economic Research as the keynote speaker. The topic was "Carbon Trading Mechanisms and Carbon Management Applications."

With a diverse Board of Directors, the Company is able to assess various proposals from a broader perspective. A total of 5 board meetings were held in 2024, with an in-person attendance rate of 95.24% (100% including proxy attendance). The decisions made covered areas such as business strategies, financial reporting, and internal regulation amendments. Please refer to the Company's website or Annual Report for more information. Please refer to the Company's website or Annual Report. Regarding the process for submitting board meeting proposals, the responsible units, and key resolutions in 2024, please refer to the table below.



In response to the growing global emphasis on corporate sustainability, the Company aims to further diversify its board by adding members with expertise in relevant fields. This will enhance the Company's sustainability competitiveness and strengthen the overall function of the Board of Directors. Implementation Status of Diversity Policy for Board Members: Please refer to the Company's website or annual report.

3.1.3 Recusal of directors from conflict of interests (GRI 2-9 \cdot 2-10 \cdot 2-11 \cdot 2-15)

The Company places great importance on corporate governance. To ensure the independence and objectivity of Board decision-making, a well-established conflict of interest avoidance mechanism has been implemented, as outlined below:

- 1. Institutional framework: The Company has formulated clear regulations such as the Rules of Procedures for Board of Directors Meetings, the Code of Ethics and Conduct for Directors and Managers, the Ethical Corporate Management Best Practice Principles, and the Business Integrity Procedures and Behavioral Guidelines. These documents clearly stipulate the measures directors must take to recuse themselves in situations involving conflicts of interest. (Please refer to the Company's website)
- 2. Meeting procedures: When the Board discusses proposals in which a director has a conflict of interest, recusal procedures are strictly enforced. The meeting chair will remind the relevant directors to leave the meeting. If the chair has a conflict of interest, another director will be appointed to preside over the discussion.
- 3. Information disclosure: The Board Secretariat will keep detailed records of directors' recusals in each meeting and include the relevant information in the meeting minutes.
- 4. Annual report: The Company has duly completed the conflict of interest recusal procedures for the Board of Directors in accordance with the law. For further details, please refer to the section "Board Operations" in the Company's Annual Report. For the content of response to conflicts of interest between board members and stakeholders, please refer to "Board of Directors Composition Information", "Top 10 Shareholders" in the 2024 annual report, and "Related Party Transactions" in the 2024 financial report.
- 5. Continuous improvement: The Company will continue to review and enhance its conflict of interest avoidance mechanism to ensure transparency and fairness in corporate governance.

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3.1.4 Status of performance evaluation of committees (GRI 2-18)

2024 Performance Evaluation of the Board of Directors, Individual Directors, and Functional Committees

Established evaluation methods for the performance of the Board, and regularly conducts self-evaluation of the whole Board, individual Board members, and functional committees every year, which is carried out by the Office of the Board Secretary. The results serve as a reference for the Company to review and improve.

The 2024 internal self-assessment performance of the Board as a whole, individual directors, and functional committees is as follows:

| Parties Evaluated | Overall Board of Directors | Individual Board Members | Functional Committees | | | |
|---------------------------|---|--|--|---|---|--|
| Aspect of assess- ment | Board's decision making Composition and structure of the Board Election and continuing education of the directors | Understand the objectives and missions of the Company Understanding of directors' job responsibilities Participation in the operation of the Company Internal relationship management and communication Specialization and continuous education of directors Internal control | Participation in the operation of the Company Understanding of the Audit Committee's job responsibilities Improvement of the quality of the Audit Committee's decision making Makeup of the Audit Committee and election of members Internal control | neration Committee's job responsi- bilities Improvement of the quality of the | Participation in the operation of the Company Understanding of the duties of the ESG Committee Improve the quality of the ESG Committee's decision-making Sustainable Development Committee composition and membership | |
| Assessment results | Overall, the average score for all aspects of the Board of Directors was over 4.6 points, indicating a positive result. | The average score of all aspects of each director is above 4.7 and the evaluation results are good. | The average score of all aspects of the Audit Committee is 4.8 and the evaluation results are excellent. | The average score of all aspects of the Salary and Remuneration Committee is 4.8, and the evaluation results are excellent. | The average score for all aspects of the ESG Committee reached 4.7 points, indicating a positive overall result. | |

Note: The evaluation score is expressed in the range of 0 to 5, with a full score of 5. The period being evaluated is from January 1, 2024 to December 31, 2024.

The results of the performance evaluation of the overall Board of Directors, individual directors, and functional committees will be presented to the Board of Directors in the first quarter of 2025.

Recommendations and implementation matters:

In light of the increasing global focus on environmental, social, and governance (ESG) issues, the Company has actively implemented various measures in accordance with the "Sustainable Development Action Plan for Listed Companies (2023)" issued by the Financial Supervisory Commission. Promote the disclosure of greenhouse gas inventory and confirmation information by listed companies in stages, build up the corporate greenhouse gas inventory capabilities. The Company has implemented various measures and the directors have frequently offered valuable insights and recommendations.

In addition to continuously enhancing corporate governance effectiveness, the Company has placed particular emphasis on implementing carbon reduction goals and developing green energy strategies. And through the application of intelligent technology, we can manage in a more efficient way and help enterprises reduce problems and risks. We are carefully planning and executing these initiatives to meet international standards and achieve our ambitious goals for sustainable development.

3.1.5 Corporate Governance Officer (GRI 2-9 \ 2-17)

In order to protect shareholders' rights and interests of and strengthen the professional competence of the board, the board resolution on May 9, 2019 approved the appointment of the director Yung-Chih Chen of legal affairs holding the concurrent position as the corporate governance officer in charge of corporate governance-related affairs. Director Yung-Chih Chen has over 20 years of experience as a practicing attorney and nearly 10 years of experience as the head of legal affairs for a publicly listed company. His primary responsibilities include handling matters related to Board and shareholders' meetings in accordance with the law, preparing minutes for both meetings, assisting directors with onboarding and continuing education, providing necessary information for directors to carry out their duties, supporting directors in legal compliance, reporting to the Board on the qualification review of independent directors during nomination, appointment, and tenure, as well as managing matters related to changes in Board membership. In 2024, corporate governance officer, Yung-Chih Chen, completed 23 hours of continuing education. (For details, please see the description on the website).

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3.1.6 Functional committees (GRI 2-9)

We have established three functional committees under the Board of Directors, the Audit Committee, Salary and Remuneration Committee, and ESG Committee. For details, please visit the website of the respective committees.

| Job Title | Name | Audit Committee | Remuneration Committee | ESG Committee |
|----------------------|-----------------|-------------------|------------------------|----------------------------|
| Chairman | Yi-Gui Wu | - | - | Committee Members |
| Independent director | Tsu-Te Li | Convenor | Committee Members | - |
| Independent director | Ying-Pin Cheng | Committee Members | Convenor | Committee Chairperson |
| Independent director | Cheng-Yi Hsu | Committee Members | Committee Members | Committee Members |
| Independent director | Zhen-Ming Chang | Committee Members | - | Committee Members |
| President | Chi-Hung Hu | - | - | Vice Committee Chairperson |

- Note 1: The statistics in this table are as of December 31, 2024.
- Note 2: Hu, Chi-Hung EVP of CGPC, took over as President of CGPC and served as the Vice Chairperson of the ESG Committee from April 1, 2024.
- Note 3: On May 28, 2024, the shareholders' meeting approved the addition of an independent director: Ms. Chang, Zhen-Ming serves as a member of the Audit Committee and the ESG Committee.

3.1.7 Functions and operations of each functional committee (GRI 2-10 \ 2-19~2-21)

| Name of Committee | Responsibilities/Functions | Operation and Communication Status | | | |
|----------------------|---|--|---|--|--|
| | Formulation/revision of the internal control system and the supervision of its operation. Formulation/revision of the procedures for handling material financial and business activities and the supervision of the operation. Supervision of appointment and resignation of CPAs and their independence. Appointment and dismissal of financial/accounting/internal audit officers. | separate communication with the auditors and internal audit manager at leas 2. Communication between Independent Directors and Accountants/Internal Au Date: November 4, 2024 The Audit Committee - 10th meeting of the 3rd Term Separate communication matters: Accountants 1. Review implementation and conclusion of the 2024 Q3 consolidated | ompany's financial reports and financial and business conditions, independent directors engage in st once a year, without the presence of other directors or management personnel. udit Manager: Attendees: Independent Director: Tsu-Te Li, Ying-Pin Cheng, Zhen-Ming Chang, CPA: Zheng-Jun Qiu Audit Officer: Kang-Nian Chiang. Internal audit supervisor 1. Implementation status of audit and the results. 2. 2025 audit plan. 3. Schedule of 2024 internal control self-evaluation. | | |
| | ateness of financial reports. | Results of communication: No opinions 3. The project secretary of the Audit Committee will report on the operational st • For detailed information, please refer to the official website - Audit Committee | , | | |

Name of Committee

Responsibilities/Functions

Operation and Communication Status



Remuneration Committee

- Stipulate and regularly review the performance of the directors and managers, as well as the remuneration policies, systems, standards, and structure.
- · Regularly evaluate and stipulate director and manager remuneration.
- 1. The current term of office is from June 2, 2022 to May 29, 2025, with a total of 3 members, consisting of all independent directors.
- 2. The committee convenes a minimum of 2 meetings per year and in 2024, a total of 3 meetings were held, with all committee members achieving a 89% attendance rate. Regarding the operation of this committee, please refer to the Company's website annual report, or linked to the Market Observation Post System (MOPS) to research.
- 3. The Committee regularly reviews (1) the compensation policies, systems, standards, and structures, and (2) the performance evaluations of directors and senior executives. In determining and assessing their compensation, the Committee takes into account multiple factors, including the industry median compensation levels, individual time commitment, scope of responsibilities, achievement of personal goals, compensation for comparable positions, attainment of the Company's shortterm and long-term performance targets, and the Company's financial status. All compensation decisions are subject to approval by the Board of Directors. (GRI 2-20)
- ♦ Salary and Remuneration: Director compensation comprises remuneration, director fees, and business execution expenses. Senior executive compensation includes monthly salary, fixed bonus, year-end bonus, employee remuneration, annual special bonus, retirement benefits and welfare benefits as required by law. The remuneration for directors and employees is governed by the provisions of Article 33 of the company's bylaws.(GRI 2-19)
- ♦ Total Remuneration Ratio for 2024: 5.25: 1, Total Remuneration Variation Rate: -41.20%. (GRI 2-21)
- ♦ Performance evaluation:
- (1) The performance evaluation of directors covers multiple dimensions, including their understanding of the Company's goals and missions, awareness of responsibilities, level of participation in Company operations, management of internal relationships and communication, professional competence and continuing education, and internal control. In addition, separate performance evaluations are conducted for the Sustainable Development Committee.
- (2) The performance evaluation of senior executives covers financial aspects (operating revenue, operating profit, and pre-tax net income), customer aspects (customer satisfaction, service quality, key market development...), product aspects (brand management, quality innovation...), talent aspects (talent cultivation, potential development...), safety aspects (zero pollution, zero emissions, zero occupational hazards, zero incidents, zero failures), and project aspects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions...), among others.
- (3) For sustainability performance-linked indicators, the President is required to allocate a weighting of at least 20%, including no less than 5% for climate-related items. Other senior executives are required to allocate no less than 5% to relevant sustainability performance indicators.

| Participants | Performance Indicators | Implementation Method (weighting) |
|-------------------|---|---|
| | Financial Performance (50%) | _ |
| | Market and Customers (12%) | _ |
| President | Sustainable development performance (38%) | ◆ Talent Development Program (7%) ◆ Energy Conservation and Carbon Reduction Performance (7%) ◆ Green Product Development (7%) ◆ Smart Manufacturing Plan (7%) ◆ Occupational Safety and Health (10%) |
| Senior Executives | Sustainable development performance (10%) | ◆ Talent Development Program (5%) ◆ Green Product Development/Energy Conservation and Carbon Reduction (5%) |

Note 1: Total Remuneration Ratio: Annual total remuneration of the highest-paid individual in the organization divided by the median annual total remuneration of all employees (excluding the highest-paid individual).

Note 2: Total Remuneration Change Ratio: Percentage increase in the annual total remuneration of the highest-paid individual in the organization divided by the percentage increase in the median annual total remuneration of all employees (excluding the highest-paid individual).

♦ For detailed information, please refer to the official website-Remuneration Committee, Remuneration Committee's Organizational Regulations, annual report.

Name of **Responsibilities/Functions Operation and Communication Status** Committee ◆ Formulate sustainable development 1. The third term of office is from June 2, 2022 to May 29, 2025 and the 5 committee members include Chairperson Yi-Gui Wu, President Chi-Hung policy. Hu, independent directors Ying-Pin Cheng, Cheng-Yi Hsu and Zhen-Ming Chang. Supervise the implementation of strate-2. The ESG Committee convened three Board meetings in 2024, and the attendance of all committee members in person reached 100%. gic planning of sustainable development, 3. Report 2024 sustainable development progress and annual sustainability plan to the Board of Directors. annual plan and project plans, and evalu-• For detailed information, please refer to the CGPC's ESG Area (ESG Committee meeting minutes), ESG Committee's Organizational Regulations. ate the status of implementation. • Review the sustainable report. ESG Com-• Report the annual implementation results mittee of sustainable development to the Board every year.

3.1.8 Implement ethical management (GRI 2-13 \ 2-14 \ 2-15)

Integrity is a core value of CGPC's corporate culture. To promote ethical conduct among employees, the Company has established the "Ethical Corporate Management Best Practice Principles" and the "Business Integrity Procedures and Behavioral Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," prohibiting dishonest conduct. These regulations apply to directors, managers, employees, and actual controllers, and prohibit offering, promising, soliciting, or accepting any improper benefits, as well as any other acts that are dishonest, illegal, or in breach of fiduciary duties. Forms of benefits include money, gifts, commissions, positions, services, privileges, and rebates. Both directors and the President have signed declarations, and employees are required to comply with the Company's business integrity policy.

To strengthen ethical management practices, the Company has assigned the Corporate Governance Team to formulate and oversee the implementation of the ethical management policy and preventive measures. The Corporate Governance officer reports to the Board of Directors on a regular basis (at least once a year), with the most recent report on ethical management delivered on November 4, 2024. (For detailed information, please refer to the official website)

Professional ethics

Establish systems

CGPC has established the business philosophy of ethics. care, discipline and innovation, and formulated code of conduct for business activities, such as the "Ethical Corporate Management Best Practice Principles", the "Procedures for Business Integrity Practices and Guidelines for Conduct", the "Directors and Managerial Officers' Ethical Behavior Guidelines", and the "Part-Time Employee Code of Conduct". These standards apply to everyone who conduct business activities on behalf of the Company, including the employees, management, directors and members of subsidiaries. The contents include the prohibition of unethical behaviors and conducting bribery or receiving bribery, recusal from conflict of interests, the prohibition of leaking business opportunities, insider trading, improper charitable donations or sponsorships or illegal political contributions.

Grievance Unit

CGPC has established several reporting and complaint channels on its official website, including "Contact Us," "Audit Committee's Email," and "Employee Complaint Channel," to receive reports and complaints. The Company has also enacted the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," which clearly define the process for whistleblowing.

The procedures and confidentiality mechanisms are clearly defined. A designated unit is responsible for handling reports, ensuring strict confidentiality and protection for whistleblowers, investigators, and the content of the reports. The Company guarantees that whistleblowing employees will not be subject to any improper treatment. External stakeholders may also file complaints via the official website's email channels, which are handled by designated personnel in accordance with established procedures.

Implementation Status

CGPC adheres to the Ethical Corporate Management Best Practice Principles, and all employees are required to comply with the relevant rules and policies. Through the ERP system, relevant personnel can access necessary information in real time, allowing for the reflection of operational performance. Based on risk assessments, the Company formulates standard operating procedures in line with its policies. Internal control self-assessments are conducted to review regulatory compliance, employee ethics, and risk evaluation, thereby reinforcing self-monitoring.

There were no reports or complaints related to integrity in 2024.

Note: ERP (Enterprise Resource Planning).

Promotion education

To deepen employees' understanding of professional ethics, CGPC not only publishes relevant standards on its corporate website but also continuously invites well-known scholars, experts, or lawyers to conduct training and awareness sessions for directors, managers, employees, and substantial controllers. These efforts ensure that all parties fully understand the Company's commitment to ethical corporate management, related policies, preventive measures, and the consequences of unethical behavior.

To enhance employees' awareness of integrity and reinforce an ethical corporate culture, the Company held multiple internal ethics seminars in 2024, with a total of 313 participants and 714 cumulative training hours. Learning outcomes were further strengthened through testing. Details are as follows:

| Item | 2024 Ethics Seminar - Course Name | Course Hours | Total number of people | Training Total hours |
|------|---|--------------|------------------------|----------------------|
| 1 | Supervisors' Awareness of Workplace Misconduct Prevention | 2 | 81 | 162 |
| 2 | Workplace Ethics: Stop, Look, and Listen | 2 | 40 | 80 |
| 3 | Strict Product Liability | 2 | 101 | 202 |
| 4 | Insider trading practical case study and related legal responsibilities | 3 | 86 | 258 |
| 5 | Regulations and Case Analysis of Fair Trade Act | 3 | 2 | 6 |
| 6 | Legal Awareness in the Smart Era and Countermeasures | 2 | 2 | 4 |
| 7 | Preventing Workplace Misconduct and Violations | 2 | 1 | 2 |
| | Total | | | 714 |

Note: This table presents the statistics for CGPC, TVCM, CGPCP, and GGTC, excluding training information for directors and the Corporate Governance Officer.

Ethics Seminar Training Activities



5/23/2024 [Ethical Seminar] Supervisors' Awareness of Workplace Misconduct Prevention



7/16/2024 [Ethical Seminar] Workplace Ethics: Stop, Look, and Listen



8/1/2024 [Ethics seminars] Strict Product Liability

3.1.9 Intellectual property rights management plan

In order to enhance the Company's industrial status and maintain the existing technological achievements, we integrate intellectual property rights with operations objectives and R&D resources. It is expected that the establishment of the Company's intellectual property management system can improve the Company's competitive advantage in the industry and obtain higher benefits through high-value products and services (using the PDCA cycle to construct an intellectual property management system).

Report on the annual implementation status of intellectual property rights:

The "2024 Intellectual Property Management Implementation Status and 2025 R&D Plan" was submitted to the Board of Directors for approval on November 4, 2024. (For details, please see the description on the website)

3.2 Operating performance (GRI 2-2 \cdot 201-1 \cdot 201-4 \cdot 3-3)

In order to enable shareholders and investors to obtain more on-time and accurate information of CGPC when carrying out investment decisions, the information on the monthly revenue release, quarterly financial reports, annual general meetings and institutional investor conference, is made available in the "Investor Services" section of the Company's website or the MOPS. Shareholders and investors can also contact the spokesperson or acting spokesperson by phone, or use the "Contact Us" on the Company's website and the USI Group's "Contact Us" on its website to submit any questions and suggestions, and all opinions will be handled by dedicated personnel.



Material issue: Economic performance

Main target: SDG 8.2, Secondary target: SDG 9.2



The Significance and Impact of CGPC

It is the foundation of the Company's sustainable development, enabling shareholders to obtain reasonable return on investment and the Company to have sufficient resources to take care of employees. The Company also creates mutually beneficial and win-win relationships with clients, suppliers, and collaborating partners to facilitate the growth of both the society and the Company. Affected Parties: Directly impacts the Company and its employees; indirectly affects investors, customers, and suppliers.



Develop Strategy

Improve product value, provide customers with satisfactory service quality, and maintain stable profits and sustainable development of the enterprise.



Policy Commitment

Implement corporate governance and environmental protection measures for energy conservation and carbon reduction to create a workplace of wellness.



Grievance Unit

President's Office



SASB Indicator



Major issues in 2024

Poor market conditions - oversupply and low demand. Please refer to the explanation of Responding to Stakeholders.

| Indicator Item | Short-, Mid-, and Long-Term Goal Planning | Achievement Status 🥑 |
|--------------------|--|--|
| Risk management | Short-term: Focus on immediate financial risks and market volatility to ensure liquidity. Mid-term: Adjust business models to maintain competitive advantage and ensure agility in responding to challenges. Long-term: Continuously monitor changes in laws and regulations to ensure corporate compliance, and assess the potential impact of policy changes on business operations. | Through a comprehensive risk management mechanism, the Company strictly controls vari ous risks and conducts regular risk assessments and improvements to maintain a stable and sound operational model. |

Note: The global petrochemical industry has been impacted by price-cutting competition from China. In coordination with the Group's overall indicator integration, CGPC has adjusted its material topic indicators based on practical operational considerations. (For details, please refer to Sections 3.2 and 3.3)









Operational performance:

CGPC faces challenges including the global economic slowdown, overcapacity in China, and rising raw material costs, which have led to a decline in PVC and VCM product sales. Operating Strategy for 2025: In response to market challenges, CGPC will actively adjust its business strategy by focusing on the development of high-value-added products and environmentally friendly materials. By continuously promoting process improvements and intelligent applications, the Company aims to enhance efficiency and reduce costs to strengthen competitiveness. At the same time, we will actively expand into emerging markets such as India and Vietnam and seek regional price gap opportunities arising from trade barriers. CGPC is committed to business transformation and restructuring in order to achieve sustainable operations. We will continue to implement occupational safety and environmental protection measures, fulfill our social responsibilities, and create longterm value together with all stakeholders. For detailed information, please refer to the 2024 Annual Report: Message to Shareholders and Business Report.

2024 earnings per share(NTD -1.22)

(Unit: NT\$)

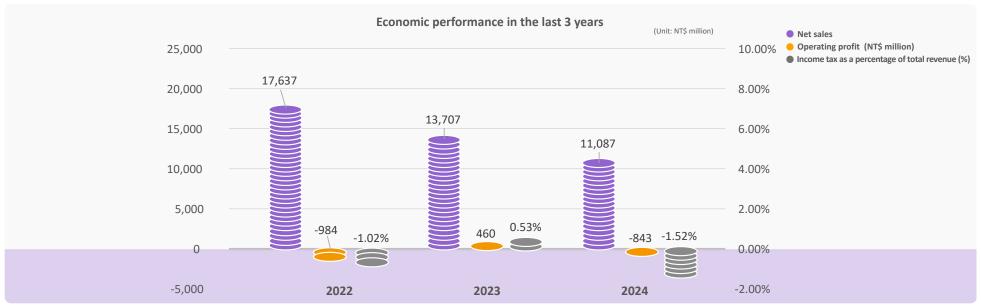
| • • | • | • | (|
|--|-------------------------|-------------------------------|---|
| Item | Amount (NTD million) | Budget Achievement rate | Compared to the same period last year (NTD million) |
| Consolidated Net sales | 11,087 | 72% | -2,620 |
| Consolidated net operat- ing profit (loss) | -843 | -94% | -1,303 |
| Consolidated profit (loss) after tax | -751 | -104% | -1,145 |
| Consolidated net loss after tax attributable to the Company's owners | -710 | -105% | -1,052 |

Sales volume of each product in 2023 (10,000 tons)

| Product | Production volume (10,000 tons) | Sales volume (10,000 tons) | Budget Achieve- ment Rate |
|--|---------------------------------|-------------------------------|------------------------------|
| VCM | 31.9 | 34.0 | 73% |
| PVC resin | 30.0 | 27.6 | 73% |
| Chemicals(100% concentration meter) | 6.3 | 5.8 | 111% |
| Fabricated products Building materials products Tape products Rubber Products (10,000 yards) | 1.7 1.7 467 | 1.7 1.6 471 | 81% 69% 83% |

Contents | About this Report | Message from Management | Sustainable Management | Sustainable Management | Sustainable Management | Social Inclusion | Appendix

3.2.1 Economic performance (net sales and operating profit)



Note 1: Adopted the International Financial Reporting Standards (IFRS) recognized by the Financial Supervisory Commission starting 2014.

Note 2: The relevant financial information can be found at the MOPS.

Note 3: The operational performance is expressed based on the consolidated financial statements.

3.2.2 Profit distribution

- 1. Dividend policy stipulated in the Company's Articles of Incorporation: please refer to the explanation in Article 33.
- 2. Proposal to distribute cash dividends at the Shareholders' Meeting:
 For the distribution of 2024 profit, the Board proposed to distribute cash dividends of NT\$ 0.15 per share, which would be subject to the approval by the resolution of the annual general meeting held on May 27, 2025, before being carried out in accordance with the regulations. (For details, see the official website Material Information)
- As the Company is in a mature industry, the distribution of profits takes into account the needs of research, development, and business diversification, and the shareholder dividends shall not be less than 10% of the distributable profits for the current year, of which cash dividends shall not be less than 10% of all dividends.

 However, if the annual distributable profit per share is less than NT\$0.1, it shall no distribution be made.

3.2.3 The revenue and dividend distribution in the last 3 years are as follows (excluding subsidiaries)

| | | | (Unit: NT\$ million) |
|---|--------|--------|----------------------|
| Item | 2022 | 2023 | 2024 |
| Operating revenue | 17,637 | 13,707 | 11,087 |
| Earnings after tax | -370 | 342 | -710 |
| Earnings after tax per share (NT\$/Share) | -0.64 | 0.59 | -1.22 |
| Dividends distribution (Including cash and stock dividends) | 174 | 203 | 87 |
| Cash dividends per share (NT\$/Share) | 0.30 | 0.35 | 0.15 |
| Stock dividends per share (NT\$/Share) | 0 | 0 | 0 |
| Total Dividends distribution (%) | -47 | 59 | -12 |
| Price/Earnings Ratio | -43.80 | 41.75 | -14.22 |
| Price/Dividends Ratio | 93.43 | 70.37 | 115.67 |
| Cash Dividends Yield(%) | 1.07 | 1.42 | 0.86 |

Note: 1 Price-Earnings ratio = Average closing price per share / Earnings per share of the year

Note: 2 Price-Dividends ratio = Average closing price per share / Cash dividends per share of the year

Note: 3 Cash dividends yield = Cash dividend per share / Average closing price per share of the year

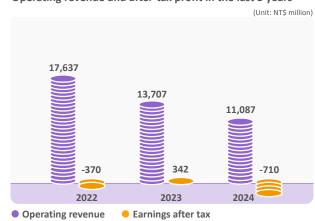
3.2.4 Description of direct economic value generated and distributed by the organization

| | | | (Unit: NT\$ millio |
|--|--------|--------|--------------------|
| Item | 2022 | 2023 | 2024 |
| Direct economic value generated | | | |
| Net sales revenue | 17,637 | 13,707 | 11,087 |
| Service revenue | 3 | 3 | 1 |
| Financial investment revenue | 40 | 58 | 69 |
| Asset sales revenue | 8 | 17 | 38 |
| Total | 17,688 | 13,785 | 11,195 |
| Economic value distributed | | | |
| Operating costs | 17,028 | 12,091 | 10,929 |
| Employee salary and benefits | 1,113 | 1,130 | 1,060 |
| Payments to funders | 201 | 273 | 181 |
| Payments to the government | | | |
| Income tax | -179 | 73 | -169 |
| Land value tax/House tax/Others | 27 | 26 | 26 |
| Community investment (including charitable giving) | 10 | 2 | 7 |
| Total | 18,200 | 13,595 | 12,034 |
| Economic value retained | -512 | 190 | -839 |
| | | | |

Note 1: Adopted the International Financial Reporting Standards (IFRS) recognized by the Financial Supervisory Commission starting 2014.

Note 2: The relevant financial information can be found at the MOPS.

Operating revenue and after-tax profit in the last 3 years



3.2.5 2024 Government subsidies

| | (Unit: NT\$ thousand) |
|--|-----------------------|
| Abstract | Amount |
| Domestic Investment Interest Subsidies. | 9,596 |
| Bureau of Labor Insurance, Ministry of Labor | 27 |
| Taoyuan-Hsinchu-Miaoli Branch of the Workforce Development Agency, Ministry of Labor | 109 |
| Occupational safety and Health Administration, Ministry of Labor | 200 |
| Energy Administration, Ministry of Economic Affairs | 7,582 |
| International Trade Administration, Ministry of Economic Affairs | 953 |
| Total | 18,557 |

3.3 Risk Management (GRI 2-9 \ 2-11 \ 2-12 \ 418-1)

CGPC identifies relevant risks that may affect the Company's sustainable development from its daily operations, and formulates relevant management strategies and countermeasures to reduce the possible risks of operational disruption. At present, specific matters or significant risks are identified, evaluated, and screened by each implementation and responsible unit, and relevant plans for corresponding measures are prepared. The Audit Office conducts supervision and follow-up to achieve continuous improvement and PDCA cycle to reinforce risk management practices. The challenges and responses of various risks at this phase are described as follows:

3.3.1 Risk types and countermeasures (GRI 2-9 \ 2-11 \ 2-12)

In order to establish sound risk management within the company, our board of directors ensures effective evaluation and oversight of various existing or potential risks. In December 2020, the board approved the "Risk Management Policies and Procedures." The General Manager's Office provides an annual report to the board on the company's risk management operations, allowing the directors to have a comprehensive understanding of the risks faced by the company. This enables them to provide more specific recommendations regarding the company's operating strategies in a timely manner.

Description of risk management

The ESG Committee conducts analysis based on the principle of materiality of the ESG Report to communicates with internal and external stakeholders, and reviews domestic and foreign research reports and literature and consolidates the evaluation data of various segments and subsidiaries to evaluate the materiality of ESG issues, formulate risk management policies for effective identification, measurement, monitoring and control, and take specific action plans to reduce the impact of related risks. The Audit Committee and the board approved the Risk Management Policy and Procedures" in 2020. The main contents include risk management policies, risk management organization, risk management process, categories and practices, etc., to effectively control the risks arising from business activities, The status of the current year's risk management operations is reported to the Audit Committee and the board at least once a year. Comply with the relevant laws and regulations of the competent authority, formulate the operating standards of each risk management unit, and carry out risk management and control of daily operations. Follow the development of international and domestic risk management systems at all time, review and improve risk management policies accordingly, and continuously adjust and improve the risk management methods in response to changes in the internal and external environment, so as to reinforce the effectiveness of the Company's risk management implementation, and protect the interests of the Company, employees, shareholders.

◆ Risk management identification process

The risk identification process involves each responsible functional department assessing and identifying significant risks based on recent international economic developments, the latest ESG regulations, and risk and opportunity assessment management methods. This ongoing evaluation and rolling revision process ensures that risks are promptly assessed and appropriate adjustments are made. Finally, the results of the identification of significant risks from each department are compiled by the Audit Committee Secretary reports to the members and submits it to the Board of Directors.

◆ Implementation of risk management

The major risks faced in 2024 included a decline in bulk product prices due to overcapacity and weak domestic demand in China; the expectation that major economies may enter a rate-cutting cycle as inflation eases; the slowdown in global economic growth and the accelerated restructuring of supply chains; as well as risks arising from climate change, energy price fluctuations, and changes in greenhouse gas-related policies and regula tions. Upon reviewing operational conditions, all risks were identified and assessed in accordance with the risk management process. Except for a fire incident at the CGPC Toufen main factory's hard fabric workshop, which led to a reassessment of shutdown and startup SOPs and heat transfer oil operation safety, along with the reinforcement of early-warning and safety monitoring systems, all other risks remained within controllable limits. For the operational status of each risk management unit, please refer to the Sustainability (ESG) section - Risk Management Operations.

Risk Governance and **Operational Oversight Model Risk Management Categories Management Units** The Company's risk management ♦ The risk management process includes: risk identification, risk assessment, risk monitoring, risk reporting and The risk management policies of the Company and its subsidiaries are is jointly promoted by the disclosure, and risk response. aligned with overall business strategies and define various risk categories Board of Directors, the Audit ♦ Each risk management unit must have a thorough understanding of the risks associated with its respective based on the nature of their operations. The following categories of risk Committee, the highest-ranking area of responsibility, analyze relevant risks within its scope, and incorporate risk management mechanisms are comprehensively managed: officers directly responsible for when establishing operational management regulations. Each unit is also responsible for monitoring the risks ♦ Financial Risk ♦ Strategic and Operational Risk within its area to ensure that the risk control mechanisms and procedures are effectively implemented. the daily operations of each risk management unit (hereinafter ♦ Supervisory Unit: Senior officers are responsible for overseeing the implementation and coordination of risk ♦ Raw Material Price and Supply Chain Risk referred to as "senior officers"), management. At least once a year, they must report the status of risk management operations to the Audit ♦ Occupational Safety Risk Committee's project secretary for review. The Audit Committee is responsible for evaluating the effectiveness ♦ Information Security Risk the Audit Office, various risk management units, and of the Company's internal control system to ensure proper implementation and to oversee the management ♦ Legal Risk ♦ Human Resources Risk ♦ R&D Risk ♦ Climate Change and Environmental Risk subsidiaries. of existing or potential risks. The Board of Directors approves the overall risk management policy and major ♦ Disaster and Accident Risk decisions. ♦ Technology Risk ♦ Audit Unit: The Audit Office is responsible for auditing the Company's risk management practices and providing management with timely insights into existing or potential internal control risks, ensuring Other Risks compliance with established regulations and control procedures.

3.3.2 Cybersecurity risk management (GRI 2-9, 2-11, 2-12)

We adopt the 「Risk Management Policies and Procedures」 as the standards for the establishment and development, operation, review and continuous improvement of the overall information security management system. We also establish information policies and objectives according to our operating activities and risks to carry out information security management and effectively control risks. For the 2024 security project implementation results, please refer to 4.1.3 Customer Confidential Information Protection, for the personal information protection and training, please refer to the company's official website "Integrity Management Operation and Annual Implementation Status"



Establish an information security promotion team with the following duties:

- Formulate information security risk management framework and information security policy.
- Conduct information security risk assessment and analysis.
- Information security maintenance and execution.
- Confirmation of the effectiveness of information security operations.



Protection of customers' confidential information

- Comply with laws and regulations to formulate relevant standards.
- Personal data de-identification and monitoring of abnormal traffic of network access.
- Reinforce firewall management and authorization control for data access.
- Carry out internal and external information security risk assessment and improvement through external audit.



Risk types and countermeasures – Risks and challenges

- Facing the increasingly severe information security attacks, strengthening information security protection without affecting the yield of the production line is a great challenge for information administrators.
- We have referred to industry practices and the advice of information security consultants, and applied the use of firewall equipment to separate the computers of information tasks and the computers of the industrial control operations system. The implementation shows immediate results in preventing damage causes information security incidents.



Develop management solutions

Regulations and standards:

- ◆ In terms of personal data protection, we follow the European Union's [General Data Protection Regulation (GDPR)].
- In terms of customer data protection, the Group's Information Technology Division has formulated the General Principles of Information Security Management Policy; the System Development and Maintenance Management Standards; the Key Points for Application System Program Online Operations Management; the Key Points of Database Management; the Information System Authorization and Equipment Protection Management and other standards to carry out the care of privacy information in the aspect of information security management.
- Formulate information security related policies, planning, governance, supervision and implementation in accordance with ISO 27001 to ensure the Group's information security protection capabilities and reinforce employees' nformation security awareness.

Information security awareness:

- Regularly hold education, training and promotion sessions
- A professional consulting company is commissioned to perform social engineering drills twice a year.
- ◆ Promote the Zero Trust network security protection model.

Defense tools:

- Prudent authorization control, masking and restricting personal data fields to be read.
- Reinforce measures such as firewall management, system vulnerability scanning, operating environment egmentation and de-identification processing.
- Establish network traffic monitoring and analyze potential threats to prevent illegal intrusions or improper disclosure of information.

Information security governance:

- Hold information security management review meetings for the information security management system (ISMS).
- Improve employees' information security awareness and reinforce information security education and training.
- ◆ Conduct information security risk assessment and analysis.
- Review information security infrastructure design.
- ◆ Continue to obtain ISO 27001 certification every year.



Implementation of risk management

Regulations and standards:

 Comply with the EU GDPR regulations to protect personal data.

Audit:

- Internal audits are conducted, twice a year.
- External audit is conducted once a year by a third-party organization.

Information security education and training:

◆ 4 hours of education and training are performed by information personnel every year.

Strengthen the control of external devices of industrial equipment:

 Restrict USB access to prevent data leakage and external information security hazard attacks from affecting production lines.

Social engineering drills:

◆ Implemented twice a year.

External storage media health check:

Implement a comprehensive inspection of external storage media and reduce the risk of data loss and hidden information security hazards from external devices through regular anti-virus scanning, inspection, and inventory.

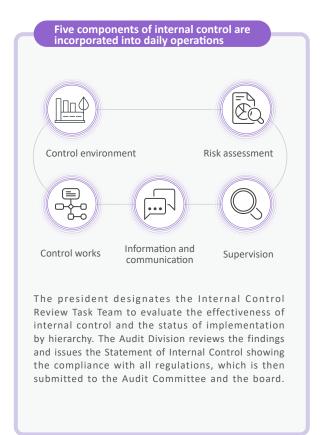
Vulnerability scanning and detection:

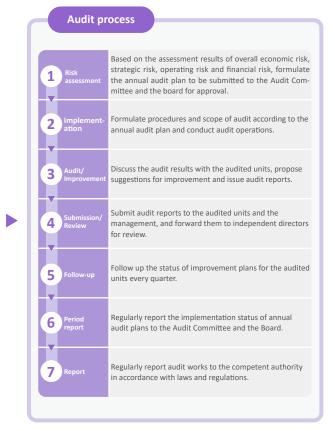
Regularly perform vulnerability scanning and detection
of the server's operating systems to identify potential
risks for system correction or propose compensatory
measures to improve system security. This is done
once a year, and has been implemented continuously
for 8 years.

3.3.3 Internal control (GRI 2-26)

Internal audit system

An independent Internal Audit unit has been established under the Board of Directors to assist management in reviewing and evaluating the internal control system and measuring operational effectiveness and efficiency. Based on identified risks, the unit formulates and implements an annual audit plan. The Head of Internal Audit holds a Certified Internal Auditor (CIA) credential and carries out duties with objectivity and integrity. The Head regularly attends Audit Committee and Board meetings to report significant audit findings and follow up on the progress of corrective actions. The Internal Audit unit is the designated department responsible for handling submissions to the Audit Committee's email and reports made through the whistleblower hotline for illegal, unethical, or dishonest conduct. In 2024, the Internal Audit unit carried out its duties in accordance with the annual audit plan, completing 49 audit reports and 5 follow-up reports. All findings and recommended improvements have been addressed. In compliance with the Financial Supervisory Commission's directive (Jin Guan Jheng Shen Zih No. 1130381962, dated April 22, 2024), the Company revised its internal control system to include sustainability information management. The revision was approved by the Audit Committee and the Board of Directors on November 4, 2024, and will take effect starting in 2025.







3.4 Regulatory Compliance (GRI 2-27 \ 307-1 \ 419-1)

CGPC strictly requires employees, supervisors at all levels and members of the board to abide by laws and regulations, and act in accordance with the law as the operating principle. In terms of regulatory compliance, we follow changes in relevant domestic and foreign laws and regulations that affect the Company's operations, and hold training courses related to laws and regulations from time to time. We also actively participate in the dissemination of information on laws and regulations, ethical management and corporate social responsibility courses and seminars organized by the competent authority. The Company defines a material event in accordance with the "Procedures for Verification and Disclosure of Material Information by Listed Companies." Any single event resulting in a cumulative fine of NTD 1 million or more is deemed a material event and will be disclosed with specific details in the relevant section of this report.

Environmental protection

CGPC is committed to the pursuing a safer work environment and complies with important government and international industrial safety, labor health and environmental protection regulations and promote the ISO 14001, ISO 45001 and other management systems to ensure that the Company's daily operations have minimal impact on the community. We also conduct active communication to understand employees and local residents and other key stakeholders and then propose solutions for improvement.In 2024, TVCM had no violations resulting in fines. However, CGPC and CGPCP were penalized for violations related to certain regulated items (see table). For details on corrective actions, please refer to CH5.4 Air Pollution Control.



Occupational safety

CGPC has established an occupational safety and health management system in compliance with the law. It actively reviews the causes of accidents, reduces hazards and prevents their recurrence. In the event of an incident, immediate response measures are taken, and care for employees is provided. In 2024, there were no violation-related fines imposed on TVCM or CGPCP. However, CGPC experienced two fire incidents. The competent authority imposed two fines under the Fire Services Act and one under the Air Pollution Control Act. totaling NTD 1.05 million (NTD 600.000 for fire safety violations and NTD 450,000 for air pollution violations). An additional fine of NTD 300.000 was issued as a follow-up administrative penalty for noncompliant facilities identified during post-incident inspections. For details on related measures and responses, please refer to Section 6.4: Safe and Healthy Workplace



Product, service and customer relationship

We spare no efforts in providing customers with satisfactory services, and hope to establish longterm partnerships with customers. In 2024, we did not receive complaints about violating customer privacy and losing customer information nor have there been any violations, fines or penalties related to products and services.

Please refer to 4.1 Customer service management

Labor and human rights

We abide by relevant labor laws and regulations, protect the legal rights of employees and respect the principles of basic human rights recognized internationally. We also have formulated relevant standards and work policies to protect workers' basic labor rights. In 2024, we did not violations of relevant labor laws and regulations. Please refer to website 或 6.2.3 Human Rights and Protection





◆ Number of Regulatory Violations and Fines in 2023 and 2024

In light of increasingly stringent regulatory compliance requirements and penalty standards, the Company continues to promote improvement measures to further reduce the number of violations and the amount of fines imposed (as outlined below).

- ♦ Social Aspect: 0 cases in 2023; 2 cases in 2024, both involving CGPC with a total fine of NTD 900 thousand. (Total amount NTD 900 thousand)
- ♦ Environmental Aspect; In 2023, there were 6 cases, TVCM had 2 cases with fines totaling NTD 226 thousand, and CGPCP had 4 cases with fines totaling NTD 212 thousand. (Total amount; NTD 438.2 thousand): In 2024, there were 6 cases, CGPC had 1 case with a fine of NTD 450 thousand. TVCM had 2 cases with fines totaling NTD 200 thousand, and CGPCP had 3 cases with fines totaling NTD 610 thousand (total amount:

♦ Description of Major Events in 2024:

Two fire incidents occurred at CGPC's Toufen main factory in 2024. The competent authorities determined violations of the Air Pollution Control Act and the Fire Services Act, resulting in a fine of NTD 1.05 million. Relevant announcements were published on the Company's website on October 19, November 9, and December 26, 2024. Following the incidents, a site inspection by the fire department identified certain facilities as non-compliant with regulations, leading to an additional administrative fine of NTD 300 thousand. This penalty was a follow-up administrative disposition and was not related to the cause of the fires. For detailed information, please refer to CH6.4 Safe and Healthy Workplace - 2024 Fire Incidents and Response Measures.

3.5 Technology Research and Development (GRI 3-3)

Guided by the principles of sustainable materials, green manufacturing, circular economy, net-zero emissions, and continuous innovation, CGPC's R&D department is committed to optimizing production processes to reduce energy consumption and greenhouse gas emissions. The Company promotes green manufacturing by ensuring that environmentally friendly plastics meet market demands for durability, safety, and functionality, thereby achieving a balance between environmental responsibility and practical application.



Material issue: Technological R & D

Main target: SDG 12.4, Secondary target: SDG 9.5, 12.5

The Significance and Impact of CGPC



With a focus on innovation and resource optimization, CGPC is dedicated to developing a green supply chain, prioritizing environmental safety and energy conservation. Innovation extends beyond products to include upgrades in technology and service models, with R&D efforts closely aligned with market demands and customer feedback. Affected Parties: Government agencies, employees, investors, and suppliers.

Develop Strategy



Foster knowledge integration and information sharing between R&D, sales, and manufacturing departments to ensure seamless coordination across all processes. Optimize the use of R&D resources through more rational allocation and utilization. Reduce uncertainty in product development.

Adhere to legal and ethical standards by carefully evaluating the social, environmental, and consumer impacts of each new product and technology. Provide a better working environment to retain talent and maintain organizational vitality.



Grievance Unit

Processing Technology Section, Processing R&D Department



SASB Indicator

Policy Commitment

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|----------------------------|--------------------------------|-----------|-------------|-----------|-----------|-----------|
| New Product development | Number of development projects | 7 | 15 🙆 | 10 | 10 | 12 |

Note: The global petrochemical industry has been impacted by price-cutting competition from China. In coordination with the Group's overall indicator integration, CGPC has adjusted its material topic indicators based on practical operational considerations.









3.5.1 R&D expenditure in the last 3 years

(Unit: NT\$ thousand)

| Year | Funding |
|------|---------|
| 2022 | 72,479 |
| 2023 | 72,928 |
| 2024 | 50,590 |

Note: The amount of R&D expenditure includes Taiwan and overseas subsidiaries.

Promotion projects

- ◆ New patent applications have been submitted:
- 1. Recyclable Synthetic Leather Structure (M630391): The patent for this structure was granted in August 2022.
- 2. New Slow Temperature Rising Leather Structure (M631078): The patent for this structure was granted in September 2022.
- 3. Scratch and Stain Resistant Leather Structure (M636680): The patent for this structure was granted in January 2023.
- 4. Anti-Viral Coating Structure for Eyewear (M630340): The patent for this structure was granted in January 2023.
- 5. Antibacterial and anti-mildew layer structure(M645877): The patent for this structure was granted in September 2023.
- 6. Application of light-transmitting layer structure and its luminous decoration (M657916), license obtained in July 2024.
- ◆ Added a PVC pilot reactor to the 30L pilot plant, and completed in 2022. The applications are as follows:
- 1. Research of PVC resin formula and manufacturing process improvement (such as conversion rate, formula, etc.).
- 2. Evaluation of new raw materials and countermeasures (such as specific gravity and others).
- 3. Discuss root causes of quality issues and make improvements (such as thermal stability improvement etc.), and develop new products with market competitiveness.

Benefits:

- 1. Evaluation of optimized raw materials and incorporate advanced testing capabilities for countermeasures to reduce the testing time.
- 2. Optimize manufacturing process parameters and adjust advanced
- 3. Develop ultra-high polymerization powder, ultra-low polymerization powder, high B.D powder and high CPA powder to enhance market competitiveness.
- ◆ A total of 26 new products was developed in last two years, including car floor mats and wiring harnesses Tape cloth products, automobile, motorcycle and bus seat rubber and other products, please refer to the website description.

Solution: Use natural marine biological shell powder to replace chemical antibacterial agents

Description of promotion:

CGPC, in response to sustainable development and circular economy issues, has utilized technological methods and creative ideas through its research and development team. By leveraging the antibacterial properties of calcined marine bio-shell powder and innovative approaches, the company gradually replaces the use of chemical synthetic antibacterial agents with natural non-toxic marine bioshell powder. This is applied in plastic-related products, creating a circular economy and contributing to environmental protection. We adopt the latest curing technology to add natural shell powder to resin to be applied to the surface of plastics, which can pass the mold resistance testing (ASTM G21) and antibacterial test (JIS Z-2801).

Note 1: PS1 - Mold resistance testing (ASTM G21) includes testing against Aspergillus niger, Chaetomium globosum, Trichoderma viride, Penicillium funiculosum, and Aureobasidium pullulans.

Note 2: PS2 - Antibacterial testing (JIS Z-2801) includes testing against Staphylococcus aureus and Escherichia coli.

We highly value the sustainable development of ESG. While pursuing sustainable operation and profit, our three core strategies of sustainable vision "R&D and innovation," "stable operation" and "social inclusion" are to co-create value with stakeholders to improve our competitive advantage of sustainable development.

R&D and Innovation Goals and Benefits:

Goals:

Sustainable Development Goals: In the future, we will continue to plan and develop new green and eco-friendly antibacterial products, use nano and compound materials, etc. to develop products with diverse antibacterial effects. We will grasp market trends, understand customer needs, and improve the our long-term competitive advantage.

Benefits:

Our R&D team follows global trends, and is committed to meeting the Company's goals in circular economy, reduction of waste and environmental protection. The breakthrough technology research and development can improve morale, demonstrate the Company's contribution to environmental protection, enhance corporate image, make the business more competitive, and win the trust of customers.



Develop "Chroma cool" in response to climate change

Solution: Chroma cool

Description of promotion:

In extreme climates, the duration of hot weather can be longer than the number of cold days, we have developed a new type of "Chroma cool," which can be used for motorcycle seat cushions and outdoor sports equipment. The products are available in various colors. Compared with traditional leather, they can reduce the temperature by 10 to 20 degrees, which is a great benefit for motorcyclists and sports enthusiasts.

Implementation Status:

We have been actively marketing and pursuing a strong market presence, resulting in a cumulative sales volume of 30,188 yards in 2024.

Patent:

Obtained the patent for new invention no. M631078 in 2022.

Benefits:

It is estimated that market demand will continue to rise in the future. In response to market changes, the future goal is to continue to improve other functions and enhance market competitiveness.



3.5.2 New products to be developed

- ♦ Translucent leather/cloth products
- PVC/TPE rubber solvent-free surfacetreated
- ♦ TPO anti-static transparent film
- ♦ Development of solvent-free TPE paste cloth
- ♦ TPE single-material rubber
- ♦ TPO apron
- ♦ PVC printing banner leather
- ♦ TPO peelable leather
- ♦ PVC cooling peelable leather
- ♦ PE/CBC easy-tear adhesive fabric tape
- PVC low-smoke flame-retardant leather
- ♦ Antibacterial and anti-mildew tubing
- ♦ TPU treadmill belt/conveyor belt
- ♦ PVC conductive leather
- ◆TPO vacuum cushion leather





♦ Translucent leather/cloth products

3.5.3 Overview of technology and research and development

Newly-developed technologies or products

1. Newly-developed Technologies

- 1.1 30L PVC overlapping experiment
- 1.2 PVC Powder Moisture Intelligent Monitoring
- 1.3 Research and analysis of PVC pink color difference
- 1.4. GRS Global Recycling System Certification







2. Newly-developed products

| 2.1 Virus-resistant door panels | 2.8 POE fish-electricity symbiotic water pond fabric | 2.15 Tour bus car seats and soft leather upholstery | 2.22 TPO leather for baby car safety seats |
|--|---|---|--|
| 2.2 Japan's Tape fabric for marking lines | 2.9 PP equipment telescopic protective cover fabric | 2.16 Motorcycle seat rubber | 2.23 TPO cutting board |
| 2.3 Wire harness tape fabric | 2.10 Silica gel coating/film lamination products | 2.17 Car seats and soft leather upholstery | 2.24 TPE car seat rubber |
| 2.4 Easy-cut edge banding tape for door panels | 2.11 POE waterproof membrane/pool liner | 2.18 Development of soft leather for furniture | 2.25 TPO Anti-slip leather |
| 2.5 High softening temperature automotive floor mats | 2.12 Soft leather with a slippery feel for marine use | 2.19 Development of benzene-free/ solvent-free PVC paste cloth | 2.26 TPO fully recycled shoe rubber |
| 2.6 Antiviral rigid adhesive tapes | 2.13 Casting products | 2.20 Antiviral rubber sheet (medical bed) | |
| 2.7 TPO automotive console/floor mat | 2.14 Truck seats and soft leather upholstery | 2.21 GRS certified TPU foam | |

Sales of newly-developed products

In response to climate change and various functional market demands, we have improved the added value of products and market share. We have also developed non-PVC rubber products that comply with environmental regulations, meet the needs of domestic and foreign manufacturers that adopt the green concept, and expand to new markets that demand value-added products.

| Product category | Product item | 2024 Sales target (tonnes/thousand yards) | 2024 Sales quantity (tonnes/thousand yards) | 2024 Sales revenue (NT\$ thousand) | Achieved? | The proportion of each new product to the revenue of the product category (%) |
|------------------|---------------------------|---|---|---------------------------------------|-----------|---|
| Rubber | PVC rubber | 200.0 | 282.5 | 33,994 | Yes | 4.6% |
| products | TPE eco-friendly material | 120.0 | 30.0 | 5,297 | No | 0.8% |
| Total sales | s of 2024 new products | 320.0 | 312.5 | 39,291 | | 5.4% |

Note 1: New products are defined as those within 2 years of the successful development.

Note 2: Reason for not achieving the TPE target: Due to rising prices of imported raw materials and shrinking market demand, consumers remain cautious about eco-friendly materials, making it difficult to break through current barriers in promoting and selling such products.

R&D plans in recent years

(NT\$ thousand)

| too plans in recent years | (111) (1100301 | | |
|--|---|--|--|
| 2025 R&D plans | R&D expenses needed to be committed again | | |
| Development of benzene-free/solvent-free PVC paste cloth | 500 | | |
| Development of benzene-free/solvent-free TPE paste cloth | 300 | | |
| TPU treadmill belt/conveyor belt | 500 | | |
| PVC electrical tape for water-based adhesive | 500 | | |
| PVC conductive leather | 300 | | |
| TPO vacuum cushion leather | 400 | | |
| PVC low-smoke flame-retardant leather | 300 | | |
| PP sheet for mechanical masking | 500 | | |
| Translucent leather/cloth products | 600 | | |
| TPO anti-static transparent film | 500 | | |
| PVC inkjet fabric | 500 | | |
| Non-PVC inkjet fabric | 800 | | |
| TPO peelable leather | 400 | | |
| PVC cooling peelable leather | 300 | | |
| Oyster shell powder door panel (antibacterial and anti-mold) | 300 | | |
| Oyster shell powder pipe (antibacterial and anti-mold) | 500 | | |
| Development of 3rd-generation soil-resistant rubber | 500 | | |
| Development of synthetic casting soft leather for furniture | 1,000 | | |
| SEMI PU semi-finished product development | 500 | | |
| Semi-rigid printing product development | 500 | | |
| Earth fabric tape plasticizer transition | 500 | | |
| *Low-VOC PVC/TPE leather | 15,000 | | |
| PVC/TPE rubber solvent-free surface treatment | 1,000 | | |
| PP hard fabric for home furnishings | 500 | | |
| Non-PVC tape fabric | 500 | | |
| 30L test tank new formula | 300 | | |
| Total | 27,500 | | |

Green products

Media mentioning the significant environmental impact of PVC materials (the negative impact of plasticizers on the environmental hormones and heavy metals). In fact, the advancement of technological research and development and the selection of new varieties of plasticizers and stabilizers have been eliminating the impact of environmental hormones and heavy metals. The use of non-PVC materials (TPE/TPU) by the processing industry has gradually developed green products that can be used in daily life.

PVC products meeting new regulatory requirements

The products sold by CGPC comply with the EU Restriction of Hazardous Substances Directive (RoHS for short) and the requirements of the Substances of Very High Concern (SVHC) listed in the EU REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), the EU Toy Safety Directive EN-71-3, the Proposition 65 of California, USA , California's The Safer Consumer Products Regulations, etc. We have the strategic planning for the new green R&D mindset (non-toxicity) that meets regulatory requirements and successfully incorporated the abovementioned standards into our operations to develop new products that can reduce environmental impact.

Non-PVC products

We have researched and tested non-PVC synthetic leather and cloth products, and successfully developed and continued to promote PVC materials alternatives that meet the requirements of environmental protection regulations and have relevant physical properties to meet market needs. CGPC actively develops differentiated products inhouse, and offers high-performance POE, TPE, TPU and other plastics to produce more ecofriendly non-PVC leather fabrics to meet the needs of domestic and foreign manufacturers that adopt the green concept, and expand to new markets that demand value-added products. The varieties and applications of successfully sold products have gradually expanded. The product examples are as follows:

- Eco-friendly waterproof materials (no phthalate, no heavy metals, for breeding and water storage purposes)
- Eco-friendly exhaust pipe (heat-resistant, conductive)
- ◆ Eco-friendly furniture (used in sofas, seats, bicycle seat cushions)
- Eco-friendly shoe materials (applied to functional sneakers)
- ◆ Eco-friendly bags (applied to various slip-resistant functional parts)

3.6 Intelligent Management (GRI 3-3)

The Company continues to pursue smart manufacturing as its goal and actively promotes digital transformation. By optimizing processes and management efficiency, the Company enhances overall operational performance in response to industry changes and market competition, aiming to achieve highly efficient, intelligent, and sustainable operations.



Material issue: Intelligent Management

Main target: SDG 9.4, Secondary target: SDG7.3



The Significance and Impact of CGPC

Improve equipment efficiency, and reduce the impact of production on the environment as much as possible in order to achieve the eco-friendly goals of low pollution and low energy consumption.

Affected parties: employees, community residents, government agencies, customers, suppliers/contractors, investors.



Develop Strategy

Renovation and replacement of old equipment and Improve equipment efficiency in order to achieve the eco-friendly goals of low pollution and low energy consumption.



Policy Commitment

Enhancing Operational Safety, Reducing Accidents, Minimizing, Resource Consumption, Building an Intelligent Factory.



Grievance Unit

Processing Technology Section, Processing R&D Department



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|--------------------|-----------|-------------|-----------|-----------|-----------|
| Introducing Intelligent Manufacturing Process | Number of projects | 3 | 4 🙆 | 4 | 4 | 5 |
| AIOT Intelligence Manufacturing | Number of projects | 3 | 3 🏈 | 3 | 3 | 3 |









Data Collection

Historical data collection/extraction/ transformation/ classification



Data Establishment

File segmentation/ database and model creation



Model Parameters Testing

Data testing/analysis/ identifying optimum parameters/adjustment/ prediction



Model Monitoring

Program development/ integration/debugging/ testing/optimization

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2024 Objective

Establishment of an intelligent control model

- ♦ By establishing an intelligent control model for a single chlorine distillation column, the process can quickly reach optimal energy consumption conditions, resulting in improved stability and enhanced energy-saving performance.
- ♦ Image recognition (AOI) combined with multiple equipment and processes within the facility allows us to monitor and alert operators to ensure a safe working environment.

2024
Performance

Intelligent monitoring to create a safe operating environment for energy conservation and carbon reduction.

- By utilizing intelligent models to provide optimal set points (SP) and applying model-based optimization control, the process can quickly reach optimal energy consumption conditions. This enhances process stability and achieves energy-saving benefits, and has been implemented in the unit chlorine distillation column.
- Establish a model to monitor heat exchanger efficiency and provide recommendations on when to switch to backup units, thereby reducing energy consumption and lowering carbon emissions.
- ♦ Introduction of the intelligent image recognition for smart weighing scales and tank truck loading, we can monitor and alert operators in the workflow, creating a safe operating environment.
- By introducing the situation room and production management system at the Toufen main factory, most information can be monitored in real time to establish production management indicators. Based on the needs of each unit, various indicators are listed, relevant variables and corresponding management countermeasures are formulated, and intelligent functions are integrated to optimize production management.
- By using intelligent models to identify the optimal set points (SP) from past operations and to automatically calculate real-time optimal PID parameters through control loop optimization, the system can automatically assign process conditions and PID parameters via programming. This enhances process stability and reduces steam consumption per unit, achieving energy-saving benefits. This approach has been implemented in the PVC dryer.
- ♦ A license plate recognition system has been introduced to manage and control the entry and exit of vehicles within the plant.

2025 Objective

Parallel promotion of intelligentization projects

- ♦ Through industry-academia collaboration, intelligentization was introduced to a single chlorine distillation column. By utilizing intelligent models to provide optimal set points (SP) and applying model-based optimization control, the process can quickly reach optimal energy consumption conditions, enhancing stability and achieving energy-saving benefits. The solution was then replicated and applied in-house to three chlorine distillation columns.
- Based on historical operating data, models are established to define corresponding normal operating ranges and control boundaries. Process equipment is monitored, and alarms are triggered in case of abnormalities, enabling personnel to take preventive actions in advance and maintain control. This helps reduce process and safety anomalies and also lowers energy consumption.
- ♦ An AOI detection and alarm system has been established in the second and third tank truck loading/unloading areas. Using image recognition technology, the system monitors the safety behavior of operators and provides warnings. Infrared cameras are also used to detect gas leaks and abnormal temperatures, creating a safer working environment.
- ♦ By using intelligent models to identify optimal process conditions from historical data and to optimize control loops for the best PID parameters, the process can maintain stable production and quality while reducing steam consumption per unit in the evaporation tank.
- A tank truck unloading image recognition system has been implemented to monitor operator procedures during unloading operations. The system detects any deviation from the SOP and issues real-time alerts, helping to establish standardized workflows and a safe working environment.
- ♦ A smoke detection system has been introduced to monitor chimney emissions within the plant. It checks whether emissions are occurring and whether the smoke color is within the appropriate range. In case of improper emissions, management personnel are notified immediately to coordinate with production units for early response and resolution.

2026 Objective

Build smart factories

- ♦ New CCTV cameras have been installed, and electronic fences have been added to existing cameras in the plant to monitor personnel movements in high-risk operations or restricted access areas. This ensures that operating zones remain clear or that personnel are present at their designated positions.
- ♦ By collecting long-term vibration data from critical equipment, maintenance schedules can be predicted in advance. Anomaly detection models are established for real-time comparison and monitoring, with unified display screens showing monitoring data. Personnel can view equipment status directly through the monitoring interface, reducing the workload of on-site inspections and the cost of performing maintenance on a fixed schedule. Model-based diagnostics help reduce the occurrence of abnormalities, enhance energy efficiency, and improve industrial safety.

2030 Objective

Enhanced intelligence

- ♦ In the future, with the introduction of intelligent systems and smart learning control, AloT technology will bring new vitality to traditional industries. In terms of hardware and software, technological integration enables intelligent monitoring and automated control, effectively improving production efficiency. Through energy management systems, energy use can be maximized while minimizing environmental impact. For safety enhancement, intelligent monitoring systems provide real-time hazard detection and offer rapid and accurate emergency responses.
- ♦ The upgrade to smart manufacturing not only strengthens hardware-software integration and enhances safety protection, but also accelerates the transformation of traditional industries toward a low-carbon future, supporting energy conservation and carbon reduction goals and contributing to environmental sustainability.

6101 Intelligent implementon in

Carbon reduction: 221 (tons)

Savings: NT\$1,713 (thousand)

Various projects towards the promotion of smart factories

Establishment of a intelligent factory

- 1. Process optimization & safety monitoring
- Distillation Column Systems of **TVCM**
- ◆ Each PVC drying system of CGPC (Utilizes intelligent models to provide optimal program settings (SP) and by intelligent control optimization which allow us to rapidly achieve the best energy consumption conditions).
- Absorption tower process safety monitoring
- ◆ CGPC Alkali-chlorine evaporation tank system



2. AOI image recognition

- Electrical Panel AOI with Thermal Imaging
- intelligent Safety System for Stackers
- ◆ Image Recognition for Tanker **Truck Loading Operations**
- Fabricated plant product defect identification system
- ◆ Pipe AOI Image Detection
- Intelligent weighbridge system and license plate AOI image recognition



3. Intelligence factory

- Situation Room at Main Plant
- Polymerzation production management system
- ◆ Alkali-Chlorine Manufacturing Management System
- ◆ CGPC Automatic Warehousing System
- ◆ Energy Efficiency Performance Management Platform



Sustainable Management through Industry-Academia Collaboration

- ◆ Providing Intelligent Education Scholarships
- ◆ Sharing Practical Experiences in Industry- Academia Collaboration (Please refer to the section on High Quality Intelligent-based Transition)

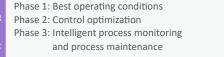


ESG Benefits

- Energy Conservation, Carbon Reduction, Environmental Protection
- Prosperity



Process optimization - the planning progress and benefit description of the distillation column



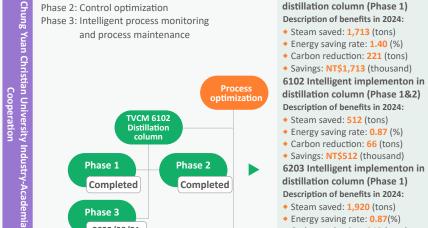
Phase 3

2025/08/31

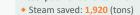
Phase 2

2025/06/30







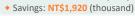


TVCM 6202

Distillation column

Phase 1

Completed



- ◆ Stable Quality, Economic
- Reducing the Probability of occupational Accidents



Introduced

by TVCM

Project Benefits

Phase 1

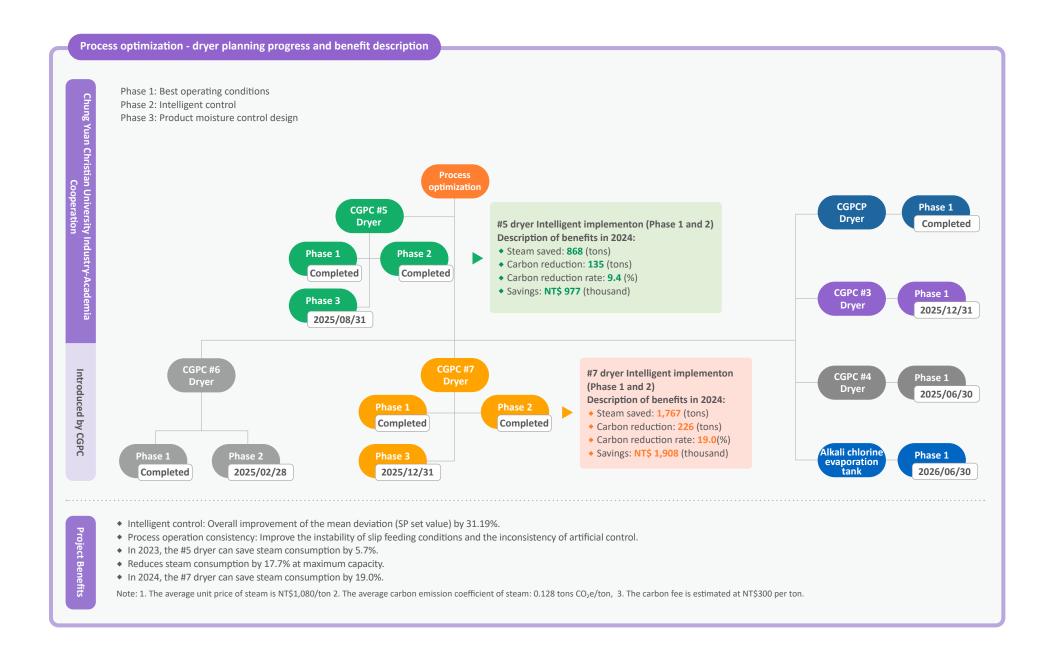
Completed

• Process operation consistency: Improve the inconsistency of manual operation control of the distillation column.

Completed

- ◆ Intelligent control: Al-based steam calculation and automatic control of backflow make process control more stable.
- In 2024, the unit steam consumption of the 6101 distillation column was reduced by 1.4%.
- In 2024, the unit steam consumption of the 6203 distillation column was reduced by 0.87%.

Note: 1. The average unit price of steam is NT\$1,000/ton 2. The average carbon emission coefficient of steam: 0.129 tons CO₂e/ton, 3. The carbon fee is estimated at NT\$300 per ton.





CGPC uses product and sales opportunities, quality meetings and communication and service platforms to understand customer needs and complaints in timely manner, to maintain the Company's product reputation and ensure the effective operation of the quality management system. Suppliers are required to improve quality and meet the goals of environmental protection, work safety and human rights.

(GRI 102-9 \ 102-13)

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4.1 Customer service management

The Company follows the seven management principles of the ISO 9001 Quality Management System to establish a customer-oriented management model. It is committed to safeguarding customer health and safety, ensuring compliance in labeling and marketing, and protecting customer data privacy. A comprehensive grievance mechanism is also in place to protect the rights and interests of consumers and clients. The data in Section 4.1 is provided by CGPC (not including the subsidiaries, TVCM, and CGPCP).

In production and process management, education and training are conducted to enhance employees' awareness of quality standards and customer requirements, reinforce the habit of operating in accordance with standard operating procedures (SOP), and implement a system of process engineers and project improvement initiatives. Through the practice of management by walking around and process quality audits, issues can be promptly identified, corrected, and tracked to prevent recurrence. To ensure that products and services comply with regulations and international standards regarding customer health and safety, marketing, and labeling, relevant policies have been established and management systems have been implemented, including:

- ◆ Customer Health and Safety Assurance: Safety Data Sheets (SDS) are prepared for all raw materials and products in accordance with regulations, providing guidelines for storage and transportation to ensure safe usage by customers.
- ♦ Compliance with Marketing and Product Labeling: Products have obtained certifications such as EU RoHS, REACH, EN71-3, and food additive approvals. Labeling and shipment traceability are managed in accordance with the "Product Labeling, Traceability, and Protection Regulations."
- Customer Rights and Complaint Procedures: In accordance with the "Customer Complaint Handling Procedure," multiple complaint channels have been established. In addition to direct handling by sales personnel, a stakeholder contact window is also set up in the ESG section of the Company's website to receive customer inquiries, complaints, or suggestions, ensuring prompt feedback.
- Customer Privacy and Data Protection: The Company has obtained ISO 27001:2013 Information Security Management System certification and implements information security measures such as firewall management, access control, and environment segmentation. In compliance with the Personal Data Protection Act, privacy impact assessments and employee training are conducted to ensure confidentiality and data security.

The Company also upholds the philosophy of continuous improvement and forward-looking management. Through quality data management, systematic analysis, and cross-departmental collaboration mechanisms, it continuously enhances quality and customer service performance, strengthening long-term partnerships with clients.

4.1.1 Complete customer service

| Business services | Description |
|---|---|
| Consultation | Reply to customer questions and provide relevant information for reference. |
| Provide sample cards/ samples | Provide sample cards/samples according to the sample card number, requirements and standards specified by customers. |
| Introduce new products | Actively provide new products' samples and information to customers, and accept inquires and provide the relevant reference documents. |
| Product development testing | Cooperate with customers in development of nonstandard products. |
| Quotation and receive orders | Complete formal quotation according to the relevant operation process. After customers formally place their orders, review and confirm the orders according to the relevant operating rules. |
| Shipping | Provide necessary delivery estimates, inquiries, tracking and arrangement of shipments to ensure that they meet the delivery deadline required by customers. |
| Deadline for handling customer objections | When customers think that the products or services provided by the Company do not meet their needs, they may file a written or oral complaint, and the sales representatives will analyze the complaints and notify the relevant departments for immediate and necessary responses. |

客戶異議處理流程:

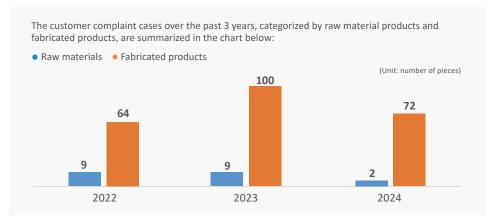


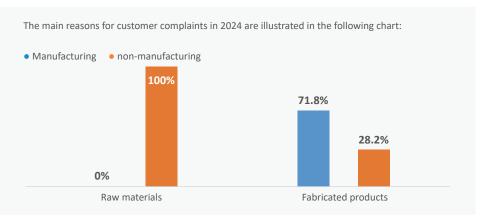
Recurrence

- Principle for handling Customer objections cases: For domestic orders, the dispute period starts from the date of customer's product acceptance and lasts for six months. For export and re-export orders, the dispute period starts from the container packing date and lasts one year.
- * Timeframe for handling Customer objections cases: The general timeframe for handling regular cases is 20 working days. Urgent customer complaint cases have a limit of 5 working days. However, special or contentious cases may take up to 3 months for resolution.









• Description of the main improvement measures for customer objections: For raw products, complaints stem from damage caused during transportation, while for processed products, surface defects (coarse grains, foreign objects, stains, marks, air spots, etc), poor inking, and other factors have been improved and prevented through strengthening process control, packaging materials and container loading methods & adding inspection equipment for online detection, optimization and adjustment of process conditions, and in-service education/job coaching for employees.

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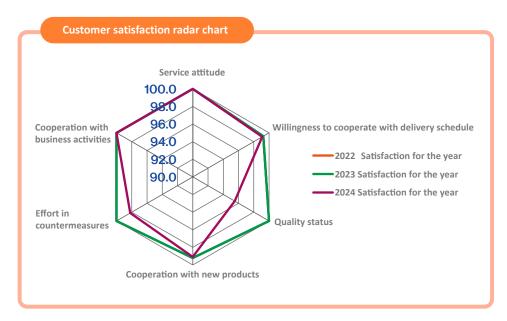
4.1.2 Customer satisfaction

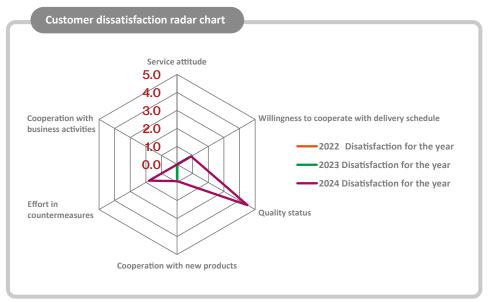


In order to understand the customers' evaluation of various indicators and to strengthen the various services provided to customers, we have formulated the Customer Satisfaction Evaluation Measures. After analyzing the survey data, we formulate improvement measures to improve customer satisfaction.

Every year, we select customers who account for more than 80% of our total revenue or 80% of each of our operating regions' revenue, including a recommendation list (potential or newly developed customers) from the business unit, as survey participants, and conduct satisfaction survey through the Customer Satisfaction Survey sent by mail, fax or email. The evaluation items include "Service attitude," "Delivery schedule," "Quality status," "New products," "Countermeasure efforts," "Business cooperation" suggestions to our Company.

In 2024, the number of responses to surveys in which customers considered "Satisfied" or above accounted for 98.7% of the total number of survey responses, slightly higher than 2023 (98.6%). We will continue to make improvements. The 2024 results have met our control target (90%). For the results of each evaluation item, please refer to the radar chart.





"Customer Dissatisfaction Survey", the slightly increased items are: "compliance with delivery time", "quality status", "compliance with new products", and "countermeasure effort" (a total of 4 items). According to the analysis of the statistical results of customer complaints, The main reason is: the number of fabricated products in 2024 decreased by 28 pieces compared with last year. Our company has actively identified the problems customers are concerned about, and these have been discussed in the investigation report and management review and review meetings. Major issues on the "quality status" and "countermeasure effort" have been incorporated into the project for improvement.

To maintain product quality, the Company has introduced (1) intelligent control: Finding the best program operation and making ongoing optimizations to optimize the process and stabilize product quality. (2) Online quality inspection: AOI automatic detection and automatic adjustment. (3) The CMMS system electronically manages and analyzes equipment information to implement maintenance management. (4) Each plant proposes a plan for equipment replacement.

In addition to the above improvement measures, in order to achieve sustainable development, we will continue to organize personnel education, training, and improvement proposal activities, hoping to help the improvement of "quality and delivery" to meet customer needs.

4.1.3 Protection of customers' confidential information

The protection of customers and confidential information has always been part of our mission. The protection of sensitive information is related to our long-term growth and sustainable competitiveness. Therefore, we have referred to the General Data Protection Regulation (GDPR) for the process, storage and privacy of handling personal data to protect customer data.

Regarding the use of data, we reinforce the authority control and separate the test and the actual operating environment, and mask and restrict the personal data fields of each to be read in order to achieve the protection of personal data. We continue to reinforce the restriction on the use of USB or portable storage devices and abnormal data access. Starting from 2021, we have implemented the Endpoint Security Protection System to prevent data loss due to human negligence. Furthermore, the group implemented Multi-Factor Authentication (MFA) for our email system as an additional layer of identity verification, enhancing the security level by requiring a second form of authentication, in addition to the traditional username and password. These actions are taken to achieve the secure preservation of personal data.

2024 information security implementation results

In order to improve employees' awareness of information security, we regularly organize information security education and training sessions and disseminate new information security knowledge, and commission professional information security consulting companies to perform social engineering drills twice a year to protect data security.

| | CG | iPC | TVCM | | CGPCP | |
|---|--|---------------------------------|----------|---------------------------------|----------|---------------------------------|
| Item | Sessions | Total number of people | Sessions | Total number of people | Sessions | Total number of people |
| Social engineering drills | 2 | 544 | 2 | 204 | 2 | 36 |
| Information security education and training | 2 sessions for employees of the Information Technology Division | | | | | on |
| Information security notification | 8 times to all employees | | | | | |

Protection of customers' confidential information

In terms of customer data protection, the Group's Information Technology Division has formulated the General Principles of Information Security Management Policy; the System Development and Maintenance Management Standards; the Key Points for Application System Program Online Operations Management: the Key Points of Database Management: the Information System Authorization and Equipment Protection Management and other standards to carry out the care of privacy information in the aspect of information security management. To ensure the proper protection and de-identification of personal data, we employ various measures for privacy control. These measures include firewall management, permission controls, vulnerability scanning of server operating systems, and testing and operating in segregated environments.



Establish standards

◆ We prioritize the protection of customer data, and formulate various specifications in accordance with the relevant laws and regulations.



Reinforce firewall management and authorization control

- De-identification of personal information.
- Establish firewall and network traffic monitoring, and analyze potential threats to prevent illegal intrusions.



Third-party inspection and improvement

- ◆ Passed BSI ISO 27001 information security review for 10 consecutive years.
- Assess internal and external information security risks and make improvements.

Specifically establish the rules that employees need to abide by in their daily operating procedures accordance to these management systems. Establish secure trading platforms such as the customer order inquiry network and incorporate the use of encrypted security certificate to prevent the occurrence of fraud incidents caused by tampered emails due to interception. Strict authorization control strategy and process for customer data, further reducing the risk of leakage of customers' confidential information.

4.2 Product Quality (GRI 3-3)

CGPC is considered a midstream and downstream plastic raw materials and products suppliers in the petrochemical industry. The products include Vinyl Chloride Monomer (VCM), polyvinyl chloride (PVC), chemicals (hydrochloric acid, liquid caustic, bleaching water) in the primary manufacturing process, and PVC film, PVC leather, pipes, door panels, anti-corrosion sheets, etc. in the secondary manufacturing process. The data in Section 4.2 is provided by CGPC (not including the subsidiaries, TVCM and CGPCP).



Follow-Up issue: Product quality

Main target: SDG 12.4, Secondary target: SDG 9.4, 12.5



The Significance and Impact of CGPC

Maintain stable production quality to earn customer recognition and create higher corporate value for CGPC. Affected parties: customers, employees, investors.

Develop Strategy



- 1. Establish projects for improvement.
- 2. Implement full participation and enhance product
- 3. Meet customer needs and comply with the regulatory requirements.

Policy Commitment



Provide customers with good product quality and services. We encourage quality improvement proposals and product quality improvement projects as the driving force for improvement and growth, hoping to meet customer needs.



Grievance Unit

Office of the Head of Main Plant



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|---------------------------------------|---------------------|-----------|-------------|-----------|-----------|-----------|
| Promote quality improvement proposals | Number of proposals | 22 | 44 | 23 | 23 | 24 |
| Product quality improvement projects | Number of proposals | 11 | 11 🧭 | 10 | 11 | 12 |

- 1. To improve the quality of disclosure and effectively track the implementation of important ESG projects, starting from 2023, the target for quality improvement proposals has been revised and established.
- 2. Refer to the detailed description CH4.2.3 Quality management cycle











4.2.1 Product quality policy



Continuously improve product quality



Continue to improve service quality



Provides customers with satisfactory operational quality

The quality of the pipe products manufactured by CGPC has always been well received. They all meet the CNS standard and have earned the honor of the national-level CNS mark. The Company's chemicals, such 45% sodium hydroxide solution and 32% hydrochloric acid, have obtained the food additive permit from the Ministry of Health and Welfare of the Executive Yuan, as well as the food industry health and safety management system verification (once every 3 years) from the China Grain Products Research & Development Institute. The flow and traceability of the products sold can comply with government laws and regulations and are declared on relevant websites, showing the Company's dedication to food safety.



4.2.2 CGPC's quality management system and product verification

We keep our promise to customers and are committed to the maintenance and efficient operation of the quality management system. Based on the development strategy and market conditions, we have established business policies, quality policies, quality goals, product realization, production management, customer services and other plans to serve as the basis for each department to implement the quality management process and the framework for achieving continuous improvement.

The monthly managerial officers' meetings review the results, and the management review meetings also report the implementation results.

4.2.3 Quality management cycle

CGPC has established standardized operations for quality control, from incoming materials, manufacturing process, finished products and inspection. They all comply with the ISO 9001 quality management requirements, and the automotive PVC leather also meet the requirements of the IATF 16949 management system.

Both maintenance or improvement activities must follow the PDCA cycle and we need to find stability during the cycle for growth. If there are discrepancies from the operating standards, we revise the activities to make them comply with the standards. The application of PDCA helps us in review the handling of issues, while making continuous quality improvements in processing requirements, uses, etc. Based on various regulatory requirements (such as REACH, RoHS, control of types of plasticizers, etc.), develop and manufacture products meeting customer needs, and create product contributions and value.

Quality management system



Passed VSCC materials flame retardant performance requirements



ISO 9001 Quality management system verification

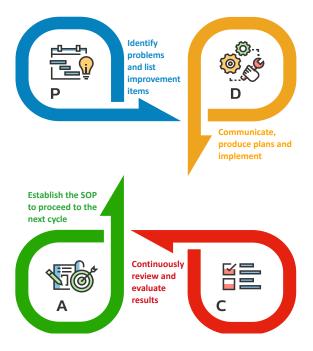


IATF 16949 Quality management system verification



Improve customer satisfaction and trust in products

PDCA management cycle



Improve proposal activities

In 2024, a total of 44 quality improvement proposals were submitted, and the derived benefits reached NT\$6.09million. In 2024, the actual number of cases and benefits were both higher than those in 2023, and the actual number of quality cases was still higher than the set target value. CGPC sets the target every year, with incentives to encourage employees to actively participate in submitting proposals.



- 1. Implementation of employee suggestions for improvement: All employees of the Main Plant are encouraged to be creative and propose items that are beneficial to production, quality, occupational safety and health, energy resources, and so on, and through the improvement of the reward system, select the number of items relevant to improving product quality.
- 2. Product quality improvement project: for the director of the fourth plant (raw materials/building materials/adhesives/rubber) of the Toufen Main Plant to implement CER items and core problem improvement (short-/medium/long-term) projects for the quality improvement of this plant. Striving for excellence to maintain corporate sustainability.

Product quality problems and defects arising from the production and sales process are included in the annual improvement items such as raw materials used, production equipment, manufacturing process, product packaging methods, testing equipment and other issues after discussion. We carry out retirement, replacement, addition, revision and other methods to improve the reported problems and deficiencies, so that the stability of quality can be maintained to meet customer needs. The number of quality improvement cases in 2024 has reached the set target according to the plan.

Note: Introduction to measuring equipment . Various certificates (<- please click on the link).

4.3 Supply chain management (GRI 308-1 \ 308-2 \ 403-7 \ 414-1 \ 414-2)

CGPC requires suppliers to provide highquality raw materials and high-efficiency services, and is also committed to developing communication channels with partnering suppliers to improve interactions, hoping to jointly achieve the goals of environmental protection, industrial safety and human rights.



Material issue: Supply chain management

Main target: SDG 8.7, Secondary target: SDG 12.6



The Significance and Impact of CGPC

As a leading domestic company, CGPC is committed to sustainable development. In this process, our operational strategies must consider the impacts and implications on both society and the environment. The Company also creates mutually beneficial and win-win relationships with suppliers, and thus collaborates with partners to facilitate the growth of both the society and Company. Affected parties: suppliers customers, employees, investors.

Develop Strategy



Enhance procurement performance, establish strong partnerships and foster a culture of safety awareness, creating a collaborative work environment and sharing the corporate social responsibility.

Policy Commitment



- 1. Improve the safety environment for workers and strive to protect the environment.
- 2. Fulfill social responsibility and improve competitiveness.
- 3. Enhance partnership and share sustainable business opportunities.
- 4. Establish a supplier management mechanism to improve risk control and management capabilities.



Grievance Unit

Group's Material Planning Department



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|---|------|-----------|-------------|-----------|-----------|-----------|
| Existing supplier commitment signing rate | (%) | 100 | 100 | 100 | 100 | 100 |
| Local purchasing rate | (%) | ≥ 70% | 71.52 | ≥ 70% | ≥ 70% | ≥ 70% |









4.3.1 Supply chain sustainable development (GRI 2-23)

As a leading domestic company, CGPC is committed to sustainable development. In this process, our operational strategies must consider the impacts and implications on both society and the environment. Therefore, we actively collaborate with our supplier partners to promote sustainable development within the supply chain. We strive to ensure that the supply chain maintains a safe working environment, fosters respectful labor relations, operates in accordance with the ethical standards and is committed to environmental protection. To achieve this, we have formulated a "Supplier Social Responsibility Commitment" and work together with our suppliers to meet the environmental, occupational safety and human rights goals. We also consider the level of supplier compliance as one of the key assessment item in our procurement decisions. In 2024, we successfully achieved a 100% adoption rate of the Supplier Social Responsibility Commitment, further enhancing the sustainability of our supply chain.

During our supplier visits and audits, we conduct searches on the Environmental Protection Administration, local Environmental Protection Department and public information websites to identify any cases of non-compliance with the local environmental regulations. Based on the search results, we assess the associated risks, and provide follow-up tracking and guidance as necessary.



Supply chain sustainable development strategy and planning (GRI 308-1 \ 403-7 \ 414-1)

Goal

Short-term: 2024-2025

- in 2024, all supplier signing of the "Supplier Social Responsibility Commitment" to achieve 100%
- ◆ 2024-Future Goals: Collaborate with research and development on three annual projects, subject to market conditions:
- 1. Development of recycled plastics,
- 2. Biodegradable,
- 3. Low-carbon and recyclable raw materials.
- ◆ The "Supplier Code of Conduct and Quality Requirements Self-Assessment Form" is used to systematically assess the potential envi ronmental and social risks of negative impacts caused by suppliers.

Medium term: 2026-2027

- On-site audits will be conducted on 12 suppliers annually, and the development of incorporating sustainability self-assessment forms for field audits will be undertaken.
- Encourage suppliers to jointly participate in social activities at least once/year.

Long-term: 2028-2032

 Based on the results of factory audits, establish a communication platform with suppliers. For the deficiencies, we assign the relevant professionals to provide suggestions and assist in planning.

Supplier management development track



Foundation

• Establish a procurement unit, and consolidate the information that each subsidiary of the Group needs to purchase, purchase in bulks to achieve the goal of reducing costs.



- Compliance with regulations
- Establish procurement guidelines



- Establish supplier sustainability management culture
- ◆ Increase risk assessment
- ◆ Incorporate sustainability indicators into supplier evaluation
- Promote signing of supplier/contract letter of commitment to social responsibility and onsite audit
- Promote green procurement
- ◆ Disclose sustainable supply management results and future plans
- ◆ Introduce the Supplier Sustainability Self-As sessment Form, Code of Conduct, and Quality Requirements Self-Assessment Form



- Increase the number of supplier factory au dits and reinforce work injury investigations
- Suppliers jointly participate in social activities

Implementation status of supply chain ESG risk management

Risk assessment and prevention

In addition to the supply chain security requirements, the special conditions for chemical suppliers are identified as follows:

- Chemical process leakage and pollution risks.
- The risks of occupational safety and environmental pollution in workplaces with high dust, high temperature, high noise, or high humidity.
- Risk of working at heights.
- Industrial safety risks such as cutting or welding (S)
- ◆ VOC (volatile organic compounds) escape risk.
- Labor-intensive industries.
- Supply chain and engineering disruption/delayed delivery and completion risk.
- Raw material and process quality risk.

Preventive approach

- Implement supplier sustainable self-assessment questionnaire for initial risk identification information.
- Establish long-term collaborative relationships with suppliers, develop new suppliers, and coordinate long-term material preparation systems.
- Establish an internal safety stock system and reference point for requisition according to the delivery schedule to prevent the risk of materials outage.
- Procurement personnel undergo education and training on supply chain sustainability.
- Environmental safety and health education and training for contractors.

Response to impact

- ◆ Adjust the supply proportion of suppliers and take alternative suppliers or have them complement
- ◆ In terms of the engineering part, the environmental safety and health unit immediately starts an investigation on personnel safety, equipment damage and environmental impact, summarizes the results and submits such to the relevant units to take response measures, as well as understand the status.

Future plan

- ◆ Chemical suppliers are listed as key points, and aspects such as the procurement amount, tender amount for construction and the importance are included in the factory audit of the abovementioned SDGs, and establish risk assessment measures according to the results.
- Place it under restriction, and provide consultation according to the risk assessment measures and the risk levels after assessment.

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Supply chain ESG risk management

| Risk items and attributes | Suppliers (Chemicals) | Construction contractor | | | |
|---------------------------------|---|--|--|--|--|
| risk items and attributes | Environmental (E), Social (S), Governance (G) | | | | |
| Potential risk | a. Chemical manufacturing process (E) b. High-dust, high-temperature, high-noise or high-humidity workplace (E) c. VOC (volatile organic compounds) escape risk (E) d. Labor-intensive industries (S) e. Supply chain disruption/delay risk (G) f. Quality risk (G) | a. High-dust, high-temperature, high-noise or high-humidity workplace (E) b. Risk of working at heights. (E. S) c. Labor-intensive (S) d. Industrial safety risks such as cutting or welding (S) e. Construction disruption/delay risk (G) f. Construction quality risk (G) | | | |
| Number of audits and homevisits | 4 companies (Audit) | | | | |
| Audit details | Environmental aspect (E): Whether or not the manufacturing and storage of environmentally controlled substances are conducted in accordance with the laws and regulations. Governance (G): Quality, production and order management, customer complaints and satisfaction follow-up, employee education and training, and external processing management. | To be conducted together with the contractors' project construction assessment. | | | |
| Number of qualified households | 4 companies (100% qualified rate) | | | | |

4.3.2 Supplier and contractor management (GRI 403-7)

1. Suppliers and contractors grow together

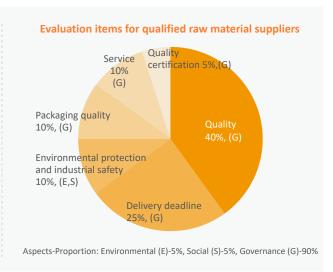
In addition to implementing the existing evaluation system for suppliers and contractors, CGPC plans to start a trial implementation of on-site evaluation system for raw materials suppliers in the future according to the abovementioned sustainable development strategies, and assign procurement, manufacturing, environmental safety and health and personnel units to conduct the on-site audit of services and raw materials provided. The document and deficiencies are recorded and discussed, so that we can review them with the suppliers regularly and give suggestions for improvement.

Raw materials supplier

- Items certified by the ISO and complying with the European Union directives (RoHS) as part of the supplier evaluation.
- In 2024, all suppliers signed the Supplier Social Responsibility Letter of Commitment for a 100% achievement rate, and we continue to request new suppliers to sign the letter of commitment.
- Major suppliers of vinyl chloride and plasticizers have obtained the relevant certifications of ISO 14001 and ISO 45001, meeting the requirements of CGPC for major suppliers in terms of environmental management and occupational safety and health management.

Construction contractors

- Requires contractors to sign the Supplier Social Responsibility Commitment.
- Must comply with the requirements of the ISO 45001:2018 occupational safety and health management system.



2. Supplier management and evaluation

In response to changes in production operations and environmental protection policies, CGPC regularly evaluates the inclusion of new suppliers based on items such as service, quality certification, packaging quality, environmental protection, industrial safety, and delivery deadlines to ensure that every raw material and service obtained are of sufficient quantity, high quality, low price, while meeting the requirements of environmental protection, as well as industrial safety and policies and regulations.

Supplier management



Develop suppliers

Vendors' sample testing and qualification review



Qualification certification

Documentation of qualified suppliers "Group's Supplier Application Form/Qualified Vendor Application Form"



Continuous evaluation

Annual supplier evaluation process "Supplier Evaluation Form"

Description of qualified suppliers

The qualification certification of suppliers of raw materials / contract manufacturing products by one or a combination of the following methods:

- ◆ Those who have obtained domestic and foreign quality certification, such as CNS, U/L, JIS, ISO and other qualification certificates.
- Recognized by the industry as a Company that offers good quality and has large-capacity equipment.
- Publicly listed company.
- Well-known foreign company.
- Direct agents or distributors with technical service capabilities.
- Direct agents or distributors that have been confirmed to meet the requirements.
- The quality of the raw materials has been confirmed suitable by the R&D department.
- ◆ Agree to cooperate with the Company's environmental protection requirements.
- ◆ Cooperate with the Company to implement IATF-16949 global automotive industry quality management system certification.
- Those who have a good supply quality or delivery records in the past.
- ◆ The brand designated by the technology provider.

Evaluation results of CGPC's qualified raw material suppliers and qualified material suppliers in the last 3 years

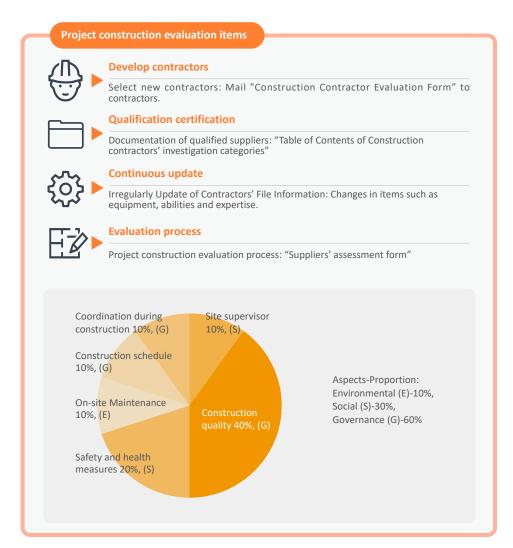
| company | Raw materials and Materials | Item | 2022 | 2023 | 2024 |
|----------|-----------------------------|------------------------------|--|------|---|
| | Raw | Number of ompanies evaluated | 158 | 132 | 161 |
| | materials | Qualified rate | 100% | 100% | 100% |
| | Materials | Number of ompanies evaluated | 27 | 49 | 52 |
| | iviateriais | Qualified rate | 96% | 100% | 98% |
| CGPC | De | escriptions | (1 unqualified) Due to poor material quality and lack of positive handling attitude, suggestions for improvement were made until the improvement and confirmation were completed. | - | (1 unqualified) Due to communication issues between the supplier and the plant regarding or- der delays, product returns and exchanges, and partial deliveries. |
| | Raw | Number of ompanies evaluated | 12 | 12 | 11 |
| CGPCP | materials | Qualified rate | 100% | 100% | 100% |
| CGPCP | Materials | Number of ompanies evaluated | 9 | 19 | 16 |
| | Materials | Qualified rate | 100% | 100% | 100% |
| TVCM | Raw | Number of ompanies evaluated | 14 | 17 | 15 |
| I V CIVI | materials | Qualified rate | 100% | 100% | 100% |

- Evaluated once a year with a score of 75 or above is considered qualified.
- Because TVCM does not have packaging materials or supplies, it is not included as part of the supplier evaluation.

In addition to using the abovementioned annual supplier evaluation to ensure that the vendors picked by the Company meet the requirements and the eco-friendly sustainable management concept, for suppliers that fail the evaluation or have low scores, we offer improvement suggestions based on the evaluation status, reduce frequency of transactions, suspend or stop transactions and other measures.

3. Selection and evaluation of contractors

The procurement unit mails the Construction Contractor Survey Form to selected contractors and asks them to fill out the form, apply company seal stamps on the form then send it back. Survey forms with incomplete submission of supporting documents will not be evaluated and such contractors will not be allowed to undertake the Company's projects.



Evaluation results of CGPC's project contractors (qualifying score of 70 and above) in the last 3 years

| 5 years | | | | | | |
|---------|------------------------------|------|------|------|--|--|
| company | ltem | 2022 | 2023 | 2024 | | |
| | Number of ompanies evaluated | 31 | 47 | 55 | | |
| CGPC | Qualified rate | 100% | 100% | 100% | | |
| | Descriptions | - | _ | - | | |
| | Number of ompanies evaluated | 4 | 8 | 6 | | |
| CGPCP | Qualified rate | 100% | 100% | 100% | | |
| | Descriptions | _ | _ | _ | | |
| | Number of ompanies evaluated | 12 | 24 | 11 | | |
| TVCM | Qualified rate | 100% | 100% | 100% | | |
| | Descriptions | _ | _ | _ | | |

- If the score is less than or equal to 69 points, it is considered unqualified. If the rating is C (69-60 points) or D (50-59 points), the request for quotation will be stopped for 6 months or 1 year, respectively. Those with a rating of E (below 49 points) will be disqualified from bidding and there will be no transactions in the future.
- In the process of construction evaluation, the supervisory unit and the environmental safety and health unit record the deficiencies in the construction process, and the contract offering unit will summarize and discuss with the project contractors, informing them of the scoring results and the deficiencies, and asking them to improve.

4.3.3 Support local procurement

CGPC prioritizes supporting the local suppliers in Taiwan. This is due to that it is easier to communicate with local vendors to know their status. Purchasing from foreign vendors is considered only when the materials cannot be supplied locally.

In 2024, the raw materials Vinyl Chloride Monomer (VCM) of CGPC and CGPCP are supplied by TVCM, and the purchase amount accounted for approximately 41.14% and 95.88%, respectively, of the total local source. The source of the raw materials ethylene and dichloroethane of TVCM is downstream products of the oil industry. Due to the limited supply in Taiwan and cost considerations, it must be imported to maintain the stability of the supply chain.

The project contracting policy also mainly focuses on local contractors in Taiwan. In principle, except for the main equipment that is purchased from abroad due to the lack of domestic manufacturers, other ancillary projects that have no special requirements will be designed and contracted by the Company in-house, and then contracted out to other domestic downstream construction firms.

2024 procurement proportion of CGPC's domestic and foreign vendors

| Company | Taiwan |
|---------|--------|
| CGPC | 91.82% |
| TVCM | 24.90% |
| CGPCP | 97.84% |
| Average | 71.52% |

Proportion of Transaction Amounts between CGPC and Suppliers of Different Natures in 2024

| Company | Raw material supplier | Material/Equipment Suppliers | Engineering contractors |
|---------|-----------------------|---------------------------------|-------------------------|
| CGPC | 49.48% | 8.49% | 42.03% |
| TVCM | 88.42% | 7.68% | 3.90% |
| CGPCP | 96.18% | 3.18% | 0.64% |

Note: The transaction amount of information software, hardware and administrative suppliers is extremely low and is not included in the calculation.

2024 Self-Assessment of Government-Approved **Green Products Purchases**

(Unit: in NT\$10 thousand)

| Company | 2022 | 2023 | 2024 |
|---------|-------|-------|-------|
| CGPC | 7,731 | 4,852 | 7,537 |
| TVCM | 1,163 | 1,391 | 2,091 |
| CGPCP | - | 902 | 236 |
| Total | 8,894 | 7,145 | 9,864 |

Green procurement program

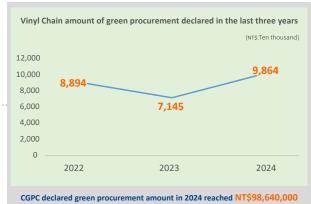
CGPC began to actively implement the green procurement program in 2019, and has planned to cooperate with the Taipei City Government to carry out an online green procurement declaration project, mainly purchasing green machinery and equipment and others. In 2024, the self-evaluation found purchase of government-approved green products amounted to NTD 98.64 million, an increase of NTD 27.19 million compared with last year. We will continue to plan more purchases of green products in the future.







On Wednesday, May 7, 2025, the Company was awarded a certificate of appreciation for the "2024 Green Procurement Program by Private Enterprises and Organizations" by Director Hsu, Shih-Hsun of the Department of Environmental Protection to the recipient CGPC representative (represented by Specialist Chen, Li-Nien of the CGPC President's Office).



Note: The data of self-assessment is from before 2022 for TVCM and CGPCP, and began to be applied for green procurement operations in 2023.

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4.4 Participation in External Organizations (GRI 2-28)

Main Participating External Organization

| Company | ompany Name of cooperatives and associations | | Positions held |
|---------|---|---|------------------------|
| | Chinese Management Association | √ | - |
| | Taiwan Synthetic Resins Manufacturers Association | √ | Chairman/ Directors |
| | Taiwan Plastics Industry Association | √ | _ |
| | Taiwan Acid and Alkali Industry Association | √ | Executive director |
| CGPC | Taiwan Responsible Care Association | √ | Supervisor |
| | Society of Plastics Engineers - Taiwan | √ | _ |
| | Miaoli County Labor Relations Association | √ | _ |
| | Miaoli County Industrial Association | √ | _ |
| | Miaoli County Toufen Industrial Park Manufacturers Association | √ | Directors |
| | Taiwan Responsible Care Association | √ | Directors |
| TVCM | Petrochemical Industry Association of Taiwan | √ | Directors |
| I VCIVI | Kaohsiung City Industry Association | √ | _ |
| | Industrial Safety and Health Association | √ | Directors |



Other descriptions:

CGPC, TVCM, and CGPCP jointly participated in the Earth Hour movement. From 8:30PM to 9:30PM on March 22, 2025, the exterior wall decorative lighting or non-essential lighting equipment in the Taipei Office (Tai-An Building), CGPC's Toufen main factory and TVCM and CGPCP's Linyuan factories were turned off for an hour. According to statistics from O'right, the organizer of Taiwan's Earth Hour event, the 2025 activity resulted in an electricity savings of up to 298,000 kW across Taiwan, based on calculations by Taiwan Power Company. This is equivalent to a reduction of approximately 147,510 kg of CO₂ emissions, or about 13,410 20-year-old trees planted, once again setting a new record.



Due to environmental degradation, energy and natural resource scarcity, intensified climate change, and stricter government regulations, businesses face pressure and challenges. Facing these external pressures is both a challenge and an opportunity. We continue to promote the work of "energy conservation and carbon reduction" with practical actions in an honest and responsible attitude. We set the environmental protection goals of power, energy and water conservation and carbon reduction and try our best to reduce the impact of business operations on the environment, further achieving the eco-friendly goals of low pollution and low energy consumption.

5.1 Environmental Management Policy

CGPC (including subsidiaries TVCM and CGPCP, and excluding overseas invested affiliates, and the same applies to the rest of the chapter) considers the protection of personnel safety and health and the environment and ecosystem as the goals of environmental management. We have always complied with environmental protection and occupational health and safety regulations, continuously and effectively implemented practices such as reusing and recycling of leftover materials, pollution prevention, energy/resource conservation and recycling, industrial waste reduction, and promoting harmonious relationships with our neighbors. All factories of CGPC have passed the ISO 14001 environmental management system verification, providing a good environmental protection framework, reducing the impact on the environment due to accidents, and ensuring compliance with regulations. The certifications or product-related certificates obtained by the Company (please refer to the website; Environmental/ Product Certifications).

The Taskforce on Nature-related Financial Disclosures (TNFD)

CGPC deeply recognizes the importance of biodiversity conservation in maintaining global ecosystem stability and the long-term well-being of humanity. Therefore, the Company actively promotes various initiatives to reduce the ecological impact of its operations. CGPC regularly uses biodiversity risk assessment tools to examine the extent of the Company's dependence on and impact on the natural environment. According to the WWF Biodiversity Risk Filter assessment, CGPC's operational activities are identified as high risk in the area of "pollution." Therefore, CGPC adopts the "Mitigation Hierarchy" approach proposed by the TNFD, prioritizing "avoidance" and "minimization" measures. All manufacturing sites are located within industrial parks to "avoid" proximity to globally or nationally important biodiversity areas, thereby reducing the risk of ecosystem disturbance. Pollution emissions are "minimized" by strengthening emission control and monitoring mechanisms. In terms of pollution control, CGPC aims to exceed regulatory requirements and actively implements various measures to reduce the environmental impact of its operations. To address air pollution, CGPC has installed volatile organic compound (VOC) treatment facilities, including activated carbon adsorption towers and incineration equipment. In addition, pre-treatment units have been added for high-concentration process exhaust to enhance overall treatment efficiency and ensure that emissions consistently meet environmental standards. At the same time, CGPC promotes a comprehensive waste management system. Dedicated personnel are assigned to handle daily management, and irregular internal audits are conducted to ensure that waste storage methods and labeling practices comply with relevant regulations. The Company also continuously monitors the quality of operations performed by waste treatment contractors. To strengthen tracking of waste flow, the Company rigorously reviews the qualifications of removal and treatment vendors and has implemented a GPS tracking system to monitor transportation routes and final destinations of waste, ensuring proper disposal and minimizing potential environmental risks. In addition, CGPC values transparency in environmental information, actively communicates with stakeholders, strengthens climate risk management and response measures, and participates in local environmental protection activities to improve the local ecological environment through concrete actions and promote sustainable community development.





Compliance with regulations and other requirements

Pollution control and resource conservation

Communication training and continuous improvement

5.1.1 Hazardous Substances and Waste Management (SASB: RT-CH-150a.1)

- 1. All raw materials and products used by CGPC have passed the inspection of Restriction of Hazardous Substances (RoHS) to prevent the impact of the products on the environment.
- 2. Hazardous air pollutants discharged from production all meet the emission standards for hazardous air pollutants from stationary sources to reduce the impact on the environment.

Hazardous Substances and Waste Disposal and Management

- Hazardous Substances Disposal and Management
- CGPC takes comprehensive measures in the management of hazardous substances across its research, procurement and production activities. From the assessment to the use, management and disposal processes, the company strictly adheres to standards and relevant regulations to minimize its operational impact on the natural environment and human health.
- Following Domestic and International Standards and Establishing Systems
- In order to prevent hazardous substance-related accidents, reduce occupational hazards, ensure the health of employees, and comply with government regulations, CGPC has established operational standards such as "Hazardous Substance General Management Guidelines," "Specific Chemical Operations Management Guidelines," "Lead Operations Management Guidelines," "Dust Operations Management Guidelines," and "Organic Solvent Operations Management Guidelines." These guidelines are in place to effectively control the safe use of hazardous substances.
- ◆ Management Structure
- Please refer to the "CGPC Hazardous substance safety management structure" link.



Hazardous Substances and Waste Disposal and Management

Implementation Status

Regarding the product design and development process, we adhere to international guidelines and standards. The content of hazardous substances in our products complies with environmental regulations and meets the green product requirements of our customers. We have established relevant management regulations to ensure proper control and management.

Various Guidelines:

- New Product Development Management Guidelines
- ⋄ Product Environmental Substance Management Guidelines
- Initial Product Quality Planning Guidelines
- Raw Materials Inspection Operations Guidelines
- Raw Materials and Finished Product Management Guidelines
- Processing Finished Product Management Guidelines

In terms of the use, management, and disposal of hazardous substances, we strictly follow legal procedures. We require relevant personnel to obtain technical certifications and install detection and alarm systems in the work environment. In terms of environmental and safety aspects, we implement operational environmental monitoring for hazardous substances to ensure that the exposure concentration does not have adverse health effects on our employees. We also implement chemical classification management to effectively prevent potential health hazards caused by hazardous substances to our employees. During the production, service and related activities, we handle waste gases and wastewater properly, ensuring compliance with national emission standards.

In 2024, we conducted measurements of harmful substance concentrations in the work environment air, covering a total of 20 types. The results showed good control of these substances. In 2024, the total quantity of hazardous industrial waste generated by CGPC and TVCM was 170.06 metric tons. Of this amount, 89.4% was reused, while 10.6% was disposed of through landfilling. (As shown in the table below). Furthermore, CGPC conducts regular visits to the waste disposal contractors to ensure proper handling of the waste.

2024 Hazardous Substances Treatment Methods and Quantity Statistics

(Unit: ton)

| Item | Year | Final Disposal Method | CGPC | TVCM |
|---|------|-----------------------|--------|-------|
| Hazardous Industrial Waste | 2024 | Landfill | 4.56 | 13.45 |
| | | Reuse | 124.09 | _ |
| *************************************** | | Preparation for Reuse | 28.50 | _ |

Description: In 2024, the total quantity of hazardous waste was 170.06 metric tons, with a reuse rate accounting for 89.4% of the total and landfilling accounting for 10.6%.

5.1.2 SASB Chemical safety and environmental management (SASB: RT-CH-410b.1)

The performance indicators of CGPC's chemical safety and environmental management are calculated based on hydrochloric acid, caustic soda, and bleaching water used, and the chemical classification management and exposure assessment are carried out according to their related hazards. The data of various indicators are as follows:

- 1. The percentage of product revenue (%) of products containing chemical substances classified as Type 1 and 2 health and environmental hazards by the GHS hazard categories, CGPC is 10.94% and TVCM is 100%.
- 2. The percentage (%) of relevant products that have undergone hazard analysis is 100%. Besides, as hydrochloric acid, caustic soda, and bleaching water are not chemicals of high concern, they have less significant impact on humans and the environment.

CGPC's Green Transformation Achievements

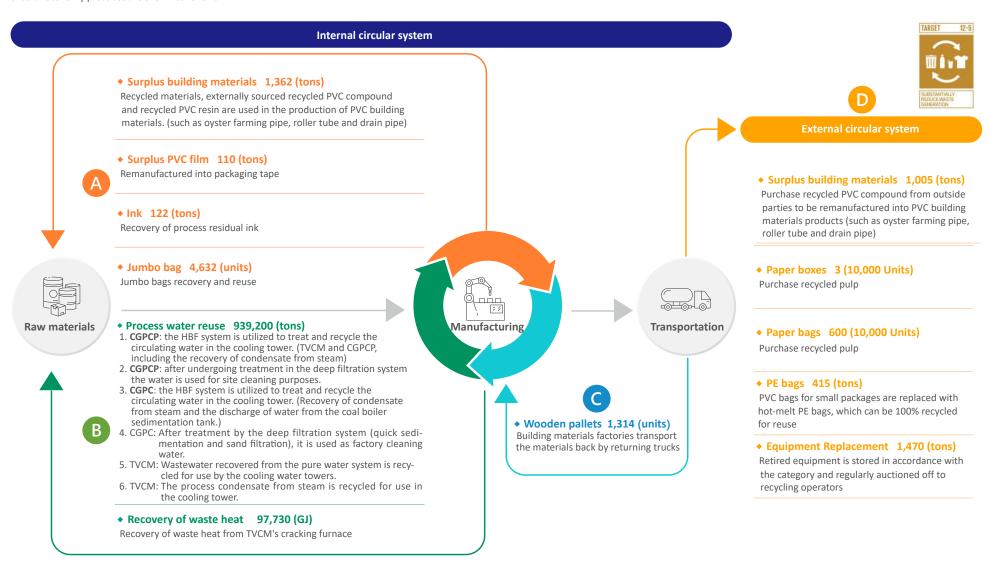
To fulfill its commitment to corporate sustainability and low-carbon transition, CGPC has invested approximately NTD 6.5 billion in recent years to upgrade its facilities, introduce smart manufacturing, improve energy efficiency, and strengthen environmental management. With guidance from the Foundation of Taiwan Industry Service, CGPC began implementing process improvements and energysaving, carbon-reduction measures in 2023. In June 2024, the Company obtained the "Clean Production Assessment System Certificate". Later that year, in November, the fabric coating plant (machines 41 and 43) at the Toufen main factory was also awarded the "Green Building Label Certificate", demonstrating CGPC's commitment to low-carbon and sustainable manufacturing.





5.1.3 Description of recycling

CGPC values the efficiency of resources use and have adopted the circular model of recovery and re-use of raw materials and supplies, manufacturing process and distribution. In 2024, the internal and external results of circular economy practices are shown as follows:



2025 Group Strategy and Certification Plan for **Sustainable Packaging Materials**

1. Under the premise of maintaining product quality, the Group actively promotes packaging reduction through the following measures:

- Replacing single-use paper cores with recyclable plastic cores: Group-produced recyclable plastic cores are used to replace externally purchased single-use paper cores, significantly reducing waste and increasing packaging material reuse rates.
- Carton-free packaging: New carton-free packaging solutions are introduced to reduce paper box usage and waste.

2. Benefits:

- Reduces storage space and labor required for handling discarded packaging materials, and lowers transportation carbon footprint.
- Decreases packaging costs, eliminates the need for unpacking, and reduces occupational safety risks.
- CGPC uses recycled pellets to produce plastic cores, which can be reused multiple times and recycled again, achieving source reduction.

3. Sustainability Planning by the Group and CGPC Building Materials Plant:

- Innovative product applications within the Group: Waste information is integrated to promote recycling and reuse, thereby increasing the value of new products.
- ◆ CGPC Construction Manufacturing Department: In July 2025, the department initiated the ISO 14021 verification for recycled material content (PVC-U pipes > UPVC for electric conduit use) and will begin carbon footprint calculation to support customers in achieving their green building material procurement goals.





5.2 Climate Change and Energy Management (GRI 201-2 \ 302-4 \ 302-5 \ 2-4 \ 3-3)

CGPC is committed to mitigating greenhouse gas emissions for sustainable development. We formulate improvement plans on the basis of various management operating systems (ISO 50001, ISO 14064-1, ISO 14067, ISO 46001, ISO 14046, PSM, GRS) and with reference to several international and technological developments. Through academia-industry collaborations introducing AI, big data, and algorithmic technology, we combined professional knowledge with practice to elevate various performances. Examples include the establishment of renewable energy, separation and recycling of wastewater, rainwater and sewage, energy conservation and carbon reduction solutions, and the establishment of a smart energy management system. Additionally, annual carbon reduction targets are appropriately set according to the carbon reduction targets set by the Group. Each year, review is conducted for continuous implementation of the old facility replacement plan to build a smart factory.



Material issue: Climate change and energy management Main target: SDG 13.3, Secondary target: SDG 7.3



The Significance and Impact of CGPC

With the deterioration of the environment and ecology, shortage of energy and natural resources, exacerbation of climate change and stricter government laws and regulations, CGPC takes concrete actions to continuously promote and implement energy conservation, carbon reduction, and the development of green products to meet government requirements. Affected Parties: Government agencies, supply chains, communities, and employees.



Develop Strategy

Renovation and replacement of old equipment and Improve equipment efficiency in order to achieve the eco-friendly goals of low pollution and low energy consumption.



Policy Commitment

Reduce carbon emissions (Scope 1 and 2) by 27% in 2030 compared to 2017, long-term goal: carbon neutrality by 2050.



Grievance Unit

Engineering Department



SASB Indicator

- ◆ RT-CH-110a.1 ◆ RT-CH-110a.2
- ◆ RT-CH-130a.1

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|---------------------|-----------|-------------|-----------|-----------|-----------|
| GHG emissions | 10,000 tons of CO₂e | 30.10 | 28.28 | 26.85 | 28.99 | 29.97 |
| Energy consumption per unit of core product - CGPC PVC Resin | | 2.46 | 2.46 | 2.46 | 2.44 | 2.44 |
| Energy consumption per unit of core product - TVCM VCM | GJ/ton | 6.94 | 6.94 | 6.96 | 6.81 | 6.67 |
| Energy consumption per unit of core product - CGPCP PVC Resin | | 2.12 | 2.12 | 2.08 | 2.04 | 2.02 |

Note: 1. Starting from 2023, the scope of inventory includes CGPC's subsidiaries in the consolidated financial statements, with a coverage rate of 100%.

- 2. In 2024, the greenhouse gas emissions data for TVCM and CGPCP are based on third-party verification, while CGPC's data are based on internal inventory.
- 3. As the Vinyl Chain achieved its targets ahead of schedule, the goals have been adjusted based on production changes and carbon reduction strategies.









5.2.1 Climate change management (GRI 201-2 \cdot 302-3)

Climate change is a global challenge that requires collective action. In order to align with international standards and address the needs of sustainable development, the ROC government announced on February 15, 2023 the amendment of the "Greenhouse Gas Reduction and Management Act" to the "Climate Change Response Act".

In the face of the impact of climate change, carbon reduction has become a global goal. In early 2022, USI Group set the 2030 carbon reduction goal of "27% reduction in carbon emissions in 2030 compared to 2017", and in 2023, it set "carbon neutrality by 2050" as the long-term goal of the Company.

Striving to achieve its vision of corporate sustainability, USI Group actively implements corresponding countermeasures and management mechanisms. The Group continues to implement ISO 14064-1 greenhouse gas inventory and verification at its domestic production factories and plans and implements carbon reduction plans. It also develops external renewable energy projects. As of the end of 2024, the cumulative grid-connected capacity of solar energy projects has reached 8.6MW. It can generate about 10.73 million kWh of green electricity every year.

CGPC has planned a carbon reduction path in accordance with the Group's carbon reduction target by 2030. In 2024, greenhouse gas emissions have decreased by 31.1% from the baseline year (2017), and we will be more proactive in implementing energy-saving and carbon reduction plans in the future. The medium-term carbon reduction strategy will be towards low-carbon energy transformation, energy efficiency improvement, intelligent monitoring, and the installation and use of renewable energy. The long-term carbon reduction strategy will continue to focus on low-carbon fuels, carbon capture, and reuse technology, and carbon negative technology to implement carbon reduction strategies. It is a goal to achieve carbon neutrality and promote sustainable development.

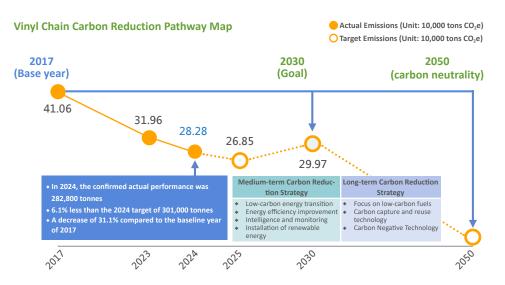
To achieve sustainable operations, CGPC has proposed various renovation plans since 2016, all of which have been completed successively. For detailed information, please refer to the ESG Video Section - Introduction to Various Improvements.

Vinyl Chain Carbon Reduction Pathway Planning

(Unit: tons CO2e)

| Company | 2017 Base year Scope 1, 2 | 2022 Performance Scope 1, 2 | 2023 Performance Scope 1, 2 | 20224 Performance Scope 1, 2 | 2030 Goal Scope 1, 2 |
|---------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------|
| CGPC | 150,575 | 118,783 | 104,899 | 90,679 | 109,920 |
| TVCM | 210,713 | 179,079 | 176,681 | 160,511 | 153,821 |
| CGPCP | 49,292 | 38,978 | 38,032 | 31,598 | 35,984 |
| Total | 410,580 | 336,840 | 319,612 | 282,788 | 299,725 |

- 1. The scope of the 2022 inventory includes CGPC Main plant, and TVCM and CGPCP plants in Linyuan. Scope of inventory starting in 2023: (1) CGPC includes: CGPC Main plant, Taipei office, and overseas subsidiaries. (2) TVCM Company includes: TVCM Linyuan plant, Taipei office, and GGTC Company. (3) It was Linyuan plant for the CGPCP Company. The above are CGPC's subsidiaries in the consolidated financial statements, and their coverage rate is 100%. The difference between the emissions in the inventory scope in 2023 and the emissions in the inventory scope in the base year is 0.1%.
- 2. Scope 1: The main emission sources include natural gas, fuel coal, gasoline, and diesel. Scope 2: Include purchased electricity and purchased steam. Scope 3 items are temporarily excluded from the carbon reduction pathway planning. GHG inventory includes: CO., CH a, N ,O, and HFCs.
- 3. CGPC (Main plant) has been conducting greenhouse gas emissions inventory based on ISO 14064-1:2018 and has obtained third-party verification since 2022. 4. TVCM (Linyuan plant) and CGPCP (Linyuan plant) have been conducting greenhouse gas emissions inventory based on ISO 14064-1:2018 and have obtained third-party verification since 2021.
- 5. In 2023, the greenhouse gas emissions data for CGPCP (Linyuan factory) were originally based on internal inventory. The data have been revised in accordance with the third-party verification statement for that year.
- 6. CGPC (Main Plant), TVCM (Linyuan Plant) and CGPCP (Linyuan Plant) obtained the 2024 Greenhouse Gas Verification Report Opinion. For other annual certificates, please refer to the Climate Change and Energy website
- 7. For the greenhouse gas emissions assurance report of CGPC Consolidated Financial Statements, please refer to the website.



(Unit:10,000 tons CO₂e)

Note 1: The target was set using 2017 as the base year

Note 2: The Vinyl Chain's carbon reduction pathway covers Scope 1 and 2 emissions. Due to a sharp decline in production, the 2030 target was achieved ahead of schedule.

2024 2025 Target Emissions Actual Emissions Achievement rate Target Emissions 30.10 28.28 106% 26.85

Note: Achievement rate = 2024 target emissions/2024 actual emissions

The Group's cross-factory technical exchange seminar in 2024

The USI Corporation holds an annual "Group Plant Technical Case Presentation" and several "Northern/Southern Plant Resource Integration Meetings" each year. Through technical sharing and problem-solving discussions between plants, the Group promotes resource sharing and enhances energy-saving and carbon-reduction performance.

The 2024 Group Plant Technical Case Presentation was held on November 14 in a competition format, focusing on the core themes of "Occupational Safety and Environmental Protection," "Equipment Preventive Maintenance," and "Energy Conservation and Carbon Reduction." After case submissions and a document review process, seven cases advanced to the final presentation round. Senior executives and representatives from participating plants jointly voted to select the top three outstanding cases. Certificates and cash awards were presented by the Group Chairman. Through this selection, recognition, and cross-plant exchange, the event fostered mutual learning and elevated the Group's overall technical capabilities.



Implementation and results



Promote establishment of the ISO-50001 energy management

◆ As of 2022, the USI Group has successfully verified 9 plants.

CGPC has obtained ISO 50001 energy management certification, valid from December 26, 2022, to November 17, 2025. TVCM has obtained ISO 50001 energy management certification, valid from April 13, 2024, to April 13, 2027.

CGPCP has obtained ISO 50001 energy management certification, valid from June 25, 2025, to July 31, 2028.



Actively carry out energy conservation and carbon reduction

 Continue to participate in the Earth Hour movement to reduce environmental impact.

2024 Technical Case Award Information:

| Item | TVCM (Linyuan Plant) | CGPCP(Linyuan Plant) | CGPC (Main Plant) |
|-----------------------|--|---|--|
| Award Descriptions | Awarded the Group's Technical Exchange Case Studies (Second Place) | Awarded the Group's Technical Exchange Case Studies (Third Place) | Awarded the Group's Technical Exchange Case Studies (Excellent) |
| Project Name | TVCM Intelligentization Project Results | Hot Ultrapure Water System Optimization | 360-Degree AOI Intelligent Safety System for Forklifts and Improvement of Thermal Imaging System for High-Voltage Panels |
| Presenter | Section Chief Kuan-Yu Hou | Section Chief Yen-Chieh Li | Section Chief Chieh-Lin Chuang |

5.2.2 Climate change management framework

At CGPC, the ESG Committee under the Board of Directors is the highest committee for climate management. It is chaired by an independent director and the Committee reviews the Company's climate change strategy and goals, manages climate change risks and opportunities, and reviews the yearly implementation status, and reports to the Board of Directors. CGPC uses the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. It assesses risks and opportunities across different departments, assesses the financial impact, and establishes response plans. It restarts the full assessment every three years and reviews and updates it every year.

Process for Identifying Climate Risks and Opportunities



1. Collect climate risk and opportunity issues

Based on the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the National Science and Technology Center for Disaster Reduction, Group strategies, industry characteristics, Taiwan's Intended Nationally Determined Contributions (INDC), and TCFD indicators, risk and opportunity factors under climate change were identified.



2. Identify risk and opportunity of significant items

A questionnaire survey was conducted with the ESG Committee and senior management to assess the relevance of each risk to the Company's operations and the expected time frame of its potential impact, as well as the development potential and feasibility of each opportunity.



3. Develop a risk and opportunity matrix diagram.



4. Assess potential financial impacts and formulate response strategies and management mechanisms to address possible effects of climate change across various aspects.

IFRS Sustainability Disclosure Standards

According to the "Roadmap for Aligning Taiwan with the IFRS Sustainability Disclosure Standards" released in August 2023, listed companies in Taiwan will begin applying the IFRS Sustainability Disclosure Standards in three phases starting in 2026. In 2024, the USI Corporation established a cross-departmental IFRS task force, with implementation progress reported quarterly to the Board of Directors of USI Corporation for oversight. The IFRS task force is led by the Group Chief Financial Officer and consists of two cross-functional teams: the Operational Impact Team and the Financial Impact Team. These teams collaborate to assess the potential financial impacts and effects of material risks and opportunities on the Company. CGPC is a member of the Operational Impact Team. In 2024, the task force completed its establishment, conducted a gap analysis against the IFRS standards, and formulated an implementation plan.

Work Plan for Implementation

| Tasks by Phase | 1 Analysis and Plan | | 2 Design and Execution | | 3 Implementation | 4 Adjustment and Improvement |
|------------------------------------|--|--|---|--|--|---|
| Schedule | 2024 Q4 | 2025 Q2 | 2025 Q3 | 2025 Q4 | 2026 Q3 - Q4 | 2027 Q1 |
| Summary of Implementation Items | Establish a cross- departmental task force for adopting the IFRS Sustainability Disclosure Standards | Identify sustainability- related risk and opportunity topics | Inventory the sustainability-related data required within the Company's reporting boundary and across the value chain | Adjust and refine company processes, including financial and non-financial reporting procedures, information systems, supply chain | Pilot the preparation of the sustainability section in the annual report | In accordance with the IFRS Sustainability Disclosure Standards, disclose relevant information in the sustainability section of the 2006. |
| | Initially identify major differences and impacts between current sustainability information and the IFRS Sustainability Disclosure Standards | Assess the potential impacts of sustainability- related risks and opportunities on current and expected financial performance | Establish the linkage between sustainability- related data and data used in financial reporting (e.g., inputs and parameters) | management processes, internal controls, and daily operations across departments | Continuously update the internal control operating manual related to IFRS sustainability information and conduct training programs | the 2026 annual report, and complete public announcement and filing simultaneously with the 2026 financial statements. |
| | Initially identify the reporting entity Formulate an implementation plan | Evaluate whether sustainability-related information constitutes material financial information to be disclosed across metrics and targets, risk management, and strategy | | | | |

TCFD Structure





Governance

• ESG Committee

Climate change management is organized at the highest level, with an independent director serving as the chair. The committee oversees annual planning and performance reporting on climate change initiatives and reports the results to the Board of Directors.

Business management meetings

The Chairman of the Board serves as the chair and is responsible for irregular planning and reporting on major energysaving and carbon reduction policies and their outcomes

Quarterly report meeting of the **Group's Environmental Protection**

Serves as the highest level of energy management in the USI Corporation. It takes place every quarter and involves reporting on the planning, progress and making resolutions to the Chairman.

Group Green Energy Task Force

Serves as the primary unit responsible for promoting green energy initiatives within the USI Corporation. Reports to the Chairman on the progress and future plans of green energy development on an irregular basis.



Strategy

Scenario Analysis

Assess physical risks under different climate scenarios.

Identify risks and opportunities

Assess material risks and opportunities based on the relevance and likelihood of risk items, as well as the operational feasibility and development potential of opportunity

Assess potential financial impact Conduct potential financial impact

assessments for the identified material risks and opportunities.





Risk management

• Implement TCFD

Adopted the TCFD structure to identify risks and opportunities associated with climate change. This involves effective communication with relevant units and final confirmation by senior executives.

Present identification results

Include the items in the Company's annual risk management assessment. Each year, the project secretary of the Sustainable Development Committee reports the control measures and management performance to the Sustainable Development Committee and the Board of Directors





Indicators and objectives

Group's energy management objectives

Energy management targets are set under the Group's carbon reduction goals, with 2017 as the base year, aiming for a 27% reduction by 2030 and carbon neutrality by 2050

Climate adaptation strategies

The medium-term carbon reduction strategy focuses on transitioning to lowcarbon energy, improving energy efficiency, implementing intelligent monitoring, and installing and utilizing renewable energy. The long-term strategy continues to focus on low-carbon fuels, carbon capture and reuse technologies, and negative emission technologies.

GHG emissions disclosure

Disclosed emissions data in Scope 1 to Scope 3 annually, and reviews periodically to analyze the reasons for any changes in emissions

Climate-related risk items are divided into 3 intervals according to the time period of occurrence of impacts: short-term (<3 years), medium-term (3-7 years), long-term (>7 years). The impact of climate-related opportunity items on the Company's development and technical feasibility is divided into 5 levels, corresponding to the following table:

| Туре | Item | Time frame of occurrence |
|------------------|---|----------------------------------|
| | Floods and Inundation | |
| Physical Risks | Drought | Intermediate-term (3 to 7 years) |
| | Carbon Fee | |
| Transition Biole | Renewable Energy Regulations - Risk of Clause for Large Power Users | |
| Transition Risks | Low-carbon technology transition | Short-term (< 3 years) |
| | Rising raw material prices | |

| Туре | Item | Development | Technical feasibility | |
|---------------|--|--|-----------------------|--|
| | Efficient production | | Under expansion | |
| | Recycling and Reuse - Circular Economy | | | |
| Opportunities | Reduce water usage and waste | With development potential, as part of the Company's policy | Matured | |
| Opportunities | Use low-carbon energy | | | |
| | R&D and innovation for developing new products and services - R&D of low-carbon energy-saving products | | Under expansion | |
| | Better Use of Public Sector Incentives | | Under expansion | |

5.2.3 Identify climate risk and opportunity

To cope with the intensification of global climate change, we continue to adopt the TCFD framework to deepen the risk items that we may face in extreme climates and to grasp new business opportunities. With reference to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center, and based on the RCP 8.5 scenario, we estimate the temperature rise, rainfall, flooding, and drought between 2016 and 2035. List three physical risk topics, and based on the group's strategy, industry characteristics, country's Intended Nationally Determined Contributions (INDC), and TCFD indicators, 9 transition risks and 12 opportunity topics are listed, with a total of 24 potential risk and opportunity topics.

In 2023, the ESG Committee and senior unit executives conducted a questionnaire survey to assess the relevance of various risks to the Company's operations, the timing of possible impacts, and the developmental and enforceability of various opportunities. A total of 21 questionnaires were collected. After the statistical analysis of the team, 12 material climate issues (2 physical risk items, 4 transition risk items, and 6 opportunity items) were identified.

We assess the potential financial impacts and formulate countermeasures and management mechanisms of 12 major risks andopportunities. The goal is to grasp the possible impacts of climate change on all aspects, reduce the operational impact that may be caused by extreme weather, and establish a resilient climate change culture.





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Group Promotion of Internal Carbon Pricing

In Taiwan, three subsidiary regulations on carbon fees were officially announced on August 29, 2024, followed by the announcement of the carbon fee rate on October 21. Starting in 2025, emission volumes will be formally included in carbon fee calculations, marking the beginning of a carbon-pricing era. To proactively respond to government policies, effectively address climate change, and reduce carbon risks, the Company introduced an internal carbon pricing system in 2024. The price is based on the domestic carbon fee reference and was initially set at NTD 300 per metric ton, with plans for phased increases through periodic review. This system integrates carbon costs into the Company's decision-making and investment evaluation processes to assess the impact of carbon emissions on business operations, accelerate the implementation of carbon reduction measures, and drive low-carbon investments. In July 2024, the Company held two training sessions to help relevant departments understand the concept and application of internal carbon pricing and support implementation across all plants. Additionally, a general education course on carbon-related topics was conducted in September, open to all employees to raise awareness and professional capacity in carbon reduction, working together toward achieving carbon reduction goals.

5.2.4 Potential Financial Impacts of Risks and Opportunities and Corresponding Response Measures

| Climate change issue | Issue Category | Description of Risk and Opportunity Items | Potential financial impact | Vinyl Chain Strategy and Response Measures |
|--|---------------------------------------|--|---|--|
| Flooding | Physical Risk / Chronic | According to data from the Water Resources Agency, if 500 mm of rainfall occurs within 24 hours, flooding of 0 to 1 meter is expected during the near term (2016–2035), lasting for one day. Such heavy rainfall or flood events could cause plant shutdowns due to flooding, resulting in a decrease in revenue. | CGPC Main Plant invested NTD 12.11 million in stormwater drainage reconstruction in 2021. TVCM Linyuan Plant invested NTD 1.35 million in flood control and drainage measures in 2016. | Flood control measures at CGPC's Main Plant include: Drainage maintenance: The Administration Department regularly inspects and clears factory ditches to ensure smooth drainage. Flood preparedness: Sandbags are prepared in advance during typhoon warnings, and the plant maintains a sufficient stock of flood control materials. Drainage improvement: CGPC Toufen main factory completed reconstruction of two external outlets to improve drainage efficiency. Phase 2 will be reviewed alongside the heavy-duty tank project. Flood control at TVCM: A stormwater retention basin was installed to meet regulatory requirements that rainwater can overflow offsite only after 30 minutes of heavy rainfall. Rainwater is stored in the basin and pumped to the wastewater treatment plant during this period. Note: In 2023, CGPC Toufen main factory, guided by the Green Foundation, adopted TCFD scenario analysis. "Flooding" was assessed as a non-material, long-term risk. |
| Drought | Physical Risk / Chronic | Based on the 1986 - 2005 baseline, the near-term (2016–2035) climate scenario shows 50–58 consecutive dry days per year, indicating potential water shortages or drought. Abnormal climate may lead to water restrictions or shortages at the plant, potentially reducing production or causing full shutdowns. | Increased capital expenditure and operating costs In 2018, the two plants of Centrifugal Drying High Performance Bio-treatment and Filtration System (HBF): approx. NTD 66.64 million invested, and CGPC expansion in 2023 will add NTD 26.19 million, totaling NTD 92.83 million. New water storage tank construction in 2021: total project cost approx. NTD 21 million. In 2024, approximately NTD 930 thousand was invested in HBF maintenance. | Ongoing water monitoring and conservation strategies: Continue monitoring internal and external water conditions, increase the use of HBF recycled water, and raise the cooling tower concentration ratio to improve water use efficiency. Improved water recycling rate: Actively promote water improvement initiatives and strengthen the R2 water reuse rate to ensure sustainable use of water resources. Rainwater harvesting and water storage facilities: The CGPC building materials plant has implemented rainwater reuse and constructed a 1,500-ton tap water storage tank to enhance water storage capacity. Annual water-saving results: In 2024, CGPC and CGPCP achieved a water saving of 45.83 million liters/year through the HBF system. CGPC plans to apply for a preferential water consumption fee rate review in 2025. The R2 water reuse rates in 2022–2024 were 81.3%, 79.2%, and 81.1%, respectively (all targets met). |
| Renewable Energy Regulation - Risk of the High Electricity Consumption User Clause | Transition Risk / Policy and Legal | The "Regulations for Power Users with Contract Capacity Above a Certain Threshold to Install Renewable Energy Generation Equipment," issued by the Ministry of Economic Affairs, came into effect in 2021. The regulation requires electricity users with a contract capacity exceeding 5,000 kW to install renewable energy equipment equivalent to 10% of their contract capacity by 2025. | Increasing capital expenditure A total of NTD 100 million has been invested in rooftop solar installations with a capacity of 2.12 MW. Due to a fire incident in 2024 affecting 0.24 MW of the installed capacity, the plan was revised, and the regulatory requirement under the High Electricity Consumption User Clause will now be met in 2025. In 2024, approximately NTD 500 thousand was invested in green electricity purchased. | The rooftop of CGPC's Toufen main factory has a solar installation capacity of 1.88 MW. In 2024, 97,000 kWh of green electricity was purchased. |

| Climate change issue | Issue Category | Description of Risk and Opportunity Items | Potential financial impact | Vinyl Chain Strategy and Response Measures |
|-------------------------------------|--|---|--|--|
| Carbon fee | Transition Risk / Policy and Legal | The Ministry of Environment released the draft "Carbon Fee Charging Regulations" on October 21, 2024, and plans to begin collecting carbon fees in 2025 from major emitters with annual emissions exceeding 25,000 metric tons. | emissions in the long term, and reduced operating costs Based on a preferential carbon fee rate of NTD 100 per metric ton of CO₂e and an exemption threshold of 25,000 metric tons of CO₂e: CGPC and TVCM actively pursued voluntary reduction plans in 2025. Using the preferential rate of NTD 100, the estimated 2024 carbon fee is NTD 193.9 million, accounting for approximately 0.17% of the 2024 consolidated revenue. In 2024, the Vinyl Chain implemented multiple carbon reduction projects, achieving a total | CGPC is evaluating the use of internal carbon pricing as a shadow price to incorporate carbon costs into investment decisions and enhance the feasibility of carbon reduction projects. Actively implementing carbon reduction initiatives, including equipment replacement, process improvement, and heat recovery projects. Promoting intelligentization in plants by applying intelligent models to distillation columns to identify optimal operating conditions and reduce steam consumption per unit of product. CGPC and TVCM obtained carbon offset quotas through GHG reduction projects. The first application was approved for 7,464 metric tons of CO₂e; the second application, expected in the second half of 2025, aims for a reduction quota of 22,028 metric tons of CO₂e. The total benefit of the second application is estimated at NTD 103.22 million (based on NTD 3,500 per metric ton). In 2025, site-specific voluntary reduction plans will be proposed to apply for the preferential carbon fee rate. |
| Low-Carbon Technology Transition | Transition Risks/Energy, Technology | To reduce carbon emissions, the Company has invested in low-carbon technologies such as energy transition, efficiency improvement, and fuel substitution, leading to increased technology-related costs. | In 2024, the Vinyl Chain invested approximately NTD 45.70 million in energy-saving and carbon reduction projects, achieving a reduction of 3,888 metric tons of CO2e In 2024, green product procurement approved by the government totaled NTD 98.64 million. In 2024, the Vinyl Chain replaced outdated dewatering equipment, with an investment of approximately NTD 3.25 million. Introducing intelligent process management could | All three Vinyl Chain plants have passed ISO 50001 energy management system certification. Continue to promote energy-saving and carbon-reduction equipment improvement projects, such as replacing outdated equipment, recovering heat energy, introducing intelligent energy-saving systems, and applying energy-efficient coatings to cracking furnaces. Since 2019, a green procurement program has been implemented through an online reporting system, with a primary focus on purchasing energy-saving equipment. Investments in energy-saving equipment include pumps, motors, IE3 high-efficiency induction motors, inverters, gas boiler burners, LED bulbs, cooling tower circulation pumps, and fan replacements or inverter installations for fans. Due to the electricity rate increase announced by Taipower on October 16, 2024, the electricity cost for the core production facilities of the three plants is expected to increase by NTD 97.07 million per year. The Company will actively invest in low-carbon technology transition to mitigate the impact. |
| Rising raw material price | Transition Risks/Market | With the potential implementation of carbon taxes in the future, raw materials may include additional carbon emission costs, leading to price increases | Due to inflation and uncertainty about the global economy, ethylene prices have declined. To strengthen vertical integration within the industry value chain and enable flexible production and sales planning, CGPC has constructed a new vinyl chloride storage tank, and TVCM has added a storage tank at the Intercontinental Terminal. The total investment cost is approximately NTD 3.5 billion, serving as a buffer against drastic market | Promote circular economy: Recycle and reuse raw materials. For example, in 2024, the CGPC Construction Manufacturing Department recycled 2,367 metric tons of pipe materials, accounting for 14.5% of total pipe production for the year. Adopt a vertically integrated strategy covering procurement, production, and sales. Regular reviews of raw material and finished product inventories are conducted to respond to market changes through rolling adjustments. Projects include: TVCM established ethylene, vinyl chloride, and EDC storage tanks at the Intercontinental Terminal. CGPC Toufen main factory constructed a new ethylene storage tank. Ensure flexible production and supply scheduling of key raw materials. |

| Climate change issue | Issue Category | Description of Risk and Opportunity Items | Potential financial impact | Vinyl Chain Strategy and Response Measures |
|--|------------------------------------|---|--|---|
| High-Efficiency Production | Opportunity/Resource Efficiency | By adopting smart manufacturing, industrial motors, automated packaging, and other production tools, overall production efficiency is improved and energy consumption is reduced. | Introducing intelligent manufacturing process and resulted in cost savings of about NTD 7.03 million in 2024. The optimization project for Dryer #5: involved an investment of approximately NTD 4.15 million. The optimization project for Dryer #7: involved an investment of approximately NTD 1 million. An intelligent energy-saving project was | Introduce intelligent systems to establish smart management (see Section 3.6 for details) Intelligent control was introduced into the process to optimize operating conditions through modeling. Dryer #5 and #7 are expected to save a total of 2,896 tons of steam and reduce carbon emissions by 401 tons of CO₂e annually. Image recognition (AOI) technology is applied to thermal imaging of electrical panels and forklift safety sensing systems to enhance workplace safety. For example, the 35-ton boiler intelligent control project in 2023 saved 460,504 kWh of electricity, 1,400,000 m³ of natural gas, and reduced 3,138.5 tons of CO₂e, with a cost saving of approximately NTD 15.45 million. In 2024, an intelligent energy-saving project was implemented on the VCM tower (C-6203), expected to save 1,920 tons of steam, 4,349GJ of energy, and reduce 260 tons of CO₂e. |
| Recovery and reuse - Circular economy | Opportunity/Resource Efficiency | In accordance with the three core principles of the circular economy (3R): Reduce, Reuse, Recycle Reduce waste treatment costs or raw material consumption | Increasing operating costs In 2023, approximately NTD 800 thousand was invested in the GRS (Global Recycled Standard) certification project. In 2023, approximately NTD 500 thousand was invested in the final product Recycled TPE rubber project. In 2023, approximately NTD 800 thousand was invested in the TPO fish-electricity symbiotic water pond fabric project. In 2024, approximately NTD 500 thousand was invested in TPU foam material; approximately NTD 300 thousand was invested in TPU foam material; approximately NTD soon thousand was invested in TPU baby car safety seat covering. | Since 2020, the CGPC Construction Manufacturing Department has collected various types of in-plant recycled materials and recovered PVC powder, along with externally purchased recycled pellets, to produce and sell remanufactured products. As of 2024, the total amount recycled reached approximately 11,948 metric tons, with a recycling and reuse rate of 14% in 2024. Recycled plastic content in CGPC's TPE eco-friendly leather products ranges from 30% to 60%, and the products are certified under the Global Recycled Standard (GRS). CGPC has replaced PVC bags for small packages with hot-melt PE bags, which can be 100% recycled for reuse. The TPO fish-electricity symbiotic water pond fabric began formal order-based sales in 2024, with a total sales volume of 41 metric tons. |
| Reduce water usage and waste | Opportunity/Resource Efficiency | Water is an indispensable resource in the production process. Reducing water leakage and increasing the water recycling and reuse rate help lower operating costs and enhance plant resilience. | Increased capital expenditure; reduced operating costs ◆ Centrifugal Drying High Performance Bio-treatment and Filtration System (HBF): approx. NTD 92.83 million invested. ◆ In 2024, approximately NTD 930 thousand was invested in HBF maintenance. | Rainwater Reuse: CGPC Main Plant has installed a rainwater reuse system that stores approximately 5 tons of rainwater for landscape irrigation and toilet flushing within the plant, effectively reducing tap water consumption. HBF and Optimization: The CGPC Toufen main factory and CGPCP (Linyuan factory) have implemented centrifugal drying high performance bio-treatment and filtration systems (HBF) for process water recovery, utilizing biological treatment and COD adsorption technology. The CGPC Toufen main factory has completed the installation of additional filtration tanks and pre-treatment units to enhance cooling water recovery efficiency. In 2024, the total water savings reached 458 million liters. In 2024, the R2 water recovery rate for the three plants reached 81.1% (target achieved). Condensate Reuse: TVCM (Linyuan factory) recovers condensate from process steam and recirculates it to the cooling tower system, thereby reducing the amount of make-up water required for cooling. |

| Climate change issue | Issue Category | Description of Risk and Opportunity Items | Potential financial impact | Vinyl Chain Strategy and Response Measures |
|--|----------------------------------|---|--|--|
| Use low-carbon energy | Opportunity/Source of Resilience | CGPC and TVCM implemented energy- saving improvement projects for natural gas boilers, with a total investment of approximately NTD 63 million. In 2024, these projects resulted in total savings of NTD 20.36 million in natural gas and electricity expenses. | Increased capital expenditure and reduced carbon fees ◆ CGPC and TVCM implemented energy-saving improvement projects for natural gas boilers, with a total investment of approximately NTD 63 million. | A new 30-ton natural gas boiler was installed at the CGPC Toufen main factory and completed in October 2023. It is expected to save 1,235,88. NM³ of natural gas per year, resulting in an annual carbon reduction of 2,345 metric tons of CO₂e. Since 2021, CGPC has been promoting the replacement of coal-fired boilers with natural gas boilers, with the goal of a full transition to natural gas by 2025. The estimated annual carbon reduction is approximately 16,000 metric tons of CO₂e. TVCM (Linyuan factory) - The optimization project for the 35-ton steam boiler was completed in July 2023. After optimization, the boiler is expected to save 1,400,00 M³ of natural gas per year. The wind turbine system was upgraded to variable frequency control, saving 460,504 kWh of electricity per year. Total carbon reduction: 3,139 metric tons of CO₂e per year. |
| R&D and innovation in developing new products and services - Low- carbon and energy-saving product development | Services | R&D efforts focus on the development of products aligned with circular economy, low-carbon, and energy-saving concepts, with technological investment based on the full life cycle of products and services to develop low-carbon products. | Increased R&D expenses and higher operating costs In 2023, the Company obtained GRS (Global Recycled Standard) certification. This project enhanced corporate image, secured brand certification, and strengthened market competitiveness, with an investment of around NTD 800 thousand. In 2024, around NTD 500 thousand was invested in TPU foam materials. In 2023, around NTD 500 thousand was invested in the Bio-shell powder antibacterial and anti-mold leather. In 2024, around NTD 500 thousand was invested in the low-carbon product project for TPO single-material rubber. | woven fabric (base fabric) for environmentally friendly synthetic leather. The proportion of recycled plastic used reaches 30-60%, and the products are certified under the Global Recycled Standard (GRS). Waste oyster shells are calcined at high temperatures and ground into oyster shell powder, a natural material that replaces synthetic antibacterial agents. This is applied to synthetic leather to minimize environmental pollution and impact. Test results confirm its antibacterial |
| Leveraging Public Sector Incentive Programs | Opportunities/ Market | Utilize government incentive mechanisms to reduce input costs, adopt new technologies, and enhance competitiveness. | Increased capital expenditure and increased revenue In 2023, the CGPC Toufen main factory was selected by the Industrial Development Bureau as a guidance-supported manufacturer, and in 2024, it became a TCFD demonstration plant. In 2024, the CGPC Toufen main factory applied for the Clean Production + Green Building program, with an investment of approximately NTD 1.5 million. CGPC application programs: CGPC application programs: Rooting Enterprises in Taiwan - Automated Warehousing; Returning Taiwanese Businesses - VCM Storage Tanks. TVCM: Under the "SME Project - Intercontinental Phase 2," the Company received government support in 2024 for a low-interest loan project totaling approximately NTD 20.77 million. In 2024, total government subsidies amounted to NTD 18.56 million. | In 2023, CGPC conducted five TCFD counseling sessions, focusing on the RCP 8.5 scenario and projecting future scenarios of three types of climate disasters: floods, droughts, and high temperatures for the period from 2016 to 2035. For transition risks, the Company referred to the IEA and set the scenario as "a future global temperature rise of 1.5°C" to enable early planning of medium- and long-term strategies, allowing the Company to more accurately identify risks and opportunities. In 2024. CGPC shared its TCFD implementation experiences with other industries. In 2024, CGPC obtained the "Clean Production Assessment" and "Green Building Label." By securing government subsidies and low-interest loans, the Company effectively reduced costs and ensured sufficient funding for operational needs. 2024 Government subsidies Domestic Investment Interest Subsidies: NTD 9.6 million Occupational safety and Health Administration, Ministry of Labor: NTD 290 thousand Energy Administration, Ministry of Economic Affairs: NTD 7.58 million Bureau of Labor Insurance, Ministry of Labor: NTD 30 thousand Taoyuan-Hsinchu-Miaoli Branch of the Workforce Development Agency, Ministry of Labor: NTD 110 thousand International Trade Administration, Ministry of Economic Affairs: NTD 950 thousand |

5.2.5 Development of innovative products in response to climate change

POE fish-electricity symbiotic water pond fabric

Combine aquaculture with green energy generation systems to provide appropriate shading for fish ponds, preventing excessive water temperatures in summer and installing windbreak fabric in winter to protect against cold fronts.

- Over 60% recycled content
- Free of heavy metals, halogens, and plasticizers
- Excellent flexibility for easy installation
- Anti-slip surface texture







POE waterproof membrane

Landscape Improvement Project for the Waterfront Corridor at Fenglin Recreation Area, Hualien

- Physical Properties: CNS 10145 (Certified TAF report obtained)
- Material: POE + recycled LDPE (subject to incoming inspection)
- Quantity: 15,000 m² (approximately 10,000 yards)
- Delivery Record: 6,000 yards delivered in September 2024; 4,000 yards scheduled for delivery in December 2024.







TPO Single-Material Fully Recyclable Leather

Product Features:

- Excellent durability;
- · non-toxic, harmless, and highly safe
- Complies with EU regulations REACH, RoHS, PAHs, and U.S. CPSIA standards
- Lightweight TPO reduces transportation costs and conserves energy
- No disassembly required; can be directly recycled and remanufactured, reducing costs
- Delivery Record: 1) Sports shoes: 3,000 pairs officially sold.
- 2) Hotel slippers: Showcased at the Taiwan Design Expo.







5.2.6 Energy management (GRI 302-1 \ 302-3)

CGPC's plants primarily use purchased electricity, natural gas, and fuel coal. The scope of energy use inventory in 2024 includes CGPC Main plant and TVCM and CGPCP plants in Linyuan, with a coverage rate of 100%. Act in concert with the government's Net-Zero carbon emissions, in terms of electricity saving :adopt voluntary reduction, promote various electricity saving measures in the factory and exceed the legal requirements. **CGPC** has obtained ISO 50001 energy management certification, valid from December 26, 2022, to November 17, 2025. **TVCM** has obtained ISO 50001 energy management certification, valid from June 25, 2025, to July 31, 2028.

◆ 2024 Energy Conservation Performance

| Target | Item | CGPC | TVCM | CGPCP |
|--------|------------------|-------|-------|-------|
| 1% | Save electricity | 2.66% | 2.98% | 1.94% |

Energy usage in the last 3 years

| chergy usage | Chergy usage in the last 3 years (Unit: GI) | | | | | | |
|-------------------|---|-----------|-----------|-----------|--|--|--|
| Company | Energy type | 2022 | 2023 | 2024 | | | |
| | Purchased electricity | 605,925 | 546,155 | 517,775 | | | |
| | Fuel coal | 70,108 | 32,229 | 0 | | | |
| CGPC | Natural gas | 517,934 | 516,187 | 424,845 | | | |
| (Main plant) | Diesel fuel | 4,299 | 4,384 | 3,921 | | | |
| | Gasoline | 114 | 183 | 144 | | | |
| | Total energy consumption | 1,198,380 | 1,099,138 | 946,685 | | | |
| | Purchased electricity | 339,825 | 344,205 | 312,557 | | | |
| | Purchased steam | 86,934 | 119,687 | 103,067 | | | |
| TVCM (Linyuan | Natural gas | 2,005,950 | 1,991,576 | 1,854,341 | | | |
| plant) | Diesel fuel | 257 | 312 | 245 | | | |
| | Gasoline | 69 | 129 | 102 | | | |
| | Total energy consumption | 2,433,035 | 2,455,909 | 2,270,312 | | | |
| | Purchased electricity | 129,593 | 135,440 | 123,494 | | | |
| CGPCP (Linyuan | Purchased steam | 294,365 | 298,127 | 242,332 | | | |
| | Diesel fuel | 150 | 265 | 168 | | | |
| plant) | Gasoline | 19 | 21 | 27 | | | |
| | Total energy consumption | 424,127 | 433,853 | 366,021 | | | |

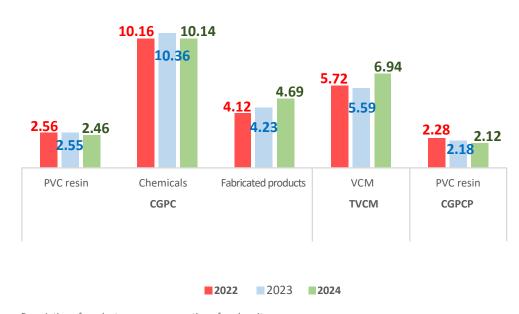
Note 1: The fuel coal and natural gas of the CGPC Main plant are calculated according to the unit calorific value table of energy products announced by the Energy Administration.

Description:

- 1. The data comes from the Energy Administration's annual energy conservation inspection system reporting form.
- 2. Description of achievement rate: CGPC, TVCM, and CGPCP have all achieved their targeted electricity saving rates.

Energy consumption of products of each unit in the last 3 years

(Unit: GJ/ton)



Description of product energy consumption of each unit:

- In 2024, the unit energy consumption for VCM at TVCM increased due to a 25% decrease in annual VCM production compared to 2023 (as fluctuations in production volume affected energy efficiency and prevented optimal operation), resulting in a significant rise in unit consumption of electricity, steam, and natural gas.
- In 2024, the unit energy consumption for processed products at CGPC increased due to insufficient order load, which led to more frequent start-stop operations and downtime caused by a fire incident on the rubber coating machine.

Promotion of renewable energy

- 1. CGPC starts it from the construction of solar photovoltaic equipment on the factory roof, and gradually expanded the use of green electricity in each factory area. In 2019, the CGPC Toufen main factory leased its rooftop space for the installation of a 1,437.9 kWp solar power system. In May 2022, CGPC repurchased the entire solar PV system. By the end of 2023, an additional 679.82 kWp of solar capacity was installed. However, due to a fire incident in 2024, 236.84 kWp of solar capacity was affected. As of the end of 2024, the total installed solar capacity was 1,880.88 kWp.
- 2. In 2024, CGPC generated approximately 2.54 million kWh of solar power, which was fully sold to Taipower. The Company plans to shift to full self-consumption by 2025.
- 3. TVCM's Linyuan factory does not have a suitable roof space to put solar energy equipment. It plans to purchase 1.65 million kWh of green electricity and certificates by the 2025.
- 4. In 2024, 97,000 kWh of green electricity was purchased.

In response to green finance: ESG-linked loan approved by bank

In response to the government's green finance policy, CGPC (including TVCM and CGPCP) actively collaborated with banks to propose indicator items aligned with Environmental, Social, and Governance (ESG) standards, with environmental protection as the top priority. Through a rigorous review process, CGPC successfully obtained bank approval to link ESG indicators with loan amounts, demonstrating the Company's strong commitment to carbon reduction and sustainable development.

Securing ESG Financing Quotas and Low-Interest Loan Programs

- CGPC, CGPCP, and TVCM have continued to implement ESG initiatives and have signed sustainabilitylinked loan agreements with banks including Chang Hwa Bank, Taipei Fubon Bank, The Export-Import Bank of the Republic of China, and Bank of China.
- ◆ CGPC and TVCM's Low-Interest Loan Programs:
 - ⋄ CGPC application programs: Rooting Enterprises in Taiwan Automated Warehousing; Returning Taiwanese Businesses - VCM Storage Tanks
 - ♦ TVCM: Under the "SME Project Intercontinental Phase 2," the Company received government support in 2024 for a low-interest loan project totaling approximately NTD 20.77 million.

5.2.7 Greenhouse gas management (GRI 305-1 \ 305-2 \ 305-3 \ 305-4 \ 305-5)

GHG inventory is carried out every year to effectively manage the emissions of each plant of CGPC. Starting from 2024, the scope of inventory includes the subsidiaries of CGPC in the Consolidated Financial Statements, with a coverage rate of 100%. Among them, CGPC Main plant and TVCM Linyuan plant must register and verify greenhouse gas emissions because they are subject to the "Climate Change Response Act". Therefore, relevant operations are carried out in accordance with the Ministry of Environment's "Greenhouse Gas Emissions Inventory Registration and Verification Management Regulations", and the inventory data is regularly verified by an impartial third-party verification unit.

Carbon Data Management Platform Development

To enhance the timeliness and accuracy of carbon emission data, USI Corporation initiated the development of a carbon data management platform in 2024 to strengthen the Group's internal carbon inventory processes and data integration capabilities.

The first phase of the platform covers five plants in Taiwan, focusing primarily on the systematic collection of Scope 1 and Scope 2 emissions, with selected Scope 3 items to be gradually incorporated.

The system design integrates existing monthly reporting mechanisms and certificate uploading processes to ensure the consistency and traceability of activity data and source documents.

The platform features flexible export functions that support output formats in line with various regulatory requirements.

Through this platform, USI Corporation can manage carbon emissions more efficiently, demonstrating a commitment to data-driven carbon management, enhanced information transparency, and climate resilience.

Implementation Plan



- ◆ Carbon Emissions Reporting
- ◆ Carbon Fee Estimation
- ◆ The Ministry of Environment designated five plant sites as targets
- ◆ Scope 1 & 2



- The Ministry of Environment's five plant sites began operations
- Expanded to seven plant sites in Taiwan

Stage 3 -2026-

- Expanded to nine plant sites overseas
- Partial inclusion of Scope 3
- Introduction of **Optical Character** Recognition (OCR) technology

Greenhouse gas emissions intensity by product in the last 3 years

(Unit: tonnes CO₂e/tonne)

| Company | Product | 2022 | 2023 | 2024 | goal | Achieve- ment |
|--------------------------|---------------------|-------|-------|-------|-------|------------------|
| CGPC (Main plant) | PVC resin | 0.202 | 0.193 | 0.191 | 0.248 | √ |
| | Chemicals | 1.302 | 1.283 | 1.266 | 1.366 | √ |
| | Fabricated products | 0.440 | 0.436 | 0.478 | 0.455 | Х |
| TVCM (Linyuan plant) | VCM | 0.423 | 0.405 | 0.493 | 0.446 | Х |
| CGPCP (Linyuan plant) | PVC resin | 0.210 | 0.192 | 0.183 | 0.234 | √ |



Note 1: Calculation formula = Total GHG emissions by product (tonnes CO₂e) / Total output by product (tonnes)

Note 2: The 2022 target was based on the average of the emission intensity by product between 2019~2021, and it is expected that after the review in 2025, the target will be revised.

Note 3: For additional information, please refer to the remarks in the Carbon Reduction Pathway Plan.

Note 4: The reason CGPC's processed products did not meet the 2024 target was due to insufficient order load, which led to increased start-stop operations and downtime caused by a fire incident on the rubber coating machine.

Note 5: In 2024, the unit energy consumption for VCM increased due to a 25% decrease in annual VCM production compared to 2023 (as the fluctuation in production volume affected energy efficiency and prevented optimal operation), resulting in a significant rise in unit consumption of electricity, steam, and natural gas (electricity, steam, and natural gas).

Greenhouse gas emissions of various companies in the last 3 years

(Unit: 10,000 tonnes CO₂e)

| Company | Scope | 2022 | 2023 | 2024 |
|---------|---------|---------|---------|---------|
| CGPC | Scope 1 | 3.3052 | 2.9666 | 2.2468 |
| CGFC | Scope 2 | 8.5731 | 7.5233 | 6.8211 |
| TVCM | Scope 1 | 12.6963 | 12.1395 | 11.2420 |
| T VCIVI | Scope 2 | 5.2116 | 5.5286 | 4.8091 |
| CGPCP | Scope 1 | 0.0160 | 0.0246 | 0.1368 |
| | Scope 2 | 3.8818 | 3.7786 | 3.0230 |



Note 1: Scope of inventory in 2024: (1) <u>CGPC</u> includes: CGPC Toufen main factory, Taipei office, and overseas subsidiaries. (2) <u>TVCM</u> includes: TVCM's Linyuan factory, Taipei office, and <u>GGTC Company</u>. (3) It was Linyuan factory for <u>CGPCP Company</u>. The above scopes include CGPC's subsidiaries in the consolidated financial statements, with a coverage rate of 100%. Greenhouse gas inventory includes: CO₂, CH₄, N₂O, and HFCs.

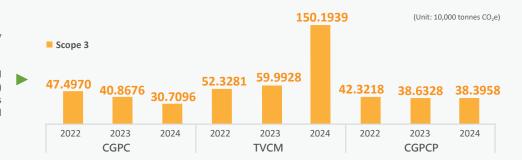
Note 2: The calculation adopts the operational control method, and the emission factors are based on officially announced coefficients. Note 3: CGPCP revised its 2023 greenhouse gas emissions because the inventory data was obtained after the reporting. Note 4: For additional information, please refer to the remarks in the Carbon Reduction Pathway Plan.

Note 4.1 of additional mornation, please refer to the remarks in the carbon reduction rathway rian

Other indirect greenhouse gas emissions (Scope 3)

The Company conducts Scope 3 data statistics in accordance with the Greenhouse Gas Inventory Operation Guidelines (Appendix 1) and the Greenhouse Gas Protocol (GHG Protocol) classification.

In 2024, CGPC included more items in its inventory, but Scope 3 carbon emissions decreased compared to the previous year. The main reason was a reduction in VCM (vinyl chloride monomer) procurement, which led to lower upstream emissions in the supply chain. In contrast, TVCM's total carbon emissions increased in 2024 due to the inclusion of Scope 3 Category 5.1 (use of sold products) in its carbon inventory.



Scope 3: Other indirect greenhouse gas

(Unit: tons CO2e/year) 2022 2023 2024 **GHG Protocol Classification CGPC TVCM CGPCP** CGPC **TVCM CGPCP** CGPC **TVCM CGPCP** Category 1. Emissions from purchased goods and services 446,078 435,330 419,955 371,285 490,801 352,080 256,938 628,712 324,427 Category 2. Emissions from capital goods 679 Category 3. Emissions from Fuel and Energy-Related Activities (not included 15,094 36,094 3,174 22,212 36,990 3,737 20,121 31,435 3,505 in Scope 1 or 2) Category 4. Upstream transportation and distribution emis 13,650 42,455 19 11,817 63,371 110 10,566 26,085 38,971 148 19 29 Category 5. Emissions from waste generated in operations 344 179 402 150 397 19 Category 6. Business travel emissions 41 5 0 43 5 Category 7. Employee Commuting 87 25 200 92 24 198 95 23 Category 9. Downstream transportation and distribution emissions 8.964 26 2.943 8.267 30,348 1,580 5.881 17,001 Category 10. Emissions from processing of sold products 16.809 809.331 11 Category 12. Emissions from end-of-life treatment of sold products 11

Note 1: Starting from 2023, the scope of inventory includes CGPC's subsidiaries in the consolidated financial statements, and the data has been assured by a third-party institution. (CGPC's 2024 verification has been completed and the certificate is pending)

Note 2: Since 2021, Scope 3 has been included for TVCM's Linyuan factory; since 2022, Scope 3 has been included for the CGPC Toufen main factory; and since 2023, Scope 3 has covered CGPC's subsidiaries in the consolidated financial statements.

Note 3: Scope 3 GHG Protocol classification in 2022: CGPC: Categories 1, 3, 4, 5; TVCM: Categories 1, 2, 3, 4, 5, 9; CGPCP: Categories 1, 3, 4, 5, 7, 9.

Note 4: Scope 3 GHG Protocol classification in 2023: CGPC added 3 categories: Categories 6, 7, and 9; CGPCP added 1 category: Category 6.

Note 5: Scope 3 GHG Protocol classification in 2024: CGPC added 4 categories: Categories 2, 10, and 12; TVCM added 1 category: Category 10; CGPCP added 1 category: Category 10.

Note 6: As of 2024, Scope 3 covers 10 GHG Protocol classification categories, corresponding to 9 categories under ISO 14064-1:2018, including: purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, processing of sold products, and use of sold products.

Note 7: Newly added items for each year are indicated in blue text.

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5.2.8 Energy-saving and carbon-reduction plans and performance

| | | 2024 per | formance |
|----------------------------|--|------------------------------------|---|
| Company | Energy conservation and carbon reduction solutions | Amount of energy conservation (GJ) | Amount of carbon reduction (CO ₂ e tonnes) |
| CGPC (Main plant) | Replacement of outdated air compressors with new ones in RecoComp Section RecoComp Dryer #7 intelligent energy-saving project Energy-saving improvement through maintenance of electrolyzers in the Alkali-Chlorine Section Replacement of old chillers with new ones Energy-saving improvement for motors | 8,508 | 755 |
| TVCM (Linyuan plant) | Replacement of circulation water pumps in the cooling tower Intelligent energy-saving project for the VCM tower Steam trap improvement project (Phase 3) | 51,896 | 3,133 |
| | Total | 60,404 | 3,888 |

| Company | Energy saving and carbon reduction solutions | Target carbon reduction |
|--------------------------|---|-------------------------|
| CGPC (Main plant) | Improvement of the powder conveying system Energy-saving improvements for extrusion screw sleeves and electric heaters Replacement of old extruders with new ones Replacement of circulation water pumps and fans in the cooling tower Replacement of old chillers with new ones Energy-saving improvement for motors | 319 |
| TVCM (Linyuan plant) | Intelligent energy-saving project for the hydrochloric acid tower Replacement of outdated air compressor motors with new ones | 408 |
| CGPCP (Linyuan plant) | Replacement of outdated air compressor equipment with new ones Energy-saving improvement for hot water coils in dryers Replacement and energy-saving improvement for motors | 2,206 |
| | Total | 2,933 |

Note: 1. The data source is the annual Energy Conservation Audit Report for Energy Users submitted to the Energy Administration (investment amounts and energy-saving/carbon reduction details are provided in the attached table).

- 2. Calculation benchmark:
- (1) The unit calorific value conversion factors refer to the unit calorific value table for energy products announced by the Energy Administration (for energy statistics only), including: electricity 860 kcal/kWh, coal 5,600 kcal/kg, natural gas 9,000 kcal/m³, gasoline 7,800 kcal/L, and diesel 8,400 kcal/L. One cal equals 4.187 J.
- (2) The CO₂ emission factor for natural gas used by CGPC's Toufen factory in 2024 is calculated at 1.898 kg CO₂e/m³.
- (3) The CO₂ emission factor for natural gas used by TVCM's Linyuan factory in 2024 is calculated at 2.080 kg CO₂e/m³.
- (4) The calorific value 184.1 kg of the purchased steam used by TVCM and CGPCP's Linyuan factories in 2024 were 669,000 kcal/ton and 665,534 kcal/ton, respectively, and the CO₂ emission factors were calculated at 184.1 kg CO₂e/ton and 153.7 kg 2e/ton, respectively.
- (5) The types of gases included in the calculation of carbon reduction in the energy conservation and carbon reduction plan include carbon dioxide, methane and nitrous oxide.
- 3. This program does not include the carbon reduction benefits of offset projects. Please refer to the explanation provided in the Greenhouse gas replacement project Quota Application for further details.
- 4. Energy conservation and carbon reduction plan and performance (annual carbon reduction), equivalent to the annual carbon emissions absorbed by ten Da'an Forest Parks..

Greenhouse gas replacement project quota obtained

Since 2018, CGPC has implemented two greenhouse gas offset projects. These projects, namely the "Updated replacement project of the IEM Alkali Evaporator Tank" by CGPC and the "Cracking Furnace Replacement Project for Furnaces F-6201 and F-6202" by TVCM, have undergone third-party verification and registered for approval. On February 23, 2022, and May 3, 2022, respectively, both projects were approved in the first round of quota applications by the Ministry of Environment, obtaining a total reduction quota of 7,464 tonnes of CO₂e. These measures were taken to reduce future carbon regulatory risks. CGPC and TVCM plan a second application in 2025. Please refer to the official letter of the Ministry of Environment, Executive Yuan: <u>Updated the IEM Alkali Evaporation Tank Offset Project</u> and Replacing <u>two pyrolysis furnaces</u> (F-6201 and F-6202).

5.2.9 Energy conservation and carbon reduction equipment improvement solutions (GRI 302-4 \cdot 303-3 \cdot 305-5)

We continue to promote the work of "energy conservation and carbon reduction" with practical actions in an honest and responsible attitude. In recent years, we have invested a lot of resources in adding new equipment and

| Program name | CGPC's Toufen main factory RecoComp Dryer #7 intelligent energy-saving project | TVCM's Linyuan factory Intelligent energy-saving implementation for the distillation tower | TVCM's Linyuan factory Steam trap improvement project (Phase 3) |
|--|---|--|--|
| Condition before im- provement | The dryer uses hot air to remove moisture from the powder cake. Operators adjust the hot air temperature setpoint based on experience, which results in fluctuations in steam consumption per unit and product quality. | The distillation tower controls steam and reflux through flow rate control, making it difficult to precisely manage heat input. Operators rely on experience and distillation product composition data to make adjustments, which can lead to excessive steam usage. | Most steam traps are clogged, causing condensate to accumulate and flow back into the main pipe. The condensate entering the heat exchanger results in poor heat transfer efficiency. Some steam traps have severe steam leakage, preventing the outlet temperature from staying below the saturated steam temperature at atmospheric pressure. |
| Program Description | Based on the experience gained from implementing intelligent control on Dryer #5 through industry-academia collaboration, the plant independently extended the application to Dryer #7. Historical data was collected and used to build an intelligent model through a data-driven approach. When operating conditions change, the intelligent program automatically links to the DCS to adjust the hot air temperature setpoint, replacing manual input by operators. This ensures consistent operation and reduces operator workload. A steam flow meter was added and the control loop of Dryer #7 was optimized. The impact of steam on the dryer was taken into account, and an intelligent model was developed to identify suitable control parameters under current operating conditions. The model is connected to the DCS through the intelligent program, eliminating the need for manual adjustments and reducing the burden on operators. These improvements for Dryer #7 maintain product quality and drying temperature while enabling intelligent operation, resulting in more stable processes and reduced steam consumption per unit, thereby achieving energy-saving benefits. | control on the first distillation tower through industry-academia collaboration, the plant independently replicated and extended the application to other distillation tower equipment. 2. Historical data was collected and calibrated to ensure its representativeness. | The ARISTI steam trap is designed based on the venturi principle, incorporating specific pressure-reducing nodes within the trap body. The pressure differential generated by the fluid inside the venturi causes condensate to be drawn out through a nozzle designed according to flow rate specifications, creating a jet effect. A comprehensive inspection and evaluation of all steam traps in the plant was conducted. Using the ISO 7841 test standard for measuring steam leakage in "active-type steam traps (valves)," the leakage rates of ARISTI and other existing brands were compared. Abnormal traps were identified and replaced accordingly. |
| Completion date | September 2024 | July 2024 | July 2024 |
| Expected benefits af- ter improve- ment | After the introduction of Al-based operation, steam savings reached 1,767 tons/year, with a carbon reduction of 226 tons CO ₂ e/year. | The project has also resulted in significant steam savings of 1,920 tons/ year, which is equivalent to recovering 4,275 GJ of thermal energy annually. This translates to a carbon reduction of 260 tons CO ₂ e/year. | Steam savings reached 20,800 tons/year, with a carbon reduction of 2,816 tons CO₂e/year. |
| Photos | Slip flow Steam flow | TOTAL STATE OF THE PARTY OF THE | C-6202 E-6107A |

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5.3 Water Resources Management (GRI 2-4 \ 3-3 \ 303 : 2018)



Material issue: Water resources management

Main target: SDG 6.4, Secondary target: SDG 6.3, 6.5,6b, 12.2



The Significance and Impact of CGPC

Value water resources, reduce the consumption of water resources in the production process, and improve the reuse rate of water recycled to reduce the impact on the environment. Affected parties: employees, government agencies, community residents.

Develop Strategy



Implement ISO 46001 and ISO 14046 to reduce and reduce water waste, improve and replace water-consuming equipment, Improve R2 water recycling rate and actively implement the plan to apply for water consumption reduction.

Policy Commitment



Starting from 2025, the annual R2 Water recycling rate will be increased by 0.4% (total of the three plants).



Grievance Unit

Public Utility Course



SASB Indicator

- ♦ RT-CH-140a.1
- ◆ RT-CH-140a.2
- ◆ RT-CH-140a.3

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|---------|-----------|-------------|-----------|-----------|-----------|
| Annual R2 water reuse rate increased by 1% | % | 80.0 | 81.1 | 81.0 | 81.8 | 83.0 |
| Water intensity | ton/ton | 3.01 | 3.60 | 3.74 | 3.31 | 3.19 |

- Note: 1. Starting in 2023, the R2 water reuse rate has been used for statistical reporting.
 - 2. The 2024 target was updated due to a revision in the R2 water reuse rate calculation formula by the Water Resources Agency.
 - 3. The water intensity target for 2024 was not achieved mainly due to a significant decline in production volume.











- Continuous monitoring and compilation of daily, monthly and annual water consumption records.
- In terms of management, we will continue to study feasible solutions and use manufacturing processes to improve water conservation and enhance water recycling and reuse
- Improve pipelines, conduct regular leak-prevention inspections, follow up and review the progress, and propose improvement plans.
- ◆ The scope of 2024 inventory includes CGPC's Main plant, and TVCM and CGPCP's plants in Linyuan, with a coverage rate of 100%.



Centrifuge dryer wastewater recovery systems (HBF) for CGPC Main plant and CGPCP Linyuan plant

Due to abnormal climate conditions and global water scarcity, CGPC Toufen main factory and CGPCP's Linyuan factory have installed biological treatment systems and COD adsorption systems to recover and reuse process wastewater. After being treated by newly established centrifuge water recycling equipment, the chemical oxygen demand (COD) and suspended solids (SS) in the water are reduced. The treated water is then replenished into the cooling water tower to reduce the consumption of tap water and the amount of wastewater discharged, thereby contributing to environmental protection efforts. In 2023, Phase 2 of the HBF project was launched, targeting a daily recovery of 100 tons.

| Condition before improvement | Before installing the system, the centrifuge wastewater and plant wastewater are treated by the sand filter system and then discharged to the sewage treatment plant. |
|-------------------------------------|--|
| Expected benefits after improvement | 2024 total water saved: 458.3 million liters per year. CGPC's volume of water recycled: 116.5 million liters per year; CGPCP's volume of water recycled: 341.8 million liters per year. |
| Program Description | A biological treatment system and a COD adsorption system are set up to treat the separated original liquid that cannot undergo the complete recycling process and after the liquid is treated by the newly installed centrifuge to reduce the chemical oxygen demand (COD) an suspended solids (SS), it is resupplied to the cooling water tower to reduce the amount of tap water used and wastewater discharged. In 2023, a filter tank and a pre-treatment device were added to the HBF system, which is expected to increase the reused water consumption by 35 million liters. |
| Completion date | CGPC: The expansion was completed in April 2018 and expansion to be completed by the end of 2023. CGPCP: July 2018. |





5.3.1 Water management (GRI 303-1 ~ 305-5)

In response to the risk of water shortage potentially caused by climate change, the water source used by CGPC (Main plant) is supplied by Yongheshan Reservoir and the water used by TVCM and CGPCP (Linyuan plant) is supplied by the Fengshan Reservoir, which is put into the process. In order to save water, the three companies have added processed water recycling systems and various water-conserving devices, promoted other related measures, and continued to pay attention to the internal and external water supply and demand status and reinforce the implementation of water risk management.

Risk management of water resources

To ensure stable operation and sustainable development, the risk of water shortage resulting from climate change was addressed in December 2020 through the approval of the "Risk Management Policies and Procedures" by the Audit Committee and the Board of Directors, aiming to establish a comprehensive risk management system. To effectively implement the company's risk management mechanism, the Board of Directors, Audit Committee, General Manager, Audit Department, various risk management units, and subsidiaries collaborate in its promotion. Pay attention to the development of international and domestic risk management systems at all time, review and optimize the risk management methods to improve the effectiveness of the Company's risk management implementation.

Distribution of water stress

The companies refer to the <u>water stress map</u> drawn up by the World Resources Institute (WRI), enabling us to understand the water stress felt by countries around the world. Each company is verified to be located in the low to high stress areas.

| Item/Company | CGPC (Main plant) | TVCM (Linyuan plant) | CGPCP (Linyuan plant) |
|---------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Regions with water stress | Low to moderate water stress zone | Low to moderate water stress zone | Low to moderate water stress zone |
| Water stress | 10 ~ 20% | 10 ~ 20% | 10 ~ 20% |

Note: The Company defines areas with a water stress level exceeding 40% as regions under water resource pressure, which serves as an important basis for water management and risk response.



Assessment of water risks and implementation

CGPC Main plant plans to introduce ISO 46001 water resources management system and ISO 14046 water footprint in 2022 to understand the potential impact of water risks on operations and refer to the <u>Taiwan Climate Change Projection and Information Platform</u> and <u>Taiwan-wide disaster risk map</u> to estimate the impact of future changes in average rainfall on water resources. Water footprint, recycling of water resources, and wastewater treatment are used to formulate response strategies. Identified that the Company's operating locations (Main plant in Miaoli is in a low to moderate stress area, and Linyuan plant in Kaohsiung is in a moderate to high stress area) are not in high water stress areas and there is no significant impact on water use. In 2025, CGPC Main Plant plans to undergo water consumption fee verification.

| Company | Water stress Assessment Result | Impacts caused by extreme weather | | | | | |
|---|---|--|--|--|--|--|--|
| CGPC Main plant | Low to moderate water stress zone | In the second half of 2020, the rainfall continued to be lower than expected. The water supply situation in Hsinchu and Miaoli areas was particularly dire. The Toufen Industrial Park Management | | | | | |
| TVCM Linyuan plant | Low to moderate water stress zone | Center has required a weekly water saving of 7% starting from January 7, 2023, 11% starting from February 19, 2023, and 17% starting from May 12, 2021, and the weekly water intake reported and the water meter data needed to be checked to verify whether the water conservation stan- | | | | | |
| CGPCP Linyuan plant | Low to moderate water stress zone | dards have been met. Statistics show that as of the end of July 2023, the average water conservation performance of the Main plant has reached more than 15%, that of TVCM Linyuan plant has reached 11%, and that of CGPCP has reached 20%. In 2024, various water-saving measures continued to be implemented. | | | | | |
| Identification of water risk (Frequency of occurrence) | | The risks of operational sites are evaluated based on factors such as water usage, seasonal variations, droughts, floods, and declining groundwater levels. | | | | | |
| Management actions | (2) Increase the conce scrubber tower. (3) Discharge the cool B. Conservation of water (1) Decompressed wa (2) Place water bottle (3) Continue to advoc (4) Improve on-site paragraphs C. Improve the recycling D. Purchased water and E. Continue to maintain F. CGPC plans to continu G. Conduct monthly plan mate and reservoir in | entration measures to increase the conductivity of the water replenished to the cooling water tower. The entration ratio of the cooling water tower and reduce the frequency of water replacement in the ling water and recycle it as the water used in the scrubber. The used in daily life the supply. The sand install water savers to squat toilets to achieve water conservation. The activation to employees. The inspections and send personnel to handle any water leaks immediately. The water treatment operation and the recycling rate and actively plan rainwater recycling. The active the use of underground in the Main plant. The contact with government agencies to obtain water information. The to issue ISO 46001 and ISO 14046 certificates in 2023. The review meetings, exchange opinions with other plants from time to time, and keep track of cli- | | | | | |
| Water conservation results | 1. Install centrifuge dryer wastewater recovery systems (HBF) for CGPC Main plant and CGPCP Linyuan plant. 2. 2024 volume of recycled water as a percentage of total water withdrawal: CGPC 35.9%, TVCM 24.0%, CGPCP 77.9%; t volume of recovered water: 1,055.6 million liters. Note: CGPC's recycled water includes HBF process recycled water system, steam condensate, and coal boiler sedimentation tank uses effluent water instead. | | | | | | |

CGPC's Construction Material Department – Rainwater recycling and re-use



Solution: Rainwater recycling and reuse Description:

CGPC has been established for 59 years. The building materials plant uses the plastic pipes produced by the Company to build a green environment which can be used by employees during their break and for environmental protection purposes. We strive to harness the power of our team and give our utmost efforts to contribute to environmental protection.

• Rainwater Storage Tank Volume:

(12-inch pipe X 2M X 6) about 3 tons + 1 ton buckets (2), which can store about 5 tons of rainwater.

Application situation:

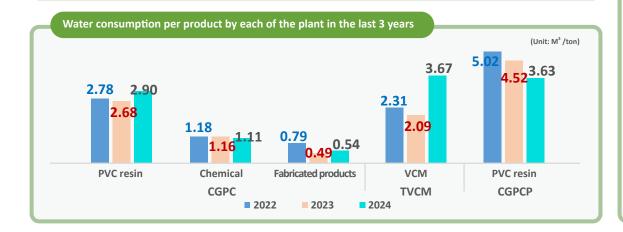
Rainwater in the rainwater recovery tank can be used for watering plants and flushing toilets.

Benefits:

Green and keep the environment clean and it can also keep water bills low and add to conservation.

We spare no efforts in conducting internal and external coordination and communicating with government agencies and have implemented adding the use of HBF recycled water, increasing the concentration ratio of the cooling water tower and reduce the water replenishment and other water conservation measures. Because the water data is inconsistent with the actual water volume we should be receiving, which results in great challenges to our operations, we will continue to observe the process and take action at any time.

Water withdrawal by each plant in the last 3 years (Unit: million liters) 2023 Source 2022 2024 Company Tap water 1.021.5 949.0 796.9 CGPC 0.6 0.3 Groundwater (Main plant) 1,022.1 Total 949.0 797.2 Tap water 1,079.2 884.1 977.1 TVCM 4.3 194.4 Third-party water (Note2) (114.6)(Linyuan plant) Total 964.6 888.4 1,171.5 Tap water 680.5 751.4 696.6 CGPCP Third-party water (Note2) 251.6 145.7 -70.4 (Linyuan plant) Total 932.1 897.1 626.2 Three Plants Total water withdrawal 2.918.8 2.734.5 2.594.9 Note 1: HBF (process water recycling system) has been set up in CGPC main plant and CGPCP Linyuan plant, which diverts the recycled water into the cooling water tower for use, in order to reduce the consumption of tap water. Note 2: Third-party water includes: CGPCP provides tap water to TVCM to produce pure water, and TVCM also provides pure water for CGPCP to use. 1.171.5 949.0 797.2 897.1 626.2 **CGPC TVCM CGPCP**



2023

2024

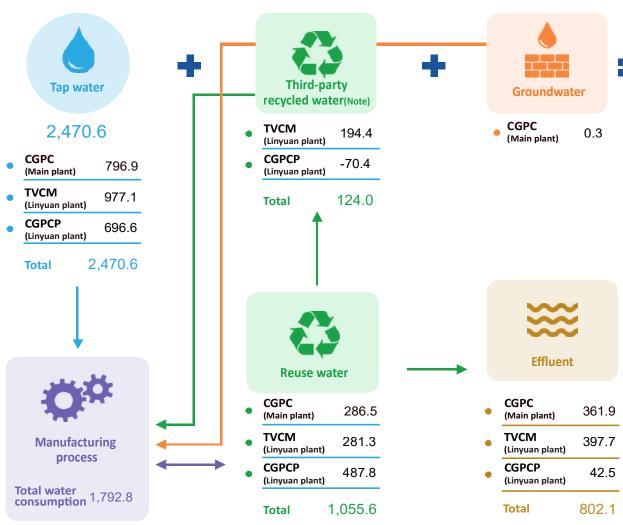
2022

R2 recycled water reuse rate over the past three years

| By company | Recycling % | 2022 | 2023 | 2024 |
|-----------------------|-------------------------------------|-----------|-----------|---------|
| | Recycled water volume | 520.8 | 467.1 | 286 |
| CGPC | Total circulation water volume | 98,075.8 | 87,139.3 | 60,667 |
| (Toufen main factory) | Circulated water volume (Note 3) | 3,519.0 | 2,180.1 | 2,326 |
| | R2 water reuse rate | 79.8% | 73.6% | 76.6 |
| | Recycled water volume | 236.3 | 216.5 | 281 |
| TVCM | Total circulation water volume | 95,802.0 | 95,802.0 | 95,802 |
| (Linyuan factory) | Circulated water volume (Note 3) | 2,562.0 | 2,562.0 | 2,562 |
| | R2 water reuse rate | 74.4% | 75.8% | 70.8 |
| | Recycled water volume | 594.8 | 633.1 | 487 |
| CGPCP | Total circulation water volume | 49,056.0 | 48,180.0 | 49,135 |
| (Linyuan factory) | Circulated water volume (Note 3) | 5,256.0 | 4,380.0 | 5,215 |
| | R2 water reuse rate | 86.3% | 84.8% | 90.1 |
| Total recycled | I water volume of the three plants | 1,351.9 | 1,316.7 | 1,055 |
| Total circulation | on water volume of the three plants | 242,933.8 | 231,121.3 | 205,604 |
| Total circulate | ed water volume of the three plants | 11,337.0 | 9,122.1 | 10,104 |
| R2 water reus | se rate achievement ratio of the | 81.3% | 79.2% | 81.1 |
| R2 water reus | se rate target of the three plants | _ | 79.0% | 80.0 |

- Note 1: Starting from 2023, the recycled water ratio has been recalculated using the R2 water reuse rate method, with a target annual increase of 1%.
- Note 2: "Water recovery rate (excluding circulation within cooling water towers)," referred to as the R2 water reuse rate, is calculated in accordance with the "Regulations for Water Consumption Fee Collection." Formula (Total recycled water volume + total circulation water volume circulation within cooling water towers + rainwater intake volume + condensate water intake volume) + (Total water consumption + total recycled water volume + total circulation water volume circulation within cooling water towers) × 100% = R2 water reuse rate.
- Note 3: Recycled water volume and circulation water volume are estimated figures. Circulation water volume = total circulation water volume circulation within cooling water towers.
- Note 4: In 2024, due to the revised R2 water reuse rate formula by the Water Resources Agency, CGPC and CGPCP added circulation water volume as a statistical item, resulting in the revision of circulation water volumes for 2022 2023 and an adjustment of the 2024 target.

Water Resource Statistics Table 2024 Water Balance Chart (Unit: million liters)



Percentage of water Company Reservoir intake to reservoir water outflow 1.31% **CGPC** (Main plant) Yongheshan TVCM (Linyuan plant) 1.34% Fengshan Reservoir CGPCP (Linyuan plant) 0.95% Fengshan Reservoir Total water withdrawal 2,594.9

(Unit: million liters)

Percentage of local reservoir water usage at the plant site

(Unit: million liters)

| (Unit: million lite | | | | | | |
|-----------------------|------|-------------------------|-----------------------------|------------|--|--|
| Company | Year | Water intake volumes | Reservoir outflow volume | Percentage | | |
| | 2022 | 1,021.5 | 52,454 | 1.95% | | |
| CGPC (Main plant) | 2023 | 949.0 | 50,589 | 1.88% | | |
| | 2024 | 796.9 | 60,950 | 1.31% | | |
| | 2022 | 1,079.2 | 78,000 | 1.38% | | |
| TVCM (Linyuan plant) | 2023 | 884.1 | 70,000 | 1.26% | | |
| | 2024 | 977.1 | 73,000 | 1.34% | | |
| | 2022 | 680.5 | 78,000 | 0.87% | | |
| CGPCP (Linyuan plant) | 2023 | 751.4 | 70,000 | 1.07% | | |
| | 2024 | 696.6 | 73,000 | 0.95% | | |

Note: Water consumption = Water intake - Discharge

All plants adopt standards stricter than regulatory requirements for their treatment and discharge of wastewater. Outsourcing steam and CGPCP provides tap water to TVCM to produce pure water.

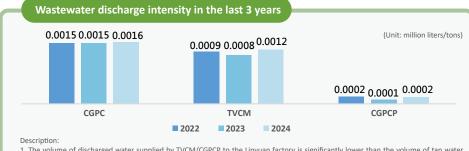
5.3.2 Wastewater discharge management (GRI 303-4)

CGPC's plants adopt standards stricter than regulatory requirements for their treatment and discharge of wastewater. The destinations of each plant's effluent are as follows:

| Company | CGPC | TVCM | CGPCP | |
|------------------------|-----------------|-----------------------------------|-----------------|--|
| | (Main plant) | (Linyuan plant) | (Linyuan plant) | |
| Effluents' Destination | Jhonggang River | Ocean discharge in Dalinpu (Note) | | |

Note: The wastewater of each plant in Linyuan Industrial Park is treated and then discharged to the sewage treatment plant in Linyuan and then transported to the Kaohsiung Linhai Linyuan and Dafa Industrial Parks Combined Wastewater Treatment Plant of the Industrial Development Bureau, Ministry of Economic Affairs, before being discharged to the open sea of the industrial park and the water quality has to meet the discharge standards.





- The volume of discharged water supplied by TVCM/CGPCP to the Linyuan factory is significantly lower than the volume of tap water used.
- Since the process wastewater is almost completely recovered to be used as water replenishment of the cooling water tower, the volume of discharged water is greatly reduced.
- 3. CGPC revised its total production calculation method, resulting in the correction of wastewater discharge intensity for 2022 2023.
- 4. The increase in wastewater discharge at TVCM's Linyuan factory was mainly due to the naturally high conductivity of raw water in the Linyuan area. During periods of high temperature, conductivity exceeds the standard for cooling towers, requiring continuous replenishment and drainage to reduce conductivity, thus increasing the volume discharged to the wastewater treatment plant.
- 5. The increase in wastewater discharge at CGPCP's Linyuan factory occurred when the wastewater treatment capacity at TVCM reached saturation, leading to direct discharge to the wastewater treatment plant.
- 6. The 2022 wastewater discharge data for CGPCP was corrected due to rounding.

5.3.3 Wastewater quality testing (GRI 303-2)

The main water quality testing items include suspended solids, grease, chemical oxygen demand, etc., and are regularly tested and reported. In the last 3 years, they have all been lower than the effluent water standard or below the detection limit value.

(Unit: mg/L)

| Company | Test items | 2022 average value | 2023 average value | 2024 average value | Emissions Standard | Internal control value |
|-----------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|-----------------------|------------------------------|
| | рН | 7.7 | 7.7 | 7.5 | 6~9 | 7~8 |
| CGPC (Main plant) | (SS) Suspended solids (mg/L) | 14.4 | 12.9 | 11.8 | 30 | <25 |
| | (COD) Chemical oxygen demand (mg/L) | 32.5 | 31.1 | 37.2 | 100 | <80 |
| | рН | 7.8 | 8.0 | 7.7 | 6~9 | 7~8 |
| TVCM (Linyuan plant) | (SS) Suspended solids (mg/L) | 15.0 | 4.9 | 1.2 | 30 | <25 |
| | (COD) Chemical oxygen demand (mg/L) | 33.5 | 19.7 | 10.4 | 100 | <80 |
| | рН | 7.8 | 7.8 | 7.4 | 6~9 | 7~8 |
| CGPCP (Linyuan plant) | (SS) Suspended solids (mg/L) | 1.1 | 17.2 | 10.6 | 30 | <25 |
| | (COD) Chemical oxygen demand (mg/L) | 12.7 | 64.1 | 49.1 | 100 | <80 |

Source: Average of annual inspections (CGPC, four times/year; TVCM and Taiwan Highpolymer, twice/year)

5.3.4 Soil and groundwater remediation technology

Global Green Technology Corporation (hereinafter referred to as GGTC) is one of the green energy and environmental businesses within the TPC Group. It was established and registered in 2022 as a spin-off from the Environmental Technology Development Department of Taiwan VCM Corporation (hereinafter referred to as TVCM). GGTC is a wholly owned subsidiary of TVCM, which in turn is a subsidiary of CGPC. GGTC focuses on the research, development, and application of localized bioremediation technologies, using scientific and engineering approaches to address complex issues of chlorinated contaminants in soil and groundwater, thereby overcoming the limitations of traditional physical and single chemical treatment methods.

Core Technologies and Outstanding Achievements:

- Expertise in chlorinated contaminant remediation: Developed unique bioremediation technologies specifically for the treatment of hard-to-remove chlorinated contaminants.
- Successful Cases:
 - ♦ Industry leadership: In 2016 and 2017, successfully completed remediation of TVCM's Kaohsiung plant and CGPC's Toufen main factory, leading to official delisting by the competent authorities.
 - National first: In 2021, received the nation's first "Site Remediation Technology Delisting Certificate" for a chlorinated-contaminated site from the Ministry of Environment.
 - ♦ Local recognition: In 2022, awarded a "Certificate of Technology Applied in Soil and Groundwater Contamination Site" by the Environment Protection Bureau Kaohsiung City Government.
- ♦ Continued progress: In 2023, successfully completed groundwater remediation at the Taoyuan Dayang Plastic Luzhu plant and achieved official delisting.
- Advanced investigation techniques:

Introduced high-resolution site contamination investigation technologies to build accurate conceptual models of subsurface pollution, optimizing remediation planning.

- Green and Sustainable Remediation Philosophy:
 - Centered on environmental principles such as reducing energy consumption, lowering air emissions, minimizing water resource impacts, reducing materials and waste, and mitigating impacts on soil and ecosystems, while integrating considerations of human health and safety, social equity, costeffectiveness, and economic impact to implement the Green and Sustainable Remediation (GSR) promoted by the Ministry of Environment.
- Localized advantage: Independently produces remediation materials and technologies to reduce reliance on imports, using native microbial strains in place of foreign ones.
- Industry-academia collaboration: Collaborates with several universities, including National Sun Yat-sen University and National University of Kaohsiung, to conduct joint research and accumulate extensive practical experience.
- Recognized excellence: In 2023, honored by the Ministry of Environment as an "Outstanding Green and Sustainable Remediation Unit."

GGTC will continue to refine its technologies and remain dedicated to environmental pollution improvement and prevention, aiming to achieve the goal of sustainable environmental development. For detailed information, please refer to the attachment, CGPC's ESG webpage, or the official website of GGTC.



Services

- Site survey
- Remediation planning
- Detection and analysis
- Product application



technology

- Green remediation
- Strain development
- Biometrics
- * Remedial chemicals



Remedial chemicals

- Biologics
- Nutrient matrix
- Compound Potassium Permanganate







CGPC's soil and groundwater remediation technology restores the original land through biological remediation technology, which also reduces the harm to groundwater sources and pollutants that harm ecosystems and it is also linked to SDGs 6 Clean water and sanitation and SDGs 15 Protect terrestrial ecosystems.

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5.4 Air Pollution Control (GRI 2-4 × 3-3)



Follow-up issue: Air pollution control

Main target: SDG 11.6, Secondary target: SDG 3.9



The Significance and Impact of CGPC

Reduce the impact of greenhouse gas emissions and air pollutants on the environment. Affected parties: employees, community residents, government agencies.



Develop Strategy

Switch to the use of low-polluting fuel (natural gas) to reduce sulfur oxides (SOx), nitrogen oxides (NOx) and volatile organic compounds (VOCs) emissions.



Policy Commitment

In addition to complying with environmental regulations and emission standards, the unit product emissions of sulfur oxides (SOx), nitrogen oxides (NOx) and organic volatile compounds (VOCs) are reduced year by year.



Grievance Unit

Environmental Protection Sector



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|---|--------|-----------|-------------|-----------|-----------|-----------|
| Reduce sulfur oxide emission intensity | ton/kt | 0.003 | 0.000 | 0.003 | 0.003 | 0.003 |
| Reduce NOx emission intensity | ton/kt | 0.265 | 0.263 | 0.264 | 0.262 | 0.259 |
| Reduce the emission intensity of volatile organic compounds | ton/kt | 1.385 | 1.125 🤡 | 1.379 | 1.368 | 1.351 |
| Reduce the emission intensity of hazardous air pollutants | ton/kt | 0.068 | 0.068 | 0.068 | 0.068 | 0.067 |

Note: 1. Due to differences in the calculation methods for water intensity, wastewater discharge intensity, total production, and energy previously used, the baseline year formula and production figures have been adjusted. As a result, targets for 2024 - 2030 have been revised.

- 2. Since the SOx reduction target was achieved ahead of schedule in 2023, future target years will be based on an annual emission level not exceeding 0.003 (tons/kt).
- 3. In 2024, hazardous air pollutants (HAPs) were added as a new indicator, using 2022 as the baseline year for target value calculations.
- 4. Please refer to the air pollutant emissions explanation.











Major air pollutants emitted by CGPC's factories from the manufacturing process include sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and total suspended particulate matter (TSP). These are mainly generated from the boiler process. CGPC has installed a new natural gas boiler in 2023, gradually increasing the proportion of natural gas boilers and reduce the use of coal-fired boilers. Activated carbon adsorption and desorption equipment was installed and the discharge arm was used for VCM loading and unloading in 2022. The discharge pipeline of the loading operation has been sealed with leak-proof joints to reduce the proportion of VOCs emissions. Currently, all factories of CGPC are making persistent efforts to reduce air pollutants by continuously replacing old equipment with new ones, increasing the use of natural gas, replacing valves with ISO 15848-compliant valves, and using enclosed gas collection treatment for equipment prone to disseminate.



Air pollution emissions in the last three years

| | tons/ | |
|--|-------|--|

| Company | Pollutants | 2022 | 2023 | 2024 |
|-------------------------|-----------------------------------|---------|---------|---------|
| | Sulfur oxides (SOx) | 1.449 | 0.883 | 0.000 |
| CGPC | Nitrogen oxides (NOx) | 25.453 | 27.014 | 16.949 |
| (Main plant) | Volatile organic compounds (VOCs) | 404.442 | 304.979 | 237.496 |
| | Hazardous air pollutants (HAPs) | 8.987 | 13.277 | 7.275 |
| | Sulfur oxides (SOx) | 0.111 | 0.117 | 0.106 |
| TVCM (Linyuan plant) | Nitrogen oxides (NOx) | 56.320 | 52.409 | 60.250 |
| | Volatile organic compounds (VOCs) | 33.449 | 35.465 | 16.416 |
| | Hazardous air pollutants (HAPs) | 15.112 | 17.218 | 6.559 |
| CGPCP | Volatile organic compounds (VOCs) | 5.116 | 6.951 | 7.188 |
| (Linyuan plant) | Hazardous air pollutants (HAPs) | 0.932 | 1.486 | 2.524 |
| Total | Sulfur oxides (SOx) | 1.560 | 1.000 | 0.106 |
| | Nitrogen oxides (NOx) | 81.773 | 79.423 | 77.199 |
| | Volatile organic compounds (VOCs) | 443.006 | 347.395 | 261.100 |
| | Hazardous air pollutants (HAPs) | 25.031 | 31.981 | 16.358 |

Note 1: CGPC completed the installation of pollution control equipment in 2022 and added a natural gas boiler in October 2023 to gradually reduce the use of coal-fired boilers. Toluene and xylene account for the majority of HAPs emissions at the plant. Therefore, starting in 2025, CGPC has begun reducing the use of raw materials containing toluene and xylene to lower HAPs emissions.

Note 2: in 2024, TVCM converted all EDC and light/heavy fraction storage tanks into pressure-type tanks and adopted closed gas collection systems to connect with control equipment. Dichloroethane is the main component of HAPs emissions at the plant. To further reduce emissions, equipment upgrades will be carried out on the tail gas incinerator (F-6801) and the stripping tower for wastewater (C-6251). Regarding the noticeable increase in NOx emissions, an intelligent energy-saving project (C-6202) will be implemented in process facilities to address the issue.

Note 3: The primary HAP emitted at CGPCP is VCM. Due to aging spiral heat exchangers with poor heat exchange efficiency, the VCM removal efficiency is suboptimal. An upgrade of the spiral heat exchanger is planned for this year to improve VCM removal efficiency.

Note 4: HAPs emissions are reported and calculated according to the Ministry of Environment's "Air Pollution Control Fee Collection Regulations," which specify individual substance declaration requirements.

Note 5: Emission factors are determined using either the coefficient method (as stipulated by the Ministry of Environment) or the testing method (based on the average results of the three most recent reports issued by external testing agencies).

5.5 Waste Management (GRI 3-3 \ 306-1~3 : 2020)











Follow-up issue: Waste management

Main target: SDG 12.5, Secondary target: SDG 12.4, 6.3



The Significance and Impact of CGPC

Comply with environmental protection regulations, legally clean and transport, improve resource reuse rate, and pursue sustainable resource utilization. Affected objects: employees, community residents, government agencies.



Develop Strategy

Continue to promote waste classification and improve resource reuse rate.



Policy Commitment

Reduce waste per unit of output year by year.



Grievance Unit

Environmental Protection Sector



| SASB indicat | or |
|--------------|-----|
| ♦ RT-CH-150 | a.1 |

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|-----------|-----------|-------------|-----------|-----------|-----------|
| Proper waste disposal rate | % | 100% | 100% | 100% | 100% | 100% |
| Reduce waste generation per unit of output | kg/tonnes | 0.0060 | 0.0071 | 0.0060 | 0.0050 | 0.0045 |
| Reuse rate | % | 80 | 82 | 80 | 85 | 90 |
| Landfill rate | % | 20 | 18 | 20 | 15 | 10 |

Reason for failure to achieve: Detailed remarks on the amount of waste generated in the past three years.









The Company adheres to the philosophy of green environmental protection for pollution control work. In addition to the abovementioned water and air pollution control, it reduces waste pollution in various aspects to fulfill its operational responsibilities. CGPC's factories sell leftover materials, auction off unqualified products and recycle and remanufacture offcuts, so there is little waste from the process. The waste is classified into general industrial waste and hazardous industrial waste. The removal and disposal are handled by organizations with a qualified license, and comply with the Waste Disposal Act.

- 1. Each plant has designated waste personnel to manage, monitor, and inspect waste disposal vendors, and the designated personnel perform in-plant inspections (waste labeling, storage) from time to time and check whether or not the waste cleaning plan and reporting data are abnormal in order to ensure that the plant management complies with the laws and regulations.
- 2. Hazardous industrial waste shall be stored and labeled in accordance with the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste and the disposal and treatment shall be tracked by using the Industrial Waste Reporting and Management System.



Amount of waste generated in the last three years

| | Company | Final disposal | 2022 | 2023 | 2024 |
|----------------------------|---|--|----------|----------|----------|
| | | Recycled and reused | 1,521.67 | 2,612.84 | 1,874.87 |
| | CGPC (Main plant) | Preparation for reuse | 402.03 | 772.01 | 1,368.15 |
| | | Landfill | 95.14 | 190.57 | 89.86 |
| | Total general industrial was | ste of CGPC | 2,018.84 | 3,575.42 | 3,332.88 |
| | % of general industrial was | te recycled by CGPC | 95.3% | 94.7% | 97.3% |
| Gen | = (0.4 (). | Recycled and reused | 569.96 | 409.98 | 900.41 |
| eral | TVCM (Linyuan plant) | Landfill | 556.56 | 635.19 | 649.54 |
| General industrial waste | Total general industrial wa | ste of TVCM | 1,126.52 | 1,045.17 | 1,549.95 |
| ıstri | % of general industrial was | ste recycled by TVCM | 50.6% | 39.2% | 58.1% |
| W . | CCDCD (Linux and ant) | Recycled and reused | 28.16 | 42.68 | 66.04 |
| aste | CGPCP (Linyuan plant) | Landfill | 54.47 | 62.66 | 17.26 |
| | Total general industrial waste of CGPCP | | 82.63 | 105.34 | 83.30 |
| | % of general industrial waste recycled by CGPCP | | 34.1% | 40.5% | 79.3% |
| | Total amount of general in | dustrial waste | 3,227.99 | 4,725.93 | 4,966.13 |
| | % of total general industria | al waste recycled | 78.1% | 81.2% | 84.8% |
| | CGPC (Main plant) | Recycled and reused | 1.62 | 114.08 | 124.09 |
| Ξa | | Preparation for reuse | - | 24.00 | 28.50 |
| zarc | | Landfill | 6.70 | 21.82 | 4.56 |
| Hazardous Industrial Waste | Total hazardous industrial waste of CGPC | | 8.32 | 159.90 | 157.15 |
| Ind | % of hazardous industrial v | vaste recycled by CGPC | 19.5% | 86.4% | 97.1% |
| ustr | TVCM (Linyuan plant) | Landfill | 38.23 | 38.05 | 13.45 |
| iai ✓ | Total hazardous industrial | waste of TVCM | 38.23 | 38.05 | 13.45 |
| /ast | % of hazardous industrial v | % of hazardous industrial waste recycled by TVCM | | 0.0% | 0.0% |
| | Total amount of hazardous industrial waste | | 46.55 | 197.95 | 170.60 |
| | % of total hazardous indus | trial waste recycled | 3.5% | 69.8% | 89.4% |
| | | General + hazardous_total | 3,274.54 | 4,923.88 | 5,136.73 |
| | Percentage o | f general industrial waste (%) | 98.6% | 96.0% | 96.7% |
| | Percentage of ha | azardous industrial waste (%) | 1.4% | 4.0% | 3.3% |

Note:

- 1. All recyclable resources from CGPC's plants are handled off-site by licensed vendors for recycling.
- 2. Our environmental safety and health units regularly inspects waste disposal vendors' management and disposal monitoring, and the general affairs units work with waste treatment organizations to formulate contracts. GPS real-time tracking systems are used to confirm the transportation routes and flows, and the delivery receipt is signed by all three parties, ensuring that the waste is transported and treated in accordance with regulations. In 2024, the disposal and treatment agencies did not have any breach of contract.
- 3. Due to previous omissions in data from the three plants, the 2022 figures have been updated.
- 4. In 2023, industrial waste increased. At CGPC, waste iron rose due to plant demolition: at CGPCP, landfill volume increased due to residual packaging material. For CGPCP, an agreement has been reached with the waste disposal vendor to implement off-site recycling and reuse in the future. In addition, CGPC's increase in hazardous waste was due to chemical waste liquid from the rubber
- 5. In 2024, TVCM's industrial waste increased due to tank dismantling and maintenance-related equipment replacement, while CGPC was unable to significantly reduce waste volume due to fire-related demolition at the hard fabric plant.



Life cycle management for waste

The hazardous waste generated by CGPC and TVCM in 2024 was 172.04 tonnes. Without proper management and effective treatment, random disposal can pollute the environment (air, soil, and water), further affecting the ecosystems and harming human health. Therefore, we have adopted the following management measures: 1. Review vendors' qualifications: they need to be qualified waste removal and treatment organizations. 2. Use the GPS real-time tracking system to confirm the transportation route and flow. 3. Conduct irregular vehicle inspections to ensure that hazardous waste is properly handled.



On September 29, 2022, an activated carbon fluidized bed control equipment was installed, primarily for the recovery of Methyl Ethyl Ketone (MEK), accounting for approximately 84% of the total waste liquid volume.

<u>The pollution control equipment</u> has been continuously operating for two months in the plant, using a Flame Ionization Detector (FID) for self-monitoring. The FID detects the average concentration of Volatile Organic Compounds (VOCs) emitted from 2 to 4 production lines. The average removal efficiency is over 93%, significantly reducing environmental emissions and pollution.





Creating a happy workplace for our employees is our long-standing commitment. In order to fulfill the corporate social responsibility of "Love the homeland, and care for the society", we have consolidated internal and external resources to invest in social welfare activities.

(GRI 2-1 × 2-2 × 2-7 × 2-8 × 2-13 × 201-3 × 401-1~401-3 × 403-1~403-10 × 404-1~404-3 × 405-1 × 405-2)













Female

Average age

Average tenure

Average salary

Median

Education higher than technical colleges

Male

83 people/ **10** %

46 years old

18 years

NT\$961 thousand

NT\$907thousand

60%

746 people/ **90** %

Manpower

Number of employees:

The total number of employees is 829, with 746 males (90%) and 83 females (10%). 821 people (99%) are local hires in Taiwan, and 8 (1%) are migrant workers from other countries (Thailand) due to particular job demand.

Taiwanese employees are mostly located in Taipei, Miaoli and Kaohsiung, and they are all full-time regular employees. Except for 4 people and the 8 foreign migrant workers who signed fixed-term contracts (a total of 12 people), the rest of CGPC's employees are on indefinite contracts.

Others

Other key summary:

2024 CGPC companies (including subsidiaries TVCM and CGPCP, and excluding overseas investment affiliates. 100% manufactured in Taiwan, and the same applies to this section and latter).

In order to provide employment opportunities to the disadvantaged, 12 persons with disabilities are employed in 2024, accounting for 1.4% of the Company's total number, which is higher than the 1% employee percentage required by the People with Disabilities Rights Protection Act.

Issues

Material issue See each section for description for details

Talent Attraction and Retention (See <u>Chapter 6.2</u> for details)
Talent development and cultivation (See <u>Chapter 6.3</u> for details)
Safe and healthy workplace (See <u>Chapter 6.4</u> for details)
Transportation Safety Management (See <u>Chapter 6.5</u> for details)

Charity events

Social Participation (See Chapter 6.6 for details)

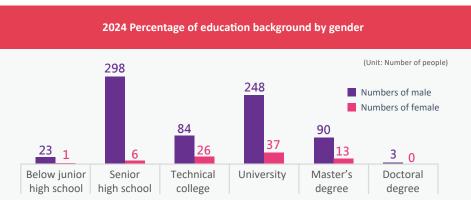
Note: Chapters 6.1 to 6.3 include companies such as CGPC, TVCM, CGPCP and GGTC.

6.1 Manpower Structure (GRI 2-1 \cdot 2-7 \cdot 405-1)

The human resources structure information disclosed in this chapter covers the actual employment of manpower in Taiwan, including full-time and contracted personnel. As it is difficult to obtain data on overseas subsidiaries, and some units have no actual operations or do not have staff establishment (such as CGA, Zhongshan Plant, BVI, etc.), the 2024 human resources statistics do not include overseas personnel information.

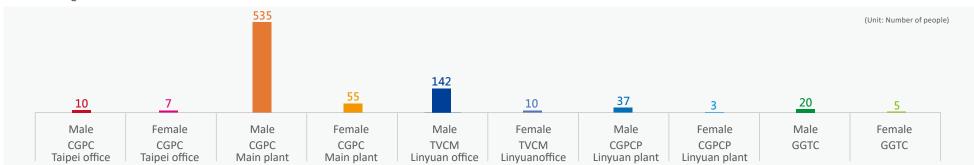
2024 Statistics by position, job location, age, education background and gender

| | | | Male | F | emale | Group subtotals and percentages | |
|-----------------|-------------------------------------|------------------|---------------------|------------------|---------------------|---------------------------------|-----------------------------|
| Category | Groups | Number of people | Percentage of group | Number of people | Percentage of group | Number of people | Percentage of all employees |
| | Senior executive | 8 | 1% | 0 | 0% | 8 | 1% |
| i de Tiel e | Mid-level executive | 67 | 9% | 6 | 7% | 73 | 9% |
| Job Title | Junior supervisor | 83 | 11% | 1 | 1% | 84 | 10% |
| | General employees | 588 | 79% | 76 | 92% | 664 | 80% |
| Location | Taiwan | 746 | 100% | 83 | 100% | 829 | 100% |
| | No fixed term or perpetual contract | | | | | | |
| Employ- ment | Full-time staff | 735 | 98% | 82 | 99% | 817 | 99% |
| Туре | Fixed term or temporary contract | | | | | | |
| | Contract staff | 11 | 2% | 1 | 1% | 12 | 1% |
| | Total nu | umber of em | nployees: Full-tir | ne staff + Co | ntract staff | | 829 |



In response to technological advances and in order to improve efficiency, we have continued to replace old equipment in the factories with new ones, and personnel with relevant academic qualifications and operational skills are required. In 2024, we recruit new employees to make up for those who retire, and most of our new hires have either bachelor's or master's degree. 60% of our employees have a college degree or above. We have formed academia-industry collaboration with schools to nurture professionals in order transfer industry knowledge.

2024 Work region statistics table



Note 1: Due to the nature of the petrochemical industry, the proportion of male employees is higher than that of female em-

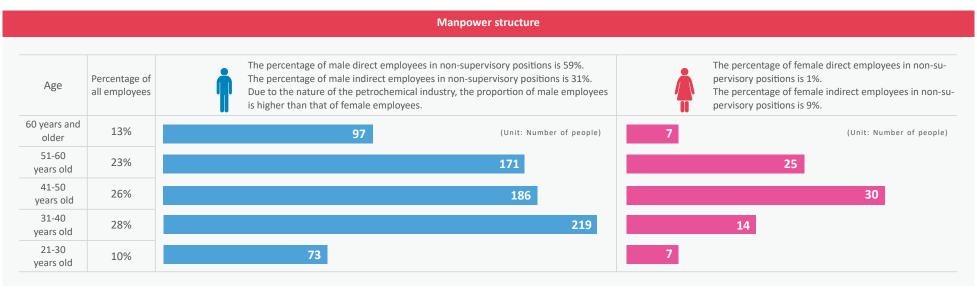
Note 2: The employee data is compiled by the Personnel Section of each plant as of December 31, 2024.

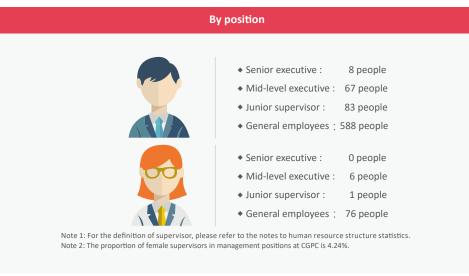
Note 3: We employed 12 persons with disabilities, accounting for 1.4% of the Company's total number, which is higher than the 1% employee percentage required by the "People with Disabilities Rights Protection Act"

Note 4: The statistical scope includes full-time and contracted personnel in Taiwan, excluding overseas subsidiaries (CGA, Zhongshan Plant, BVI). Note 5: There is no significant fluctuation in the number of employees in the past three years of human resources statistics (2024, 2023, 2022). Note 6: Senior executive: General manager/department director and above

Mid-level executive: Section chief/director/assistant manager/manager/deputy factory director/factory director Junior supervisor: Foreman supervisor/duty supervisor/personnel receiving supervisor allowance

Contents | About this Report | Message from Management | Sustainable Management | Sustainable Management | Sustainable Management | Social Inclusion | Appendix







6.2 Talent Attraction and Retention (GRI-3-3 \ 401-1)





The Significance and Impact of CGPC

Employees are the foundation of CGPC's sustainable development, so creating a happy workplace for employees is our long-term commitment. Affected objects: employees, community residents.



Develop Strategy

Value employees' rights and interests, promotion channels, and salary and benefits in line with the market.



Policy Commitment

Reduce employee turnover.



Grievance Unit

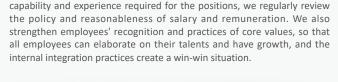
Personnel Section



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|---------------------------|------|-----------|-------------|-----------|-----------|-----------|
| Employee turnover rate | % | ≦ 2.90 | 2.90 | ≦ 2.80 | ≦ 2.80 | ≦ 2.70 |

Note: Excluding retired and resigned employees, as well as employees on fixed term or temporary contracts.



Attract and stabilize flows of talents for the Company. Based on the











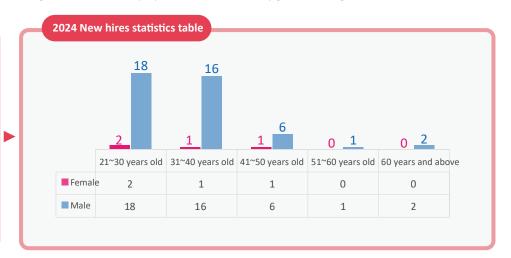
6.2.1 Recruitment and Turnover

Talent recruitment

We prioritize internal recruitment and rotation within the Group when we need to fill vacancies or expand based on business needs, organizational planning or personnel resignation. When we conduct external recruitment, we search talents through human resources websites and the government's employment services center. For vacancies in Toufen or Kaohsiung, we prioritize local hiring to give back to the communities. The labor conditions set by CGPC and employees comply with the local laws and regulations, including minimum wages, working hours, overtime pay, labor insurance, health insurance severance pay/retirement payment etc., and we provide group insurance plans and a variety of employee benefits. CGPC employed a total of 47 new hires in 2024, accounting for 5.67% of all employees. The distribution by gender and age is as follows:

3-year comparison of new employees 2022 2023 2024 Age/Gender Region Female Male Male Male **Female** Female 21-30 years old 18 3 13 4 18 2 31-40 years o 16 4 19 4 16 1 41-50 years old 7 0 4 0 6 1 51-60 years old 0 0 0 Ω 1 0 Taiwan 60 years and older 3 0 2 0 2 0 Subtotal of new 44 38 8 43 4 employees Total number of 829 896 859 employees Percentage 5.69% 5.36% 5.67% Note 1: Due to the nature of the petrochemical industry, the proportion of male employees is higher than that of female employees.

Note 2: The employee data is compiled by the Personnel Section of each plant as of December 31, 2024.



Talent turnover

In 2024, a total of 24 people left (excluding retirement or contract expiration), who were all male, and the turnover rate (Number of people who left/Number of people at the end of the reporting year) was 2.9%. In order to reduce the brain drain rate, the personnel units have set a turnover rate target of less than 2.9% (excluding transfer or retirement) to retain talents for the Company.





6.2.2 Salary and benefits (GRI 201-3 \ 401-2 \ 401-3 \ 405-2)

Salary system

The salary system reviews employees' education background, specialization or technical and tenure experience, and does not have discrepancy due to gender, religion, race, political party affiliation, etc. In addition to the base salary, employees are entitled to performance bonuses, allowances for position, transportation, shift rotation and others, full-attendance bonuses, overtime pay, fixed bonus and year-end bonus.

Due to the nature of the petrochemical industry, the salary for women and men in the Company may be slightly different for some employees. To maintain the stability of human resources and retain outstanding talents, we have annual salary adjustments based on the price index and personal performance. We participate in the salary survey for petrochemical industry peer every year and evaluate the salary level of the market, and make appropriate adjustments and plans for employee salaries (the average salary increase of employees in 2024 is about 3.08%). We give special raises to outstanding talents who have excellent performance in order to keep our salary offers competitive in the market.

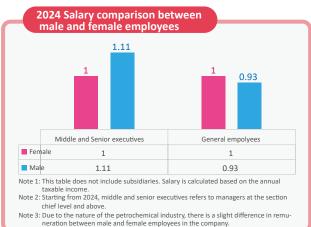
Preparation and reporting

◆ Publicly listed companies pursuant to Subparagraph 4, Paragraph 1, Article 4 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies shall disclose the following:

| Item | Contents | 2022 | 2023 | 2024 | Difference com- pared with 2023 |
|------|--|------|------|------|------------------------------------|
| 1 | Number of full-time employees in non-managerial positions | 661 | 641 | 613 | -28 |
| 2 | "Average salary" of full-time employees who are not in managerial positions (annual salary in NT\$ thousand) | 942 | 949 | 961 | 12 |
| 3 | "Median salary" of full-time employees who are not in managerial positions (annual salary in NT\$ thousand | 904 | 906 | 907 | 1 |

Note 1: This table does not include subsidiaries, only the average salary of full-time employees of CGPC who are not in supervisory positions.

Note 2: [Full-time employee salary excluding managerial positions] Path: Market Observation Post System > Summary Reports > Corporate Governance > Employee Benefits and Compensation Statistics > Salary information of full-time employees excluding managerial positions.



Institutionalization of employee remuneration

The Company's Articles of Incorporation has stipulated that "If the Company is profitable in the fiscal year, no less than 1% of the profit shall be offered as remuneration for employees", and all employees are entitled to the Company's operating results. In addition, the Company issues performance bonuses to employees every month, and the payment standard is based on the performance of the month's sales, gross profit, accounts receivable, productivity, yield, and unit energy consumption. We highly value employee welfare, and have introduced the following measures:

Employee benefits

| zinpioyee benefits | |
|------------------------|--|
| Bonus and vacation | Year-end bonus, performance bonus, full attendance bonus, allowances for meal and transportation, maternity subsidies, annual festival bonus. Vacation and leave are granted according to the Labor Standards Act. |
| Insurance and pension | Labor insurance, health insurance, employee/family group insurance, labor retirement fund, pension under the old system. |
| | Regular health inspections, qualified nurses, fitness equipment and shower rooms in each plant, the employee dormitory area of Main plant has basketball court, table tennis room, social halls, game rooms, and more. Employee travel, birthday party, recognition of senior employees, recognition of model workers, etc. |
| Education and training | On-the-job education and training, executive training, management associate continuing education, specialization training, hierarchical training, mathematics platform learning, etc. |
| | Trade union, employee welfare committees (including: weddings and funerals, birthday gifts, children's education subsidies), employee restaurant, parking spaces, breastfeeding rooms, employee dormitories, and collaboration with childcare cultural and educational institutions to provide childcare and parenting services. |

Note: This table is a key description of full-time employee welfare.

Employees applied for parental leave in 2024

Employees can apply for parental leave any time before the child is 3 years old, and the leave can be for a maximum of 2 years.

| | Item | Male | Female | Total |
|----------------------|--|------|--------|-------|
| Annual | Number of people who are entitled to parental leave in the current year | 58 | 6 | 64 |
| Status | Actual number of people who used parental leave without pay in the current year | 3 | 1 | 4 |
| | A) Number of people who should be reinstated after the parental leave of absence without pay and were reinstated in the current year | 2 | 1 | 3 |
| Reinstated Status | B) Number of people who should be reinstated after the parental leave of absence without pay | 3 | 1 | 4 |
| | Reinstatement = A/B | 67% | 100% | 75% |
| | Number of people still employed 12 months after reinstatement in the previous year | 1 | 2 | 3 |
| Retention Status | D) Actual number of people reinstated in the previous year | 1 | 2 | 3 |
| | Retention rate =C/D | 100% | 100% | 100% |

Note: 1. Reinstatement rate: (Total number of employees who are actually reinstated after parental leave/Total number of employees who should be reinstated after parental leave)*100%

2. Retention rate: (Total number of employees who are still employed by the Company 12 months after reinstatement from parental leave/ total number of employees reinstated after taking parental leave within the last reporting period)*100%

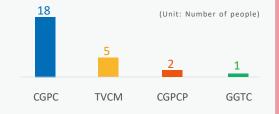
Maternity allowance

In response to the government's active promotion of fertility incentive measures to fulfill the corporate social responsibility, the Group has formulated employee fertility subsidies, which took effect on December 16, 2018. Employees or their spouses would receive a subsidy of NT\$10,000 per child. If the husband and wife both work for the Group, he/she can apply for the subsidy separately.

The average age of CGPC's employees is 46.3 years old, so the number of birth is relatively low. In 2024, a total of 26 people applied for the childcare subsidies, receiving a total of NT\$260,000.

Number of applicants for childbirth subsidies in 2024





Pension system

We allocate monthly an amount of employees' monthly salaries and wages to employees' personal pension account in the Bureau of Labor Insurance. To ensure that employees can retire without worries, the Company has established the Pension Committee to supervise the pension plan. As of the end of 2024, the balance of the retirement fund (Please refer to the Annual Financial Statements).

| | Labor pension | on | | | | |
|---|--|--|--|--|--|--|
| Item | Old system | New system | | | | |
| Legal basis | Labor Standards Act | Labor Pension Act (Implemented on July 1, 2005) | | | | |
| Eligibility | Those who are eligible under the Labor Standards | who are eligible under the Labor Standards Act. | | | | |
| Retirement allocation as a percentage of salary | The "Labor Pension Fund Supervisory Committee" is established to allocate 10% of employees' monthly wages to the labor retirement pension fund. | Employer: 6% of employees' monthly salary Employee: 0 to 6% of the monthly salary (can be fully deducted from the personal comprehensive income of the current year) | | | | |
| Income and expenditure custody unit | Bank of Taiwan | Bureau of Labor Insurance | | | | |
| Requisition criteria and methods | The employer pays the pension when an employee retires from the unit under which he/she serves and meets the criteria for collecting pension as stipulated by the Labor Standards Act. | An employee may apply to the Bureau of Labor Insurance for the accumulated amount in the personal account once turning 60 years old. | | | | |
| Employee participation in retirement planning | 100% | 100% | | | | |

Note: 1. Under the old pension system, the shortfall in the allocation of pensions after the annual actuarial calculation is made up before the end of March of the following year, and then submitted to the Supervisory Committee of Business Entities' Labor Retirement Reserve Funds for

- 2. The Labor Pension Act (the new system) came into effect on July 1, 2005. Those who were still working at the Company at the time could choose to adopt the new or old system or not decide right away before July 15, 2005. Those who decided not to make a selection right away will continue with the old system later. Those who chose to adopt the new system shall allocate the pension to the labor retirement new system from July 1, 2005. Those who chose to adopt the old system (including those who did not select either one right away) could re-select the new system within 5 years (before June 30, 2010). New hires who started to work for or were re-hired by the Company after July 1, 2005 were eligible for the new system.
- 3. Employees who chose to adopt the pension system under the Labor Pension Act (new system) cannot switch back to the old pension system under the Labor Standards Act

- ◆ CGPC and its subsidiaries TVCM and CGPCP each has an Employee Welfare Committee, and each company allocates 0.05% to 0.15% of the revenue every month as the funding for welfare programs.
- ◆ Payments by Employee Welfare Committee In addition to gifts and vouchers for members, there are allowances for employee trips, children education, marriage, maternity, medical assistance, funeral, injury and others.



The Group's Human Resources Department conducted an employee opinion survey across all Group companies in August 2023. It was hoped that through a comprehensive survey, we could understand employees' views on the Group's management operations, identify key indicators of talent retention, and recognize areas for improvement to implement talent development projects. The survey covered both employee satisfaction and employee engagement. Satisfaction aspects included 8 dimensions: supervisors, compensation, co-workers, job content, career development, corporate culture, sustainability, and organizational commitment. CGPC had a response rate of 95%, representing a 15% increase from the previous survey. The overall satisfaction score reached 4.62 out of 6, marking a decrease of 0.14 points compared to the previous survey. In the future, our company, CGPC, will continue to listen to employee feedback and implement improvement measures based on the report findings. The next survey is scheduled to be conducted in September 2025.

| Company | CGPC | CGPCP | TVCM | | | |
|---|--|-------|------|--|--|--|
| Participants | All employees | | | | | |
| Title | he survey covered 8 main dimensions, including supervisors, compensation, co-workers, job content, career development, corporate culture, sustainability, and organizational commitment It comprised 28 sub-dimensions and a total of 60 questions. | | | | | |
| Number of Participants in the Survey 220 people 18 people 79 pe | | | | | | |
| Recovery rate | 95% | 100% | 100% | | | |
| Overall satisfaction (Note) | 4.64 | 4.51 | | | | |
| Survey results | Overall, the satisfaction scores are highest in "sustainability," "co-workers," and "organizational commitment." Overall, the satisfaction scores are lowest in "compensation," "career development," and "supervisors." | | | | | |
| Enhance Improvement solutions: | In the 2023 Sustainability Report, the follow-up improvement plans based on the results of the 2023 employee opinion survey were as follows: To address the relatively lower satisfaction levels in the areas of "compensation," "career development," and "supervisors" identified in the 2023 survey, CGPC launched the following improvement measures in 2024. The next employee opinion survey is scheduled for September 2025: 1. Development of key talent and establishment of succession pipelines. 2. Review of starting salaries for new hires and job allowances for supervisors: Adjustments were made with reference to the salary levels of benchmark companies in the same industry and CGPC's internal average salaries, taking into account factors such as span of control, scope of responsibilities, and organizational functions, in order to enhance the internal fairness and external competitiveness of the compensation system. 3. Managerial competency training: Courses such as "cross-team collaboration," "key talent identification," "talent development planning for subordinates," and "communication and interpersonal skills" were conducted. 4. Continued monitoring of the market competitiveness of the salary structure, alongside efforts to strengthen employee benefits. For example, the Employee Assistance Program (EAP) was introduced to enhance employees' physical and mental well-being and overall satisfaction. | | | | | |

Work environment improvement

Since its establishment in 1964, CGPC has accumulated a strong corporate culture through years of steady operations. To provide employees with a better working environment, the Company continuously promotes comprehensive planning of plant facilities and surroundings, striving to create a workplace that is safe, healthy, and filled with human warmth, demonstrating its commitment to employee well-being.

CGPC's Main Plant

2024 Goal: Work environment improvement for the Raw Material Manufacturing Department

Improvement Project: Noise reduction in Boiler #2 control room

Completion Date: December 2024

Project Cost: Approximately NTD 485 thousand

Project Description: Due to the continuous noise generated during the startup of Boiler #2, which affected the quality of the work environment, a noise control project was implemented (such as the installation of soundproof walls). The noise level was reduced from 85.8 dB to 65 dB after the improvement, significantly better than regulatory standards and effectively enhancing workplace comfort and safety.





TVCM's Linyuan Plant

Improvement Project: Installation of stairway for V-6204

Completion Date: December 2024

Project Cost: Approximately NTD 1.5 million

Project Description: V-6204 in Area 37 is classified as high-risk equipment. The existing caged ladder is not suitable for personnel to perform emergency rescue operations while wearing A/B-level SCBA protective gear, which may compromise response efficiency and personnel safety. To improve the working environment and reduce life safety risks, the installation of an additional stairway has been planned. This improvement will significantly enhance the feasibility and safety of emergency response, strengthening the protection of employee health and life.





CGPCP's Linvuan Plant

Improvement Project: Installation of three new work platforms in the drying

Completion Date: March 2025

Project Cost: NTD 3 million Project Description: To enhance operational safety and extend equipment lifespan, regular inspections and improvement works are carried out. Three new work platforms were installed in the drying area, along with the replacement of outdated equipment. Additional improvements included the installation of new work ladders and reflective stickers to enhance nighttime safety and effectively reduce the risk of falls. Additional works included rust removal and primer application at approximately 1,300 locations, waterproofing and cement reinforcement of steel structures, and reinforcement of equipment foundations to enhance overall structural durability.





Improvement benefits, impact, and summary description:

All three plants have achieved their planned targets for 2024.

Upholding our commitment to employee health, safety, and environmental sustainability. the Company continues to promote workplace environment optimization and enhanced operational safety.

Through systematic planning and the annual implementation of various improvement projects, such as adding safety routes for high-risk equipment and facilities, enhancing emergency response pathways, and optimizing operational convenience and emergency response efficiency, the Company actively reduces operational risks, strengthens preventive management mechanisms, and ensures a safe and stable workplace. These efforts not only enhance

equipment performance and maintenance efficiency but also strengthen employee health protection and workplace comfort. By implementing various occupational safety action plans, the Company continues to move toward the sustainable goal of "zero workplace accidents," demonstrating its commitment to social responsibility and sustainable development.

2024 Vinyl Chain activities

◆ Chinese New Year group greeting ceremony



◆ Birthday party



◆ Commendation of model workers at Linyuan plant



◆ Year-end dinner party



◆ TVCM and CGPCP's Linyuan plant Birthday Celebration



◆ Commendation of model workers at main plant



◆ Mid-Autumn Festival party



◆ TVCM and CGPCP's Linyuan plant presented healthcare



◆ Organizing the Thai Migrant Workers' Songkran Festival



6.2.3 Human rights and protection (GRI 404-2)

Human Rights Policy

To fulfill our corporate social responsibility and uphold universal human rights values, the Company formulated a Human Rights Policy in March 2018, applicable to both CGPC and affiliated companies within the USI Corporation. This policy was developed with reference to internationally recognized human rights standards, including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. It aims to prevent any infringement or violation of human rights and to provide a safe and healthy working environment where all employees are treated with fairness, dignity, and proper care.

Identification and assessment of human rights risks

Human Rights Risk Identification is conducted annually, and compliance checks and third-party assessments are carried out on identified human rights concerns. Based on the risk assessment results and findings from internal and external reviews, mitigation and corrective measures are taken, and continuous improvement is pursued to achieve the objective of risk management.

CGPC and its subsidiaries, TVCM and CGPCP, have established steps and processes for human rights management at various stages as the foundation for upholding and protecting human rights. These include the following steps:



As human rights issues involve different business departments and units, the Human Resources Division conducts human rights due diligence and risk management operations targeting different parties affected and human rights issues.

◆ In 2024, CGPC organized training courses on human rights protection. For details, please see the description on the website.



華夏海灣塑膠股份有限公司 人權政策與管理方案

【人權政策】

為善盡企業社會責任並落實人權保障,茲參考國際人權法典 (International Bill of Rights)與國際勞工組織【關於工作中的基 本原則與權利的宣言】(Declaration on Fundamental Principles and Rights at Work) 等國際公認之人權標準,制定適用於本公司及各關係 企業之人權政策,以杜絕侵犯及違反人權的行為,除提供合理安全之工 作場所,並使公司現職同仁獲得合理與有尊嚴的對待。

【人權評估】

本公司在追求企業永續經營之際,亦注重提升對人與環境的關注,承擔 並促進對於員工、消費者、整體環境的社會責任。為體現提供安全與健 康工作場所的承諾,除指派專人依法令規定管理員工職安衛作業,並每 年定期委託專業機構,到廠檢測,鑑定業務中之環境風險。

【人權關注事項與做法】

提供安全與健康的工作環境

本公司已通過 ISO 14001(環境管理系統)、OHSAS 18001(職業康和安 全管理系統)及 ISO 14064-1 之審核及驗證,提供公司員工安全之工

本公司除依法令規範提供安全與健康之工作環境外,並成立職業安全 衛生專責單位與委員會組織,聘有專業醫師及護理人員,且定期辦理 安全衛生、消防等相關教育訓練,採取必要之預防措施以防止職業災 害發生,進而降低工作環境之危險因素。

杜絕不法歧視以合理確保工作機會均等

本公司於聘用、薪酬福利、培訓機會、升遷、解職或退休等勞動權益 事項上,對於職工及求職者不以種族、階級、語言、思想、宗教、黨派、 籍貫、出生地、性別、性傾向、年齡、婚姻、容貌、五官、身心障礙、 星座、血型或其他的歧視等因素為由而有不公平的對待。

禁用童工

為確保遵守企業社會責任及道德規範,本公司於員工工作規則明訂, 不雇用童工,截至2019年8月底止,職工總人數共736人,童工人數 為 ()。

禁止強迫勞動

本公司對於職工之每日、每週正常工作時間及延長工作時間、休假、 特別休假及其他各種假別之規定皆符合法令規範。不強迫或脅迫任何 無意願之人員進行勞務行為。

身心健康與工作平衡

- 公司提供場地或贊助經費,鼓勵員工參與健康活動,員工自組社團, 透過社團活動凝聚同仁的情感。
- · 舉辦尾牙、中秋晚會、猜燈謎等活動調劑員工身心與凝聚向心力外, 公司並設置運動及健身設備,供員工工作之餘使用。

人權保障訓練作法

- 新人訓練-到職時即要求須上線進行相關法遵宣導,內容包含:性騷 擾防治、反歧視、反騷擾、推行工時管理、保障人道待遇及健康與安
- 預防職場暴力 透過宣導及公告聲明,使員工了解於執行職務過程中 有責任協助並合理避免職場不法侵害之發生,並揭露申訴專線,以打
- · 職業安全系列訓練 年度教育內容包含:安全衛生教育訓練、消防安 全訓練、緊急應變、急救人員訓練等。
- ·誠信道德宣導-從日常行為與道德標準進行教育與宣導,以期提供一 個健康正面的職場文化。

申訴制度

本公司設有暢通之申訴管道,同仁於公司內部遇有各種問題,可透過 公司之申訴管道向各級主管、人力資源處提出申訴。另為維護性別工 作平等及提供職工、求職者免受性騷擾之工作及服務環境,設有性騷 擾防治之專屬申訴信箱與電子郵箱。於申訴調查期間皆採保密方式處 理,不洩漏申訴人之姓名或其他足資識別申訴人身分之相關資料,以 保障申訴人。

> 林漢福 副董事長兼總經理 2019年9月26日





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Human Rights Due Diligence Process

| Phase | Procedure | Methods |
|-------------------------|----------------------------|---|
| 1. Commitment | Statement | Make a public commitment to support and adhere to international standards and local laws by formulating a human rights policy. |
| | Identification | Identify significant human rights issues and affected stakeholders based on the nature and operations of the organization. |
| 2. Management | Assessment and Analysis | Regularly assess human rights impacts for all employees and service processes to understand the level of risk exposure. |
| 3. Response Measures | Actions and Measures | Develop different action plans based on the assessed level of human rights risks. Monitor the implementation and performance of action plans and communicate effectively to ensure the effectiveness of human rights management. Provide compensation measures from systemic improvements to material and psychological support in case of human rights violations. |
| | Report | Facilitate internal discussions and reporting on human rights management within the company and disclose human rights management practices and achievements on the company's well site. |

Human Rights Management Performance

According to the Company's Human Rights Policy Implementation Plan, a total of 14 human rights issues were identified through risk assessment and included in this year's agenda. Among them, 9 items were classified as key human rights management issues (please click the link to view). The corresponding mitigation and remediation measures for these issues are outlined as follows; In 2024, there were no significant legal violations. The Company will continue to carry out human rights-related education and training. For details on the human rights training content, please refer to the Company's website.

Mitigation and Compensation Measures for Human Rights Management

| Issues | Mitigation measures | Compensation Measures | Implementation rate of impact remediation (%) | Results |
|-------------------------------|--|--|---|---|
| Excessive working hours | The Company complies with labor laws related to working hours, and regularly reviews internal regulations to ensure compliance and proper implementation. Employee attendance is accurately recorded through the attendance and overtime management system. The system sends daily reminders for clock-in and clock-out delays, notifying employees of standard working hours and overtime regulations, and confirming whether extended working hours qualify as overtime. If so, employees may choose to receive overtime pay or compensatory leave. Overtime situations in each department are reviewed on a regular basis. | 1. Overtime pay is provided to employees in accordance with the law if they have worked overtime. 2. Understand the workload and reasons for overtime among colleagues and actively improve processes and optimize operations to enhance work efficiency. 3. Understand the workload and reasons for overtime among colleagues and actively improve processes and optimize operations to enhance work efficiency. 4. Understand employees' workload and the underlying reasons for excessive working hours, and actively improve processes and optimize operations to enhance work efficiency. | 100% | The system verifies the reasons for overtime on a daily basis. If excessive working hours have caused an impact, compensation measures will be applied, and the corresponding overtime payor compensatory leave will be provided. Related operations and manpower allocation will also be adjusted as needed. |

Union

CGPC and subsidiaries TVCM and CGPCP have established separate unions with the purpose of improving productivity, employees' competency and welfare, communication of the government's laws and regulations and the protection of legal rights and interests of members through mutual assistance. Members at CGPC are mostly employees working in Toufen, excluding fixed-term foreign workers and contract workers, and members of TVCM and CGPCP are mostly in Kaohsiung. The 2024 statistics of members of each company is shown in the table. Employees who have not joined the labor union can report work or rights-related issues to the Company through labor representatives at the employer-employee meetings. Since CPGC has always maintained good communication with employees through the labor union and the meetings, the two parties have not made any special group agreement.

The trade union regularly convenes its director and supervisor meetings, representative meeting, team leader working meeting, etc. The relevant supervisors of the Company all attend the meetings and communicate face-to-face with the employee representatives, so as to build consensus between the two parties and enhance employer-employee cooperation. Representatives appointed by the labor union participate in the operation of the Supervisory Committee of Business Entities' Labor Retirement Reserve Funds, Employee Welfare Committee and Occupational Safety and Health Committee, and hold regular meetings to protect employees' safety and relevant rights. The labor union has established mutual assistance measures for members so they can be eligible to medical assistance, injury, funeral subsidies, loans for disasters and other benefits.

2024 Distribution of members of the union and Employee Welfare Committee by the company and work region:

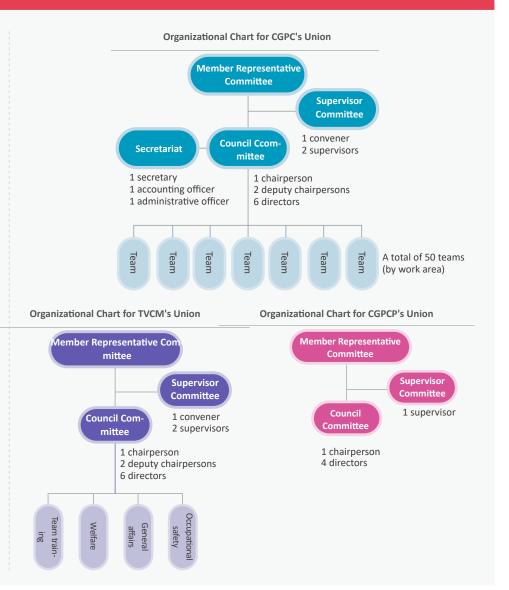
| Company | Total number of people | Number of members in the union | Number of members in the Welfare Committee |
|---------|------------------------|--------------------------------|--|
| CGPC | 607 | 576 | 595 |
| TVCM | 157 | 138 | 157 |
| CGPCP | 40 | 36 | 40 |

Note 1: Members of unions and the Employee Welfare Committee do not include foreign employees and contract personnel.

Note 2: Employees in Taipei office did not join the labor union due to that the number of retirees increased year by year, and they had no desire to join the union again, so the Taipei labor union was dissolved by the resolution of the meeting.

Note 3: The managerial officers at TVCM and CGPCP are considered representatives of the management, so they do not join the labor union.

- Not a member of the Welfare Committee:
- (1) For CGPC, 17 contract personnel in Toufen
- Not a member of a labor union:
- (1) For CGPC, 2 employees in Toufen, 17 in Taipei, and 12 contract personnel, for a total of 31 people.
- (2) For TVCM, 5 employees in Taipei, 14 employees in Linyuan plant, for a total of 19 people.
- (3) For CGPCP, there are 4 people.
- (4) GGTC has not established a trade union.



Employee assistance program

The USI Corporation places great importance on the physical and mental well-being of employees and has carefully planned and introduced the Employee Assistance Program (EAP) to provide comprehensive, warm, and trustworthy support services. To help employees cope with pressures and challenges that may arise from work or daily life, the Group has established professional counseling channels. Employees can access one-on-one counseling sessions with certified psychologists via phone, email, or LINE. This program emphasizes confidentiality and aims to help employees clarify issues, relieve stress, enhance coping abilities and psychological resilience, thereby promoting workplace health and a sense of well-being, and creating a caring and friendly work environment. We firmly believe that this comprehensive support system not only helps employees achieve work-life balance but also unleashes their potential, enhancing overall organizational cohesion and sustainable competitiveness.



Grievance channels

Union

All union members can respond through the union if they have various suggestions for the Company or have questions about their own rights and interests. In the monthly committee member meetings, the directors respond issues to the Company's representatives, and the committee makes the proposal into meeting minutes and follow up the issues to protect members' rights and interests.

Labor-management meetings

CGPC holds employer-employee meetings in accordance with the law, which is attended by the management and labor representatives. The meetings are held every 3 months. The management representative can explain the current status of the Company's operation, and the labor representatives reflect the voice of the employees, which is of positive help for the communication between the employer and employees.

• Employee grievance mailbox

In order to protect the rights and interests of employees and resolve labor problems, CGPC has set up grievance filing measures. If employees are unfairly or unreasonably treated or have their rights and interests harmed at work, they can report the incidents to their supervisors, or to the employer-employee meetings or union representatives, or directly file grievances orally or in writing with the Company and the mailbox on the website to seek more explanation or help. After receiving he complaints, the Company will assign relevant personnel to conduct investigation, depending on the severity, and contact the parties involved to provide explanations. Grievance cases must be resolved within 3 months in order to build a fair and reasonable work environment and a healthy promote employer-employee relationship.

Employee complaint channel

CGPC - Feng-Kai Hsiao fkhsiao@cgpc.com.tw TVCM, CGPCP - Hsien-Wen Lu hunterlu@tvcm.com.tw

Audit Committee's email

CGPC has set up an "Audit Committee's email" in June 2016 to accept reporting cases related to the obligations and powers of the Audit Committee. On November 9, 2017, the board of directors and the Audit Committee approved the "Measures Handling" Reporting of Illegal and Unethical or Dishonest Behaviors", which specify the reporting procedures and relevant confidentiality practices. The grievance channels include reporting in person or by phone and correspondence, and dedicated units are assigned to handle such cases. For the whistleblowers, participating investigators and the case content, we spare no efforts in confidentiality and protection to prevent them from unfair treatments or retaliation. If the whistleblower is an employee, we guarantee that the person will not be mistreated. No grievances were received in 2024.



6.3 Talent Development and Cultivation (GRI 3-3 \ 404-1 \ 404-2 \ 404-3)

CGPC provides a safe, harmonious and innovative environment emphasizing on learning and growth environment. The Company's education and training courses are in line with the external environment, business policies, segment performance goals and employees' career development needs to build a comprehensive education and training system needed to nurture all-round talents. In addition to in-house materials, there are excellent training courses made by other businesses at home and abroad to improve employees' capacity and overall competitiveness.



Follow-up issue: Talent development and cultivation Main target: SDG 4.4, Secondary target: SDG 8.5, 4.5



The Significance and Impact of CGPC

We want to provide a safe, harmonious and innovative environment emphasizing on learning and growth environment. Only with the continuous improvement of the capabilities of all employees can we take a step forward. Affected objects: employees, community residents.



Develop Strategy

The Company's education and training courses are in line with the external environment, business policies, segment performance goals and employees' career development needs to build a comprehensive education and training system needed to nurture all-round talents.



Policy Commitment

Increase the number of training sessions.



Grievance Unit

Personnel Section



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|----------------------|----------|-----------|-------------|-----------|-----------|-----------|
| Improvement training | Sessions | 180 | 377 | 200 | 220 | 250 |











6.3.1 Diversity on-the-job training program

To systematize, document, and digitize on-the-job training in alignment with the organization, and to integrate with the knowledge platform to store and pass on the professional knowledge for each position, the aEnrich digital training platform was introduced in 2022 to integrate four major systems: Competency integration, development mapping, learning management, and mobile performance support. We also introduced the Commonwealth Learning Center (CWLC) for online and action learning.

2024 statistics by specialization (management, quality control, technology, safety and environment protection), internal or external training, and gender:

| Year | 20 | 24 |
|--|----------|---------|
| Course categorization | Male | Female |
| Average training hours for management | 3.9 | 0.9 |
| Average training hours for quality control | 0.5 | 0.2 |
| Average training hours for technology | 4.6 | 0.4 |
| Average training hours for safety and environment protection | 15.2 | 0.9 |
| Total person-time | 6,441 | 769 |
| Total hours | 20,038.5 | 1,994.0 |
| Average training hours per person | 26 | 5.6 |
| Total number of employees | 83 | 29 |

Training statistics for career development in the last three years

| Year | Total number of people | Training hours |
|------|------------------------|----------------|
| 2022 | 6,279 | 23,264.5 |
| 2023 | 6,700 | 21,666.5 |
| 2024 | 5,301 | 22,032.5 |

Core training category

| Hierarchical management courses | | | 200 | |
|---------------------------------|-----------------------|-----------------|---------------|---|
| Specific personnel training | Management Management | Quality control | Technological | Safety and |
| Training of new hires | training | training | training | environmental protection training |

6.3.2 Training performance

In 2024, the total training hours of CGPC employees reached 22,032.5 hours, and the average training hours per employee was 26.6 hours. For employees who have willingness to learn and development potential, we provide subsidies for on-the-job continuing education in domestic universities, supplemented by the experience of job rotation, to cultivate corporate talents. CGPC's training units often invite professional lecturers to conduct classes in the Company so that employees can learn new professional knowledge and management skills.

2024 average training hours by position

| Gender | Ma | ale | Female | | |
|-------------|-------------|----------------|-------------|----------------|--|
| Job Title | Person-time | Training hours | Person-time | Training hours | |
| Driver | 3 | 6.0 | 0 | 0.0 | |
| Technical | 147 | 772.5 | 14 | 61.5 | |
| Engineering | 841 | 3,664.5 | 12 | 95.0 | |
| R&D | 361 | 1,154.5 | 109 | 475.0 | |
| Sales | 216 | 488.5 | 113 | 251.0 | |
| Production | 2,819 | 12,003.5 | 128 | 349.0 | |
| management | 394 | 1,949.0 | 169 | 762.5 | |
| Total | 4,761 | 20,038.5 | 540 | 1,994.0 | |

2024 training result

| Category | "Skills credentials" Certification | Safety and Health "Completion Certificate" |
|-------------|------------------------------------|--|
| Person-time | 62 | 95 |





26.9 hours Male (average) Training hours



24.0 hours Female (average) Training hours

Note: On-the-job training on occupational safety and health will be carried out in 2024, so the training hours for men are slightly higher.

Talent development plan

In accordance with the guidelines for the reserve of key personnel and the annual performance evaluation results, potential key talents are identified and corresponding development plans are arranged to cultivate managerial talents for the organization. The development plan includes guidance from workplace mentors to understand one's strengths and weaknesses, as well as strengthening managerial and professional skills through curriculum arrangements, job rotations, and project assignments. The managerial skills are divided into five major functions: leadership, planning, organization, personnel management, and control. Different managerial skills are established for different levels of supervisors, and through competency-based development plans, the managerial capabilities of supervisors are strengthened. Before being promoted to a supervisor position, employees must complete the relevant managerial skills courses at each level to be eligible for promotion. Other than providing digital courses for all levels of management function on the internal learning platform for self-improvement for supervisors, in 2023, physical courses were also provided for some key points, such as "Job Education and Subordinate Cultivation", "Process Improvement and Innovation", "Management by Objectives and Performance Evaluation", "Emotion Management and Stress Relief", "Time Management", "Road to Successful Management", "Successful Presentation Skills" and other courses.



2024/04/23 Successful Leadership

| 2024 number of employees and average training hours | | | | | | | | Average training hours the most recent 3 years | |
|---|-------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|------------------------|----------------|--|--|
| Gender | Male | | Female | | Total male and f | female | | Augraga training | |
| Job type | Average training hours (hour) | Number of people | Average training hours (hour) | Number of people | Average training hours (hour) | Number of people | Year | Average training hours (hour) | |
| Supervisors | 25.5 | 149 | 62.6 | 5 | 26.7 | 154 | 2022 | 26.0 | |
| Direct labor | 20.7 | 415 | 137.4 | 6 | 22.4 | 421 | 2023 | 25.2 | |
| Indrect labor | 41.9 | 182 | 11.9 | 72 | 33.4 | 254 | 2024 | 26.6 | |
| Average hours/ number of employees | 26.9 | 746 | 24.0 | 83 | 26.6 | 829 | 3-year average | 25.9 | |

 $Note: For the \ definition \ of \ supervisor, \ please \ refer \ to \ the \ notes \ to \ human \ resource \ structure \ statistics.$



2024/09/26 Internal instructor training



2024/05/30 Key Talent Identification

CGPC Awarded as an excellent training enterprise by the Taoyuan-Hsinchu-Miaoli Branch of the Workforce Development Agency, Ministry of Labor

In order to incorporate the government's resources into the on-the-job training for employees to continue improving the quality of manpower, we have begun to participate in the Enterprise Human Resources Improvement Program promoted by the Workforce Development Agency, the Ministry of Labor since 2010. In 2012, due to our eligibility to the Industry Impacted by the ECFA, we have applied to the Recharge and Take-Off Program since then, and introduced the TTQS (Talent Quality-Management, to ensure the reliability and correctness of the training process, regular TTQS assessments are conducted to continuously improve the quality of training and enhance the operational efficiency of the human resources training system. In 2024, CGPC received a total of 258 subsidies from the Workforce Development Agency of the Ministry of Labor, with a total education duration of 125 hours. (Please refer to the attachment for details)

6.3.3 Performance evaluation

We conduct employee performance appraisal in January every year, hoping that it can help employees' personal development, as well as the Company's human resources and skills management. The personnel to be evaluated do not include foreign workers and fixed-contract personnel. In 2024, as high as 98% of CGPC employees accepted performance appraisal.

Legal basis:

Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Amended in accordance with Article 9 of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, the employee performance appraisal system should be integrated with the sustainability policy, and a clear and effective reward and penalty system should be established.



Management by object



Performance appraisal



The management meeting in November 2021 requested to include ESG in the KPI

- In order to ensure that all units can implement the ESG plan, it will be officially incorporated into part of the KPI items starting 2022.
- ◆ Managers who are heads of sections or above work with personnel who prepare the sustainability report to include the ESG as part of the 2022 KPI. The net zero, recycling and re-use and other items related to their current functions are part of the evaluation items.
- 100% execution rate of ESG projects incorporated into KPIs by Mid and senior-level supervisors (including senior managers) in 2023.
- 100% execution rate of ESG projects incorporated into KPIs by all supervisors in 2024.

The 2024 male-female ratio of employee performance appraisal is as follows:

| | Male | | Female | | | |
|------------------------|----------------------------------|--|--|---|---|--|
| Total number of people | Actual number of people assessed | Ratio | Total number of people | Actual number of people assessed | Ratio | |
| 143 | 142 | 99% | 5 | 5 | 100% | |
| 421 | 410 | 97% | 6 | 5 | 83% | |
| 182 | 182 | 100% | 72 | 72 | 100% | |
| | of people 143 421 | Total number of people people assessed 143 142 421 410 | Total number of people people assessed Ratio 143 142 99% 421 410 97% | Total number of people people assessed Ratio of people 143 142 99% 5 421 410 97% 6 | Total number of people people assessed Ratio of people Actual number of people assessed 143 142 99% 5 5 5 1 142 410 97% 6 5 | |

1. Period of evaluation data: 2024/01/01-2024/12/31, and the number of employees is as of 2024/12/31.

2. A total of 829 people, 816 people were evaluated, and 13 did not participate in the evaluation, and the description is as follows:

(1) Toufen: 13 (Chairman 1, and 12 contract personnel)

(2) TVCM: 0 (3) CGPCP: 0 (4) GGTC: 0

3. For the definition of supervisor, please refer to the notes to human resource structure statistics.

Model worker award in 2024

Remarks





6.4 Safe and Healthy Workplace (GRI 2-8 \ 3-3 \ 403:2018)

We understand that employees, suppliers and contractors are the most important assets in the sustainable development of the Company. Therefore, the processes of research and development, manufacturing, testing and sales of the Company's products need to comply with occupational safety and health regulations and other relevant requirements, and a good safety and health protection framework must be provided to prevent accidents, continuously improve safety and health and ensure compliance with regulations, so that there are no unsafe behaviors and environment and equipment condition causing occupational disasters, further fulfilling the responsibility of protecting employees' safety and health.



Material issue: Occupational safety and health

Main target: SDG 3.9, Secondary target: SDG 8.8



The Significance and Impact of CGPC

Enable employees and contractors abide by the requirements of safety and health regulations and standards, build a zero-disaster work environment, and ensure a comprehensive system for workers' safety and health and achieve sustainable development. Affected objects: employees, community residents, government agencies, suppliers/contractors, investors.



Develop Strategy

The occupational safety and health policy of full participation is carried out in accordance with the ISO 45001 occupational safety and health management system for performance measurement and continuous improvement.



Policy Commitment

Zero disaster and zero disabling injury incident.



Grievance Unit

Occupational Safety Office



SASB Indicator

- ◆ RT-CH-320a.1 ◆ RT-CH-320a.2
- ◆ RT-CH-540a.1◆ RT-CH-540a.2

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|--|-----------|-------------|-----------|-----------|-----------|
| Reinforce on-site patrol inspection and improve potential hazards | Frequency of disabling injuries (F.R.) | 0 | 0 🤡 | 0 | 0 | 0 |
| Reinforce the prevention of scrolling and pinching injuries and safety management of stackers | Severity of disabling injuries (S.R.) | 0 | 0 🧭 | 0 | 0 | 0 |

Note: No occupational accidents occurred in CGPC, TVCM, CGPCP and GGTC in 2024.

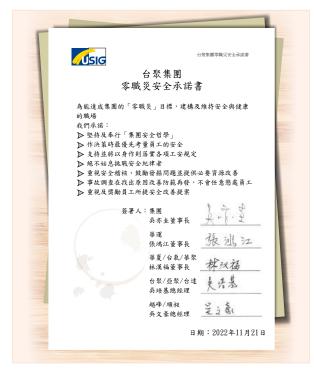








USIG Zero Occupational Incident Letter of Commitment



- ◆ CGPC's management objective for occupational disaster is zero occupational incident. Frequency and severity of disability injuries are key indicators for assessing employees' health and safety.
- ◆ We have formulated the Safe Work Hours Incentive Measures to motivate employees to maintain work safety.
- We have formulated the Operating Guidelines for Occupational Safety and Health Hazard Risk Identification, Opportunity Evaluation and Control Management, which uses hierarchical management and control to minimize risks.

CGPC organizes training courses on human rights protection every year, please see the website for details.

6.4.1 Occupational safety management (GRI 403-1 \ 403-2 \ 403-4 \ 403-7 \ 403-8 \ 403-9)

We have established the ISO 45001 occupational safety and health management system, CGPC, TVCM, and CGPCP have passed the ISO 45001 occupational safety and health management system verification in 2020 and 2019, respectively. (The certificate is still valid) GGTC was established in 2024. As its business nature is non-production-related and poses relatively low risk, it is not included in the scope of ISO 45001 certification.

Occupational safety and health organization and operation (GRI 2-8)

Each plant of CGPC separately participates in the Toufen, Zhunan, Linyuan Industrial Parks Safety and Health Promotion Association; the Toufen and Zhunan Industrial Park Manufacturers' Association; regional joint defense organizations; the Taiwan Responsible Care Association (TRCA); and the vinyl chloride and chlorine operation joint defense organizations to observe and learn from one another in occupational safety, health and environmental protection, etc. and improve the safety and health of operators, and regularly hold fire drills and environmental safety and health education and training sessions every year to foster employees' capabilities responding to emergencies and implementing self-directed safety management. In 2023, we joined the project organized by the Occupational Safety and Health Administration to promote safe and healthy working environment in traditional plastics-related industries to improve the working environment for workers. Through continuous improvement, we provide a safer, more comfortable, and healthier working environment for workers to develop steadily. CGPC was also invited to participate in the meeting to share its successful experience in improvement of working environment results, operation and management, and promotion of overall improvement and upgrading. CGPC has a total of 1,428 workers across all plants (approximately 779 Company employees and 649 contractors). Their work includes sales, production, design, development, procurement, administration, engineering, and contracting, covering 100% of the Company's business operations.



The ISO 45001 occupational safety and health management system

The employees of CGPC's Main plant, TVCM's Linyuan plant and CGPCP's Linyuan plant (excluding employees working in Taipei and GGTC).



Total number of workers

1.428

54.6% CGPC's employees

Not CGPC's employees 45.4%

Identification of occupational safety

We have formulated the "Operating Guidelines for Occupational Safety and Health Hazard Risk Identification, Opportunity Evaluation and Control Management", which ensure that personnel (including high risk workers, middle-aged workers and foreign workers), venues and facilities that may be affected by the organizational operations or indirectly controlled by the organization follow the Guidelines. The main implementation procedures are as follows:



Occupational safety and disaster management

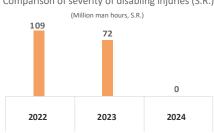
We have set our occupational disaster management objective as "Zero incident. Zero disaster". In order to prevent occupational disasters, protect the safety and health of workers, and achieve the objectives and standard of safety and health management, we have established the Safety and Health Work Rules, and require all employees to abide by them. No accidents occurred at CGPC, TVCM, CGPCP and GGTC in 2024 o CGPC aims to improve the workers' work environment (worker platform and renewed the noisy environment) in 2024 to reduce the hazard factors such as slipping and hearing loss and prevent their recurrence. Reduce the estimated costs of occupational injuries and illnesses and the estimated impact on the company's profitability, according to payment of personal injury assessment of OSHA safety, and based on the assessment of personal injuries caused by slips and falls (lacerations, burns, scalds, fractures) and work environment (hearing loss) of the estimated cost impact on profitability, through which estimation tools to understand the impact of occupational injuries and illnesses on the company's bottom line. (In 2024, there were no work injury compensation costs for CGPC)

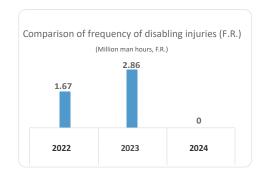
Accident Statistics of Vinvl Chain in the Past Three Years

| Unit | Year Item | 2022 | 2023 | 2024 | Plastic and Synthetic Rubber Raw Materials Manufacturing | | | |
|------------------------------------|-----------------|-------------|-------------|-------------|--|--|--|--|
| B 4:11: | F.R. (LTIFR) | 1.67 | 2.86 | 0 | 1.18 | | | |
| Million | S.R. | 109 | 72 | 0 | 251 | | | |
| hours | F.S.I | 0.42 | 0.45 | 0 | 0.54 | | | |
| frequen- cv LTIR | | 0.33 | 0.57 | 0 | - | | | |
| Number Accidents | of Occupational | 3 | 5 | 0 | - | | | |
| Occupational Accident Rate | | 0.35% | 0.60% | 0.00% | - | | | |
| Total Hours Worked by Employees | | 1,789,628.0 | 1,744,378.0 | 1,673,867.8 | - | | | |

- (1) Frequency of disabling injuries (FR, LTIFR) = Number of injuries x 10⁶ / Total working hours.
- (2) Severity of disabling injuries (SR) = Number of days lost due to accidents x 10⁶ / Total working hours
- (3) Frequency severity index (FSI) = V [(FR x SR)/1000].
- (4) Male-female ratio: Male 100%: Female 0%.
- (5) Data source: Monthly report of occupational hazard statistics
- (6) LTIR: Lost Working Time Rate Due to Occupational Injury = Number of injuries x 200,000/Total working hours.
- (7) In 2024, no occupational accidents will occur in CGPC, TVCM and CGPCP.
- (8) Calculation method of occupational accident rate; Number of occupational accidents/total number of employees.
- (9) The statistics include the CGPC Main plant, the TVCM's Linyuan plant, and the CGPCP Linyuan plant.
- (10) Indicators for the same industry are based on the aggregate injury index of each industry for the past three years as announced by the Occupational Safety and Health Administration.

Comparison of severity of disabling injuries (S.R.)





Statistics of safety patrol inspections and improvement cases for the most recent 3 years

| Company | Company CGPC (Main plant) | | | TVCIV | TVCM (Linyuan plant) | | | CGPCP (Linyuan plant) | | |
|-----------------------------|---------------------------|------|-------|-------|----------------------|-------|------|-----------------------|------|--|
| Year | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 | |
| Safety patrol inspections | 1,808 | 820 | 1,555 | 1,265 | 2,160 | 2,675 | 376 | 520 | 635 | |
| Total cases of deficiencies | 1,426 | 978 | 1,555 | 441 | 580 | 583 | 23 | 149 | 169 | |
| Number of cases improved | 1,426 | 978 | 1,543 | 441 | 580 | 583 | 23 | 149 | 169 | |
| Number of cases improving | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Improvement rate | 100% | 100% | 99.2% | 100% | 100% | 100% | 100% | 100% | 100% | |

Note: 1. The number of patrol inspections includes the number of safety and health patrol inspections carried out by the site supervisor and the number of environmental safety and health inspections carried out by the safety and environmental protection units and industrial safety officers in the past 3 years. 2. The incomplete cases go to the next year and we follow up the cases until the improvement rate reaches 100%

3. Source: Environmental safety and health management platform.

2024 Absence statistics table

| Company/Gender | Male | Female |
|-----------------------|-------|--------|
| CGPC (Main plant) | 0.25% | 0.21% |
| TVCM (Linyuan plant) | 0.54% | 0.79% |
| CGPCP (Linyuan plant) | 0.55% | 0.00% |
| GGTC | 0.54% | 0.13% |

Note: 1. Absence rate = Total days absent / Working days x 100%.

- 2. Total days absent: The total number of absence days in 2024 is calculated based on the actual sick leave, public holiday and injury leave.
- 3. The number of working days: Actual number of working days in 2024.

Description and Response Measures for Fire Incidents in 2024

In 2024, no incidents occurred at TVCM, CGPCP, or GGTC. Two non-injury fire incidents occurred at the CGPC Toufen main factory in the fabric coating machine plant. The fire on November 8 was caused by the rekindling of embers from the October 19 fire. Details are as follows:



Incident Response Description

Fires occurred at the fabric coating machine plant of the CGPC Toufen main factory on October 19 and November 8, 2024. Following the incidents, the Company immediately activated its emergency response procedures. Emergency measures routinely practiced were effectively executed during these events. Plant personnel swiftly carried out firefighting efforts and reported to the local fire department. Fortunately, no casualties were reported.



Related Fines

- Failure to Provide Rescue Information: On November 8, 2024, during the rekindling of embers, information such as the types and quantities of chemicals, layout diagrams, and essential rescue details was not provided. (Violation of Article 21-1, Paragraph 1, Subparagraph 1 of the Fire Services Act; fine of NTD 600,000)
- Air Pollution: On November 8, 2024, the rekindling of embers caused odors and particulate pollutants, affecting air quality in nearby areas. (Violation of Article 32, Paragraph 1, Subparagraphs 1 and 3 of the Air Pollution Control Act; fine of NTD 450,000)
- Resulting Inspection Dike Penetrated by Pipeline: A pipeline penetrated the containment dike in the east oil tank area of the unloading station, compromising the structural integrity of the dike and reducing its capacity below that of the largest storage tank. (Violation of Articles 15 and 42 of the Fire Services Act; fine of NTD 300,000)

Note 1: Containment dikes serve as protective measures for the oil tank area.

Note 2: Following the fire incident, a fire safety inspection revealed facility violations on site. A fine of NTD 300,000 was imposed in accordance with the Fire Services Act. This was a subsequent penalty unrelated to the cause of the fire. The Company has completed the necessary improvements and reinforced its management practices.

Improvement measures

In response to the aforementioned fire incidents, CGPC has implemented the following improvement measures:

- Regulatory Compliance: In 2024, the Factory Management Guidance Act and the Regulations for the Declaration of Hazardous Materials in Factories were revised. The Company completed an inventory and declaration of hazardous materials within the plant, significantly increased insurance coverage, revised the upper limit of fines, and adopted dynamic declaration practices.
- ♦ Enhancement of Fire Safety:
 - ♦ In accordance with Article 9 of the newly enacted Regulations on Inspection and Reporting of Fire Safety Equipment, the Company has strengthened inspections of fire safety equipment within the plant. Repairs are conducted in advance, and any deficiencies are rectified immediately, with follow-up reports submitted to confirm full compliance and proper functionality of the equipment.
- ♦ The Company is planning to purchase high-capacity mobile fire water cannons to enhance firefighting capabilities.
- Class A protective gear is sent for external inspection annually to ensure proper functionality.
- ♦ Strengthening Safety Education: The Company continues to conduct fire drills and enhance emergency response capabilities, as well as reinforce employee safety awareness through training and prevention programs. Each year, two plant-wide sessions are held, comprising a total of eight rounds of self-defense firefighting team training.
- Implementation of Risk Assessment: The Company has reviewed and revised the SOPs for plant startup and shutdown procedures and the safety of thermal oil operations. Early warning and monitoring systems have been reinforced, and plant safety risk assessments are conducted annually, with enhanced management for high-risk areas.
- Other Improvement Measures: The Company continues to establish and update the H-CARD for public hazardous materials and has implemented an in-plant chemical cloud system. This system organizes chemical information, including types, quantities, layout diagrams, and essential rescue details, enabling quick access to the necessary information for emergency response and supporting the accurate formulation of sustainability strategies.



Care and Commitment

The Company will continue to enhance fire safety management by establishing and reinforcing long-term mechanisms to ensure that similar incidents do not occur again. We are committed to making fire safety one of the Company's highest management priorities. Necessary resources will continue to be allocated to consistently improve fire safety standards. The Company deeply regrets the impact caused by this incident and is committed to strengthening environmental protection efforts to prevent similar events from happening again, thereby fulfilling our corporate social responsibility. We sincerely thank the relevant government agencies for their guidance and accept their advice with humility. Lessons have been learned from this incident, and related personnel rewards and disciplinary actions were announced internally in December 2024.

Fire injury statistics in the past three years

The Company strengthen personnel's capability to respond to emergencies, determine correct handling procedures, and familiarize the use of safety protection equipment to ensure personnel and environmental safety and normal plant operation, further reducing the potential loss from accidents to a minimum, we continuously strengthen fire prevention management, implement fire drills, fire equipment inspection, and manage flammable substances in the plant to enhance employees' awareness of fire prevention.

| Year | Number of fire cases | Number of people injured by fire | Number of deaths in fires | Proportion |
|------|----------------------|----------------------------------|---------------------------|------------|
| 2022 | 0 | 0 | 0 | 0% |
| 2023 | 0 | 0 | 0 | 0% |
| 2024 | 2 | 0 | 0 | 0% |

Note: The scope includes CGPC Main plant, TVCM Linyuan plant, CGPCP Linyuan plant and GGTC, and the coverage rate is 100%. Proportion calculation method: number of casualties/total number of employees.

Statistics of safety performance indicators are as follows:

| as follows: (million hours | | | | | | |
|--|----------------------|----------------------------|-----------------------------|------|--|--|
| Safety perfor- mance indicators | CGPC (Main plant) | TVCM (Linyuan plant) | CGPCP (Linyuan plant) | GGTC | | |
| Frequency of disabling injuries (FR, LTIFR) | 0 | 0 | 0 | - | | |
| Severity of dis abling injuries (SR) | 0 | 0 | 0 | - | | |
| Frequency sever ity index (FSI) | 0 | 0 | 0 | - | | |
| Occupational safety violation ticket | 0 | 0 | 0 | 0 | | |
| Emergency response drills | 20 | 8 | 5 | 0 | | |
| Education and training sessions | 21 | 104 | 56 | 32 | | |
| Safety patrol inspections | 1,555 | 2,675 | 635 | 0 | | |
| Completion rate of occupational safety manage ment by objectives | 100% | 100% | 100% | - | | |
| Violation im provement rate | 99.2% | 100% | 100% | - | | |

Note: 1. Occupational safety fines. Please see 3.4 Regulatory compliance

Safety and health education, training, and promotion for the past three years

| | CGPC (Ma | CGPC (Main plant) | | TVCM (Linyuan plant) | | CGPCP (Linyuan plant) | | GGTC | |
|------|------------------------|-------------------|------------------------|----------------------|------------------------|-----------------------|------------------------|----------------|--|
| Year | Total number of people | Training hours | Total number of people | Training hours | Total number of people | Training hours | Total number of people | Training hours | |
| 2022 | 2,644 | 9,062.5 | 996 | 4,900.0 | 184 | 996.0 | - | - | |
| 2023 | 2,089 | 7,520.5 | 1,099 | 4,404.5 | 211 | 1,264.5 | - | - | |
| 2024 | 2,608 | 9,617.5 | 975 | 3,667.5 | 175 | 963.0 | 44 | 213.0 | |

Note: The scope includes CGPC Main plant, TVCM Linyuan plant and CGPCP Linyuan plant, and the coverage rate is 100%.

Statistical table of safety and health education, training, and promotion in 2024

| Commonweal | CGPC (Main plant) | | TVCM (Linyuan plant) | | CGPCP (Linyuan plant) | | GGTC | |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| Course name | Total number of people | Training Total hours | Total number of people | Training Total hours | Total number of people | Training Total hours | Total number of people | Training Total hours |
| Process safety management | 286 | 754.5 | 176 | 480.5 | 40 | 63.5 | 4 | 6.0 |
| Work safety training/promotion | 207 | 620.5 | 165 | 585.0 | 1 | 8.0 | 1 | 1.0 |
| Environmental protection training | 160 | 803.0 | 67 | 470.0 | 35 | 363.5 | 32 | 100.0 |
| On-the-job safety and health education and training(Including on-the-job and return training for operation supervisors) | 1,002 | 5,006.5 | 52 | 416.0 | 40 | 297.0 | 5 | 87.0 |
| Emergency response drills | 540 | 1,172.0 | 349 | 1,375.0 | 9 | 18.0 | 0.0 | 0.0 |
| Self-defense firefighting training | 262 | 1,048.0 | 40 | 160.0 | 18 | 72.0 | 0.0 | 0.0 |
| Firefighting training/promotion | 17 | 34.0 | 12 | 62.0 | 13 | 70.0 | 0.0 | 0.0 |
| Workplace health promotion seminars | 131 | 131.0 | 112 | 112.0 | 8 | 8.0 | 1 | 1.0 |
| First aid and vocational nursing education | 3 | 48.0 | 2 | 7.0 | 11 | 63.0 | 1 | 16.0 |
| Total | 2,608 | 9,617.5 | 975 | 3,667.5 | 175 | 963.0 | 44 | 213.0 |

Note: 1. First aid and vocational nurses are required to take a 3-hour training course over 3 years.

The incomplete violation improvements go to the next year, and we follow up the cases until the improvement rate reaches 100%.

^{2.} TVCM's self-defense firefighting team training has been carried out during emergency response drills.

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6.4.2 Occupational health management (GRI403-3 \ 403-4 \ 403-6 \ 403-8 \ 403-10)

CGPC conducts annual <u>operational environment monitoring and chemical classification management (Please refer to 5.1.1 Hazardous substances and waste disposal and management)</u>. We commission large hospitals to conduct health examination every year to protect the health of employees, and report the results to the competent authority for future reference. The 2024 examination rate was 100% (covering employees in the headquarters in Taipei, CGPC Main Plant, TVCM Linyuan plant, CGPCP Linyuan plant and GGTC). The jobs that require specialized health examination include works involving noise, lead, dust, vinyl chloride, dimethylformamide, chromic acid and its salts, cadmium and its components, n-hexane and ionizing radiation.

Operations of occupational health and safety

- 01. We adopt a hierarchical health management, and all conditions are divided into either Level 1 or Level 2 after examination by doctors. Level 1 refers to that the specialized health exam or the follow-up results are determined as abnormal but not related to the work environment by doctors. No cases of occupational disease were reported in 2024. For those who are found to show abnormality during the specialized health examination, they are arranged for return visits, and physicians of occupational medicine will give them personal health guidance.
- 02. The 2024 results of specialized health examination are shown as follows, and the examination rate was 100%.
- 03. To promote employee health, the Company provides 4 types of annual cancer screenings for all employees, including tests for alpha-fetoprotein (α-AFP), carcinoembryonic antigen (CEA for colorectal cancer), prostate cancer (for male employees), ovarian cancer (for female employees), and lung cancer. Ultrasound examinations are offered based on individual health conditions, allowing employees to choose one from abdominal, thyroid, or pelvic ultrasound. All expenses are fully covered by the Company, going beyond legal requirements to provide comprehensive health care support.
- 04. In 2024, a total of 71 employees received health care services through the implementation of health care programs. Occupational medical specialists were commissioned to visit the company on a monthly basis to provide health services to employees, aiming to enhance their physical and mental well-being.
- 05. In 2024, workplace health seminars included topics such as an introduction to Long-Term Care 2.0, stress relief activities, awareness of workload and stress, and monthly fitness classes, all aimed at health promotion and prevention.
- 06. In addition to labor insurance and National Health Insurance, CGPC provides each employee with group accident insurance and group life insurance. Dependents are also eligible for coverage, ensuring more comprehensive protection for both employees and their families. (Refer to CH 6.2.2 Employee Benefits)
- 07. To effectively safeguard employee safety and health, the Company systematically manages health examination data based on key indicators such as job type and work environment. Health trends over the past three years are monitored and analyzed, and follow-up care is provided for employees with abnormal health check results.
- 08. To address potential risks associated with middle-aged and older employees, the Company conducts regular personal health and workplace risk assessments for this group through hazard identification, risk evaluation, and control measures. In 2024, a total of 336 middle-aged and older employees (300 male and 36 female) underwent capability assessments. These efforts not only ensure the safety and health of middle-aged and older workers but also help improve working conditions, reduce high-risk tasks, promote labor participation and reemployment, and enhance productivity and job suitability among aging workers.
- 09. Creating a Friendly Workplace Environment: CGPC and TVCM provide a supportive work environment for female employees and safeguard their employment rights. Measures have been established for maternal health protection in the workplace and the promotion of breastfeeding. These include the setup of nursing rooms, job risk assessments for female employees, and physical and mental health evaluations during pregnancy. These efforts aim to create a burden-free working environment and protect the overall well-being of female employees.
- 10. TVCM promote labor health services, conduct health risk assessment and management, and take measures related to health promotion, as well as workplace selection, assignment and reinstatement of work. These measures improve physical and mental health of employees and create a healthy workplace. We arrange occupational specialists to come to the Company every 3 months to conduct health consultation to help employees know their health status, and implement four main programs. Every employee receives one health examination per year, and the items checked and frequency are better than the regulatory requirements. In 2024, all 142 employees of TVCM received their health examination. Among them, 52 received specialized check for vinyl chloride, and appropriate health management measures are adopted for the results. In 2024, 27 people were placed in Level 2 for their specialized work, and all have completed the health interview, for a completion rate of 100%
- 11. To promote a healthier workplace, TVCM holds health seminars from time to time. In 2024, four health promotion seminars were conducted on the following topics: 1. Osteoarthritis training; 2. Prevention of metabolic syndrome managing body fat and healthy eating; 3. Travel medicine and health care; 4. How to prevent shoulder, neck, and lower back pain
- 12. CGPC and TVCM have collaborated with the Occupational Safety and Health Administration to implement testing the fit of respirators for the respiratory protection program. Workers who work in hazardous environments are required to take proper respiratory protection measures based on the characteristics of the harmful substances in the air in the work environment. We have established and promoted a respiratory protection program, and all on-site operators have qualified the tests, ensuring their respiratory protection during operations.
- 13. In 2024, CGPC organized a blood donation event: To fulfill its ESG sustainability principles and social responsibility, the CGPC Toufen main factory brought together employees from CGPC, Delta Chemical's Toufen plant, and contractors to participate in the "Passing on Your Love" blood donation campaign. A total of 38 people participated, donating a combined volume of 14,750 c.c. of blood.
- 14. TVCM participated in the "Healthy Workplace Certification Health Initiation Label" program organized by the Health Promotion Administration of the Ministry of Health and Welfare, and successfully passed the review to receive the 2023 "Healthy Workplace Certification Health Initiation Label."

2024 Health caring implementation status

Health care operation process:

Previous Year's Health Check Report→According to the overall analysis of the report, abnormal findings were classified into three levels → (1) Level A to B: Plant care and support, (2) Level C: Arrangement of plant medical care. When providing plant care and support, if it is found that an employee's health condition requires more specialized diagnosis, they are referred to the plant medical care.

◆ Health checkup of 71 persons in 2024 (total number of people receiving health checkup in 2024 was 793 people), and the health checkup is as follows:

| Number under care | Implementation Status |
|----------------------|---|
| 71 | The employees are assessed by occupational physicians and occupational health nurses together. They are arranged to meet in a conference room, where the occupational physician provides one-on-one health care and guidance based on the nature of their work. After the health care session, employees gain a better understanding of their own physical condition and make efforts to improve any health abnormalities. |

2023 Status on specialized health checkup

(Unit: people)

| | | | | | | | (| | |
|----------------------------|----------------------|------------------|---------------|------------------|--------------------------|------------------|----------|------------------|--|
| Company | CGPC (Main plant) | | TV (Linyua | CM n plant) | CGPCP (Linyuan plant) | | GGTC | | |
| Operations | Expected | Examination rate | Expected | Examination rate | Expected | Examination rate | Expected | Examination rate | |
| Noise | 167 | | - | | - | | - | | |
| Lead | 26 | | - | | - | | - | 100% | |
| Dust | 276 | | - | | - | 100% | - | | |
| Vinyl chloride | 93 | | 552 | | 31 | | 24 | | |
| Dimethylfor- mamide | 42 | | - | | - | | - | | |
| Chromic acid and its salts | 7 | 100% | - | 100% | - | | - | | |
| Cadmium and its compounds | 10 | | - | | - | | - | | |
| n-hexane | 1 | | - | | - | | - | | |
| Ionizing radia- tion | 5 | | - | | - | | - | | |
| Arsenic | 17 | | - | | - | | - | | |

Source: CGPC's 2024 specialized health examination report.

Note: There were no abnormal findings in the special health examinations.

Health promotion seminar, Protect employees' health

- ♦ Healthy Employees Make a Competitive Company!
 - To encourage regular exercise and promote employee health, CGPC Toufen main factory held fitness classes on May 16, June 13, and July 18, 2024. The classes covered "aerobic exercise and cardiovascular endurance," "muscle shaping and strengthening," and "flexibility and stretching," with each session lasting one hour. A total of 64 participants attended. (For event photos, please refer to the company newsletter.)
- ♦ To enhance physical and mental well-being, reinforce health concepts, and support effective weight and fat reduction, the "2024 Weight Loss Program" was specially held at the Toufen main factory. Please refer to the company newsletter for details.
- ♦ For other activities, please refer to CH6.6.2 Employee Health Promotion and Exercise Culture Promotion.





cessation, and common diseases)





6.4.3 Occupational safety and health organizations (GRI 403-1 \ 403-4)

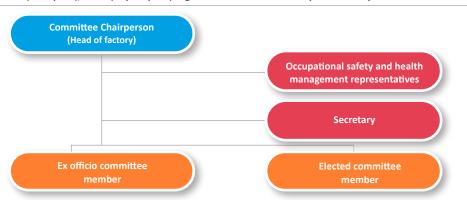
We have established the Occupational Safety and Health Committee in accordance with the occupational safety and health management measures (CGPCP has less than 100 employees, and there is no need to establish such committee). Labor representatives are appointed by unions, and the proportion of committee members is higher than the one-third standard set by the laws and regulations. The committee meets once a quarter on a regular basis, with labor representatives speaking out for all employees and discussing issues related to environmental protection, safety and health, etc. with the management.

Proportion of 2024 occupational safety and health committee members

| Company | Committee member type | Number of people | Percentage |
|-------------------------|---|------------------|------------|
| | Elected committee member (labor representative) | 9 | 39% |
| CGPC (Main plant) | Ex officio committee member (employer's representative) | 14 | 61% |
| | Total | 23 | 100% |
| | Elected committee member (labor representative) | 9 | 39% |
| TVCM (Linyuan plant) | Ex officio committee member (employer's representative) | 14 | 61% |
| | Total | 23 | 100% |

Note: The elected members are labor representatives who are workers performing works at the workplace controlled by the organization.

CGPC (Main plant), TVCM (Linyuan plant) Organizational chart of the Occupational Safety and Health Committee



6.4.4. Contractor safety management (GRI 403-1 \ 403-5 \ 403-8)

We have established the Contractor Environmental Safety and Health Management Guidelines, which includes arranging education and training before work, holding communication and coordination meetings, and giving hazard notifications. Before work starts, it must pass safety inspection, and a work safety permit must be signed. Safety supervision during the work must be enforced. We also cooperate with the Occupational Safety and Health Administration to invite contractors to join the Safety and Health Family initiative, so as to improve the overall self-directed safety and health management standard of contractors.

Implementation of contractor management (GRI 2-8)

Safety education and training for contractors

Every year, contractors must be informed of hazards before entering the plant for work. Before the Lunar New Year holidays, a joint operation coordination meeting and education and training promoting safety of contracting works must be held. In 2024, a total of 4,091 person-time attended the safety education and training for contractors before they enter the plant for work.

2024 number of sessions and participants of the contractor work safety and health field visit and promotion education and training at each plant

| Company | Number of sessions | Participating person-time |
|-----------------------|--------------------|---------------------------|
| CGPC (Main plant) | 339 | 1,500 |
| TVCM (Linyuan plant) | 100 | 1,797 |
| CGPCP (Linyuan plant) | 188 | 794 |
| Total | 627 | 4,091 |









Accident statistics of contractors in the past three years

| Item/year | 2022 | 2023 | 2024 |
|--|-----------|-----------|-----------|
| F.R.(LTIFR) | 0.00 | 0.00 | 0.00 |
| S.R. | 0 | 0 | 0 |
| F.S.I | 0.00 | 0.00 | 0.00 |
| LTIR | 0.00 | 0.00 | 0.00 |
| Number of Occupational Accidents among Contractors | 0 | 0 | 0 |
| Total Hours Worked by Contractors | 372,246.0 | 842,264.0 | 495,346.0 |

Note:

- 1. Frequency of disabling injuries (FR, LTIFR) = Number of injuries x 10⁶/Total working
- 2. Severity of disabling injuries (SR) = Number of days lost due to accidents x 10°/Total working hours
- 3. Frequency severity index (FSI) = V [(FR x SR)/10001.
- 4. LTIR: Lost Working Time Rate Due to Occupational Injury = Number of injuries x 200,000/Total working hours.
- 5. The statistics include the contractors of CGPC Main plant, TVCM Linyuan plant, and CGPCP Linyuan plant.
- 6. From 2022 to 2024, there were no contractor accidents in TVCM and CGPCP for three consecutive years.

Outline of discussion topics of the Occupational Safety and Health Committee in 2024

- 01. Workplace Environment Monitoring, Assessment, and Planning Briefing
- 02. Application for Addition/Modification of Chemicals
- 03. In-plant Chemical Classification Management Assessment Overview
- 04. Data setup of personnel for the contractor onboarding facial recognition system
- 05. 2024 Weight Loss Program
- 06. USI Corporation Training and Learning Platform Launched
- 07. Summary of Reporting Targets, Methods, and Content for Incidents Occurring at Locations Specified in Article 19 of the Fire Services Act
- 08. Amendment to the Factory Hazardous Materials Regulations
- 09. Regulations on Designation and Operational Management of Priority Controlled Chemicals
- 10. Health Promotion Seminars
- 11. Amendment to the Occupational Safety and Health **Facility Regulations**
- 12. Revised Work Safety Permit
- 13. License and Certification Management
- 14. Group Audit Office Inspection
- 15. Group Insurance Broker (Marsh) Site Survey
- 16. 2024 Health Checkup Reminders
- 17. Guidelines for Accountability in Issuing Improvement Notices











6.4.5 Emergency response

We have established the Emergency Response Plan Guidelines, and regularly organize emergency response drills according to the hazard characteristics of each process (such as the number of emergency drills to be run and the number of people in each plant in 2024). The main purpose is to strengthen personnel's capability to respond to emergencies, determine correct handling procedures, familiarize the use of safety protection equipment, and provide timely action guidelines in the event of a disaster to ensure personnel and environmental safety and normal factory operation, further reducing the potential loss from accidents to a minimum. (As its business nature is non-production-related and poses relatively low risk, it is not included in the scope of emergency drills.) The Company has established a comprehensive emergency response mechanism. Relevant procedures and response operations at each stage can be found in the ESG section of the official website (click here for details).

Emergency Drill Statistics for the Year 2024

| Company | Number of sessions | Participating per- son-time |
|-----------------------|--------------------|--------------------------------|
| CGPC (Main plant) | 20 | 540 |
| TVCM (Linyuan plant) | 8 | 137 |
| CGPCP (Linyuan plant) | 5 | 42 |
| Total | 33 | 719 |



Name, person-time, hours of training courses

| Course name | Person- time/ hours | Gender | Supervisors | Not supervisors | Total |
|--|---------------------------|--------|-------------|-----------------|----------|
| Self-defense fire team training, emergency response | Person- | Male | 673 | 2,869 | 3,542 |
| | time | Female | 50 | 210 | 260 |
| drills, process safety, safety and health | Total person-time | | 724 | 3,079 | 3,802 |
| education and training, op- | Hours | Male | 2,609.5 | 11,071.5 | 13,681.0 |
| eration safety, fire prevention promotion, etc. | | Female | 119.5 | 660.5 | 780.0 |
| | Total hours | | 2,729.0 | 11,732.0 | 14,461.0 |



Note 1: This table includes CGPC, TVCM, CGPCP and GGTC.

Note 2: For the definition of supervisor, please refer to the notes to the human resources structure statistics.

CGPC received recognition from the Occupational Safety and Health Administration

Founded in 1964, CGPC is approaching its 60th anniversary. While the aging plant bears the marks of time, it continues to embody a spirit of humility and simplicity. In order to preserve this legacy and support the government's promotion of Occupational Health and Safety (OHS), CGPC adheres to standards such as GRI 403, SASB, and the SDGs, embedding ESG thinking into all aspects of its sustainability strategies. The Company advances its sustainable development goals through the promotion of "a friendly environment and green economy; circular innovation and smart manufacturing; an inclusive workplace and lasting legacy." CGPC remains committed to employee care, the gradual improvement of the working environment, and expanding its positive impact on society, striving to become a leading enterprise in sustainability.



"2023 Healthy Workforce Sustainability Pioneering Enterprise Award, Industry Enterprise Sustainability Report Disclosure of Occupational Health and Safety Indicators Proactive Rating of Outstanding Enterprises"



"A top performer in the 2024 Sustainability Report Disclosure Occupational Health and Safety Indicators Proactive Evaluation"

6.4.6 Process safety management (GRI 2-8 \ 403-4 \ 403-5 \ 403-7)

CGPC's hazardous work locations include the plant in Toufen and the PVC resin processing area in CGPCP's Linyuan plant, which are considered Type C hazardous workplace. TVCM's Linyuan plant has Type A and C hazardous workplaces spread out in the manufacturing area, filling area, storage tank area, etc. We apply to the competent authority for permit in accordance with the Hazardous Work Place Review and Inspection Regulations to obtain approval documents. Due to that our factories are close to the urban area, we have implemented the process safety management (PSM) to reduce the risk of failure of various protective measures and prevent disasters which may affect in-house employees or even residents nearby.

Implement process safety information and assessment, labor participation, hot work permit, change management, incident investigation, compliance audit and other major items to understand the best state of equipment and personnel in the plant in process operation and reduce the occurrence of various types of risks, and prevent false alarm events from becoming disasters.

Vinyl Chain three plants implemented the PSM, and Chairman Han-Fu Lin of TVCM led all employees to participate and implement the project. Hired external consulting teams which adopted the industry-academia collaboration to help us implement the PSM project, including system establishment, technological methods, etc., which was divided into four phases.











Baseline review

System and data establishment, education and

Implementation and introduction of technical

Systematization and data quantification

Review the differences between the market and the provisions formulated by the PSM. Understand the system, management, organizational structure, personnel training, equipment status, record management, system and other aspects through data compilation, document study, and personnel interviews.

Formulate the PSM rules, and make sure that they are compliant with the regulations and the Company's management culture before introducing the 14 systems of the PSM into each factory. Conduct PSM training courses and personnel drills, including the purpose and overview of the PSM, equipment integrity, MI key points overview and introduction of relevant technologies (such as equipment classification, corrosion loop analysis, applicability assessment, etc.), so that personnel can better understand the content of the PSM and the related technical methods.

Establish equipment failure mode and key impact analysis based on the international standard framework; establish performance indicators (KPI); continue the Phase 2 of risk-based inspection (RBI) to build pipeline inspection planning; optimize CMMS system; which can all be implemented, managed, recorded and quantified with systematic methods.

The audit table established in the Phase 3 is used to evaluate the implementation status in the plant. Establish positions of PSM auditors in the plant. Conduct audit education and training. Refine the audit handbook. Assess whether the in-house PSM can be optimized further to achieve the PDCA cycle.

Promote process safety management (PSM)



Management objectives

Promote process safety management, which has 14 items, employee participation; process safety information; process hazard analysis; operating procedures; education and training; contracting management; pre-startup safety inspection; mechanical integrity; hot work permit; change management; incident investigation; emergency planning and contingency; compliance audits; and trade secrets to ensure equipment integrity and personnel familiarity with equipment (including protective equipment).



2024 Establishment of the **PSM Platform**

Starting in 2024, the Company began developing a PSM platform with a phased plan to complete 14 modules. By December 2024, seven modules will be completed: compliance audits, contractor management, incident investigation, aging equipment management, management of change, pre-startup safety review, and hot work permits. The remaining seven modules are scheduled for implementation in 2025 and include emergency response, operating procedures, employee participation, trade secrets, training, process safety information, and process hazard analysis.



Improvement plan items

The contents of the implementation include the optimization of procedural documents such as Incident investigation, hot work permits, contractor management, protection of trade secrets, and emergency response. It also involves the development of individual training plans for employees, implementation of pre-startup safety checks, adherence to change management procedures, LOPA analysis, equipment classification (SCE), continuous improvement of equipment PM/PDM plans, establishment of RBI analysis and corrosion loops, and tracking and management of aging equipment. Detailed information regarding these activities is provided in the planned worksheet.

The process safety performance indicators for the past three years are as follows:

| Item | Code | Content of indicators | 2022 | 2023 | 2024 | N (: |
|--------------------|------|---|------|------|------|---------|
| | | Process safety incident counts (PSIC) | 0 | 1 | 0 | |
| Process Safety and | | Process safety incident counts (PSTIR) | 0% | 8% | 0% | (2 |
| Emergency Response | | Process safety incident severity rate (PSISR) | 0 | 0 | 0 | (3 |
| | | Number of transportation incidents | 0 | 0 | 0 | |

- (1) Statistics of the process safety incidents (PSIC) meeting the following four criteria:
- (a) Related to manufacturing process:
- (b) Chemical spills which exceed the minimum reporting requirements, resulting in death or injury to employees or contractors or hospitalization of a third person (not employees or contractors), official declaration of community evacuation or shelter-in-place, the direct loss of the Company caused by a fire or explosion exceeds US\$25,000, any of which needs to be
- (c) The incident occurs in a production, distribution, storage, public or pilot plant.
- (d) Serious spills in which the amount of leakage exceeds the allowable limit in any one hour.
- (2) Process safety total incident rate (PSTIR) (= Process safety incident cases x 200,000/Total employee work hours (employees, contractors))
- (3) Process safety incident severity rate (PSISR) (= Total severity score for all process safety incidents x 200,000/Total employee work hours (employees, contractors))
- (4) Cause of the accident: The electrolytic cell was damaged by fire, and no one was injured. Improvement measures:
- 1. Replace the existing card backplane to avoid poor backplane contact.
- 2. Add a hard-wired loop to the emergency button to connect the process trip points.
- 3. Add a silicon rectifier single-point power-off independent system to avoid power-off control due to card failure.

Contents | About this Report | Message from Management | Sustainable Management | Sustainable Management | Social Inclusion | Appendix

Plan work:

| Plan work | Descriptions |
|--|--|
| Optimization of PSM Procedure Documents | The execution details of PSM have been enhanced by introducing a new work instruction for hazard analysis and optimizing procedures for incident investigation, hot work permits, contractor management, and emergency response to ensure greater clarity in implementation. |
| Education and training | Develop individual training plans based on employee responsibilities to enhance knowledge of process safety and operational skills. |
| Pre-startup Safety Review | For new equipment or major process modifications, a pre-startup safety review is conducted before commissioning or operation to ensure safety. |
| Process Change Management | When there are changes or modifications to process technology, operating procedures, process equipment, hazardous areas, facilities affecting the process, or the use of legally required hazardous machinery or equipment within the facility, change management procedures are strictly followed. |
| Process safety assessment | For equipment renewal projects involving aging facilities and high-risk work areas, Hazard and Operability Study (HAZOP) and Layer of Protection Analysis (LOPA) are conducted to ensure that protective measures are appropriate and effective. In the event of a near-miss incident, the hazard analysis will also be reviewed and reassessed accordingly. |
| PSM Audit | In accordance with the Process Safety Assessment Guidelines, an annual audit plan is developed to regularly review 14 procedures and standards. The audit checklists and depth of audits are continuously optimized based on recommendations from sources such as the American Petroleum Institute (API) 581, the Industrial Development Administration's petrochemical supervision program, and the Linyuan Comprehensive Inspection conducted by the Industrial Park Administration. |
| | 1. Identify and classify Safety Critical Elements (SCE), and update the list in real time. |
| | 2. Establish maintenance plans for safety critical equipment to ensure equipment integrity. |
| Equipment management | 3. Plan and implement Failure Mode, Effects and Criticality Analysis (FMECA), prioritizing critical equipment. |
| | 4. Review the maintenance management system and maintenance history records, and provide improvement recommendations. |
| | 5. Inspect and track the condition of aging equipment. |
| Explosion-proof Electrical Equipment Management | Establish and regularly review explosion-proof electrical equipment in accordance with domestic explosion-proof electrical regulations. |
| Performance Indicator Procedure Development | Based on process safety management objectives, procedures and standards for implementing various performance indicators are established. |



focusing on equipment integrity, worker participation, process safety information, training, contractor management, and hot work permits.

information management items to document implementation processes and quantify plant management goals.

Establish a management system that complies with the PSM and regulations, reduce the probability of equipment abnormalities, train personnel to take response measures, prevent disasters

or obtain immediate control in the early phase to prevent expansion of incident, and ensure the safety and health of personnel inside and outside the plant to achieve sustainable business

Continue advancing PSM implementation and optimizing audit content. Through cross-plant audits within the Group, areas for improvement during PSM implementation are identified,

and best practices are shared among plants. Develop a PSM platform to digitize the 14 PSM processes in phases. This platform integrates the interconnection of each module, enabling quantification of PSM-related KPIs and effective monitoring of implementation status across the plant. CGPC has initiated the first phase of PSM implementation in its processing operations,

Key implementation projects include: API 585 compliance, education and training for compliance audits, internal audits, and cross-plant audits; establishing a PSM platform electronic form. Approval process for compliance audits, contractor management, incident investigations, change management, and tracking of aging equipment; and integrating/reviewing/updating PSM's 14

Promotion objectives

2024 Objective

2024 Performance



2025 Objective

◆ PSM Audit Form Optimization:

Based on the Periodic Implementation Methods for Process Safety Assessments, OSHA 1910.119, CCPS Risk-Based Process Safety Management (RBPS), API 581, and recommendations from the Department of Industrial Development and the Parks and Parks Administration, the Group's PSM Audit Form has been optimized.

◆ PSM Group Cross-Plant Audits:

Beginning in 2022, USI Group will collaborate with BSI, a certification body, and PSM academic experts to conduct PSM auditor training. They will also form a group PSM audit team to conduct visits to partner factories.

- PSM platform education and training.
- PSM Information Platform Development and Intelligent Technology Introduction:

This year, we will focus on implementing intelligent technologies related to process safety management (PSM). In accordance with the Department of Industrial Development's Intelligent Technology Introduction Plan, we will promote the application of six intelligent technologies: gas detection data analysis, human, vehicle, and environmental image recognition, abnormal personnel identification and location, equipment and pipeline monitoring, a plant operations management platform, and an intelligent inspection system. These technologies will enhance safety, environmental protection, and fire emergency response management, foster a high-quality workplace, and move towards sustainable operations.

◆ Implement CMMS systematic management system



- Refine and optimize the functionalities of various modules within the PSM platform.
- CGPC has launched the third phase of PSM implementation in its processing operations, covering emergency response, process hazard analysis, trade secrets, and compliance audits.
- Introduction of PSM-related technical methods, such as FMECA Failure Mode Effects and Criticality Analysis Procedural HAZOP and training on the PSM platform.



Each PSM work item complies with the Recognized And Generally Accepted Good Engineering Practices (RAGAGEP) to have a common language with international standards. Complete the following tasks:

- (1) Implement the PSM work as the company's work culture and language, and achieve feasibility
- (2) Based on the quantified results of the PSM KPIs, we enhance the key points of implementation and find the factory's own best management practices.
- (3) Refine PSM technology and keep up with international practices for a shared language.
- (4) CMMS systematically manages equipment, establishes the Group's reliability data, and keeps track of equipment status.
- (5) For PSM auditing work, regularly schedule audits and inspect the areas that need to be optimized and improved in the plant to achieve the PDCA cycle.





Key promotion items



Senior executives' commitment and support



For the implementation of the PSM, Chairman Han-Fu Lin of TVCM presides over meetings to regularly review the progress.



Regularly hold education and training sessions





In order to enable employees to understand the importance of PSM, review and establish labor participation programs so that they can fulfill their respective responsibilities in line with the principles of labor participation in the 14 items of the PSM. Arrange joint participation of employers and employees in the planning, development, implementation and improvement of safety programs in the Company, further achieving process safety management. In 2024, USIG organized PSM Auditor Training, taking a leading position in the industry.



Periodically review/revise process-related operating procedures

Process safety events have high-risk hazards in nature. Therefore, operation phases in addition to normal operations, such as emergency operations, should be considered, and corrective measures should be identified in advance for all deviations. Prepare operating procedures in writing can help us further understand the process, and Improve process safety for more efficient operations, thereby reducing downtime and improving quality.



Contractor management

In order to prevent contractors from having catastrophic leakage that leads to catastrophic incidents during the contract period, a series of management process and follow-up, such as contractor assessment, contractor agreement organization meeting, factory entry management, toolbox meeting, process overview of hazard notification, etc., should be carried out from the beginning.



Participation in external activities

Regularly participate in PSM-related seminars and presentations held by government agencies/academia/third-party organizations, so as to learn about the best PSM practices from international factories and industry peers, and refine our inhouse process safety management.

6.5 Transportation Safety Management (GRI 3-3)



Follow-up issue: Transportation safety management

Main target: SDG 3.6 · Secondary target: SDG 11.2 · 11.6



The Significance and Impact of CGPC

Transportation safety management complies with domestic laws and regulations. Prevent traffic accidents caused by man-made errors or equipment problems and environmental pollution harming the health of the public and causing life and property losses. Affected objects: employees, community residents, government agencies, customers, investors.



Develop Strategy

- 1. Formulate management standards for vehicle transportation, loading and unloading management, emergency equipment and detection systems.
- 2. Annual qualification review of transportation contractors and drivers.
- 3. Regular promotion, drills, spot checks and audits.
- 4. Ensure the operation of pipeline safety management system (PSMS), establish pipeline integrity management plan and implement pipeline risk management.



Policy Commitment

Ensure that all transportation complies with regulations, improve personnel training and safety testing, and achieve the goal of zero disasters and zero accidents.



Grievance Unit

Storage and Transportation section



SASB Indicator

| Indicator items | Unit | 2024 goal | 2024 result | 2025 goal | 2027 goal | 2030 goal |
|--|------------|------------------|-------------|------------------|-----------|-----------|
| Annual review rate of transportation contractors and tanker trucks | % | 100% | 100% | 100% | 100% | 100% |
| Improvement rate of deficiencies found by transportation safety inspection and audit | % | 100% | 100% | 100% | 100% | 100% |
| Inspection rate of pipeline adopting cathodic corrosion | % | 100% | 100% | 100% | 100% | 100% |
| Zero transportation disaster and accidents | Times/Year | 0 | 0 | 0 | 0 | 0 |









We maintain the attitude of "Speed. Safety. Responsibility", and make sure that our transportation safety and environmental protection management comply with domestic laws and regulations. In order to ensure the safety of transportation and reduce road accidents, we have established standard operating procedures for transportation of goods, tanker trucks, and loading/unloading, and prepared defensive drills and emergency response plan for risk control of transportation safety management. We are committed to transportation safety and the prevention of traffic accidents caused by manmade errors or equipment problems and environmental pollution harming the health of the public and causing life and property losses.



Description of transportation

1. CGPC's Main plant / CGPCP's Linyuan plant:

All of CGPC's main raw materials are transported to the factory by the suppliers. The products produced and a small part of the raw materials imported from abroad are transported by qualified contractors. CGPCP's Vinyl Chloride Monomer (VCM) is directly transported from TVCM's spherical storage tanks, and TVCM is responsible for operating the pipelines and managing maintenance works.

2. TVCM's Linyuan plant:

Ethylene (22%) is transported by pipelines, and ethylene dichloride (EDC) and chlorine gas are transported by tanker trucks (78%), and the transportation of chlorine gas tanker trucks is managed by the seller. Part of Vinyl Chloride Monomer (VCM) and industrial hydrochloric acid are transported by tanker trucks (55%), the transportation of hydrochloric acid tanker trucks is managed by buyers. The rest of Vinyl Chloride Monomer (VCM) is transported from TVCM's spherical storage tanks to CGPCP through above-ground pipelines (45%).

Grievance mechanism

1. Internal grievances:

File environmental safety and health-related grievances with meetings of the Occupational Safety and Health Committee and occupational safety and warehousing and transportation units.

2. External grievances:

The occupational safety (environmental safety) and warehousing and transportation units verify the content of complaints with the unit being questioned after the complaints are received through the website, telephone, correspondence or transportation safety meetings, and the records are kept in the information reception/ communication records or presented in the transportation safety meetings. If the complaints are confirmed, proper replies are provided or recorded in the meeting minutes for further actions.

Transportation safety risk management and control process

Establish transportation safety standards, prepare qualified inspection documents and follow relevant control regulations and measures.



Set transportation safety goals and action plans (sees description of major issues).



Joined the joint defense organization and served as the core enterprise of the inauguration meeting of the Safety and Health Family initiative, helping small and medium-sized enterprises improve the work environment.



Regularly evaluate whether the contractor's vehicles are inspected in accordance with regulations, and hold safety meetings.



Formulate and promote corresponding risk control countermeasures (emergency response plan).

Transportation Safety Management and Evaluation

1. Vehicles and equipment:

- 1-1 Formulate specific rules for handling accidents of Vinyl Chloride Monomer (VCM) road tanker transport, specifications for the use of fronts and tanks, and control standards for leakage control at the loading and unloading ports of tanker trucks.
- 1-2 Management rules for Vinyl Chloride Monomer (VCM) emergency response equipment and detection system.
- 1-3 Regularly check the repair and maintenance records of the transportation contractors.

2. Drivers:

- 2-1 In addition to the basic licenses, new and old drivers are required to have more than 4 hours of road driving probation or training. They need to have experience in transporting highpressure tank trucks, pass fifteen times of evaluation of on-site operations with a grade of at least an A before being allowed to enter the factory to conduct operation.
- 2-2 Regularly disseminate case studies to the drivers, and conduct irregular inspection of tank trucks and regular audit of drivers.

3. Handling of goods:

- 3-1 Commission qualified contractors to perform transportation tasks.
- 3-2 Raw materials and products are transported by pipelines and tank trucks, and the related operations are carried out according to the operating standards.

4. Road transportation:

- 4-1 Apply for permit for road transportation of dangerous goods (Vinyl Chloride Monomer (VCM) according to law.
- 4-2 Monitor by using external GPS and DVR, retain the records, prepare monthly reports and follow up the progress of improvement.

5. Safety audit:

- 5-1 Review the qualifications of transportation contractors every year, establish communication channels with transportation contractors, raise the qualifications requirements of new drivers to transport VCM, or conduct regular sampling inspections before and after tanker trucks loading and unloading to improve the reliability of loading and unloading ports. The 2023 review rate for transportation contractors and tanker trucks is 100%. Inspection and audit found 64 cases of deficiencies in transportation safety, and a total of 64 cases have been improved for an improvement rate of 100%.
- 5-2 Regularly promotion and drills and update emergency response plans. (Minimize the impact when accidents occur). In 2023, there were 0 transportation disasters and accidents.

Transportation contractors are reviewed once a year.

Review qualifications of transportation contractors:

- A transportation company registered with the government.
- Has trained and qualified safety and health management specialists.
- Evaluate its capacity, efficiency and cooperation, and work quality every half a year, and propose improvement plans based on transportation issues reported by customers through transportation meetings.
- ◆ Regular inspection of contractors' transportation vehicles according to regulations.
- ◆ The transportation contractors shall hold a safety meeting every quarter to ensure that the products can be safely transported to the destination and minimize the environmental impact of transportation.

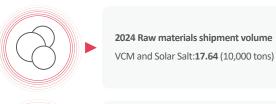
Annual qualification review items of transportation

- A transportation company registered with the government.
- Roster of work personnel accessing the factory.
- ◆ Contractors' letter of commitment to work safety and health.
- Designated labor safety and health personnel certificate.
- ◆ Labor insurance card or occupational disaster insurance card of each personnel accessing the factory.
- ◆ Employer's liability insurance for more than NT\$ 4 million for each personnel accessing the factory.
- Information of personal data for contracted work.
- Minutes of the environmental safety and health coordination meeting.
- Hazard notification records.
- ◆ Test form of hazard notification for accessing the factory.
- ◆ Re-contract affidavit.
- Driver license.
- ◆ Job safety analysis.
- ◆ Certificate of criminal records (no more than three times of drunk driving).

Number of inspections of transportation contractors of CGPC's raw materials and finished goods in the past 3 years.

| Company | Descriptions | Item | 2022 | 2023 | 2024 |
|---------|---------------------------------|--------------------------|------|------|------|
| CGPC | Product transportation | Number of inspections | 3 | 3 | 3 |
| | | Qualified rate | 100% | 100% | 100% |
| TVCM | Transportation of raw materials | Number of inspections | 7 | 7 | 7 |
| | | Qualified rate | 100% | 100% | 100% |
| CGPCP | Product transportation | Number of inspections | 1 | 1 | 1 |
| | | Qualified rate | 100% | 100% | 100% |
| Total | | Number of inspections | 11 | 11 | 11 |
| | | Qualified rate | 100% | 100% | 100% |

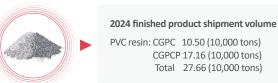
6.5.1 Transportation safety management of raw materials and finished products





2024 finished product shipment volume

caustic soda, Hydrochloric Acid, and Bleaching Water: 16.37 (10,000 tons)





2024 finished product shipment volume

Fabricated Products (Pipes, PVC film, PVC leather): 3.83 (10,000

2024 Improvement rate of deficiencies found by transportation safety inspection and audit

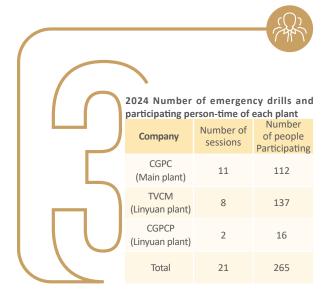
| perturber outer,peetron und undire | | | | | | | | | |
|------------------------------------|-----------------------------|--------------------------|------------------|--|--|--|--|--|--|
| Company | Total cases of deficiencies | Number of cases improved | Improvement rate | | | | | | |
| CGPC (Main plant) | 25 | 25 | 100% | | | | | | |
| TVCM (Linyuan plant) | 17 | 17 | 100% | | | | | | |
| CGPCP (Linyuan plant) | 5 | 5 | 100% | | | | | | |
| Total | 47 | 47 | 100% | | | | | | |

Inspection and audit found 47 cases of deficiencies in transportation safety, and a total of 47 cases have been improved for an improvement rate of 100%.

6.5.2 Emergency response planning and training







Emergency drills and promotion







Operate fire-fighting facilities



Area Isolation Drill



Training of contractors



Incident Reporting Drill



Facility Operation Drill

Meeting of the Storage and Transportation Units and Transportation Contractors - Environmental, Health, and Safety Agreement **Organizational Meeting**

CGPC has established an agreement organization to reduce operational conflicts between the storage and transportation units and the transport contractors. Regular meetings are scheduled with the contractors for the purpose of conducting "Environmental, Health, and Safety Agreement Organizational Meetings".

The contractors are required to comply with environmental, health, and safety regulations during their operations. Feedback from the contractors is discussed, and continuous communication and discussion are emphasized to achieve the goal of safe transportation.





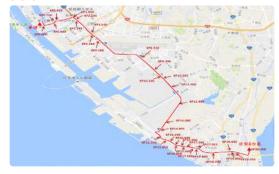
6.5.3 Pipeline maintenance plan

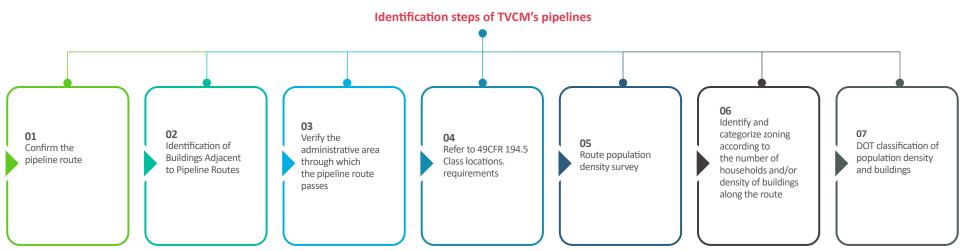
We have formulated the Maintenance Plan for Existing Industrial Pipelines, which cover safety management systems, information management systems and integrity management plan for pipelines, patrol inspection plans, repair, maintenance and inspection, operations and management of control room in order to improve the transportation safety of underground pipelines, effectively manage underground pipeline facilities outside the factory and establish proper management procedures to prevent potential disasters from occurring due to pipeline corrosion inside and outside the factory and improper digging of external units, and adopt proper measures to reduce environmental pollution and prevent losses of human life and properties.

In order to identify and assess the hazards and potential risks of off-site underground pipelines and implement necessary control methods, we have established risk management measures of pipeline integrity management (PIM) based on international standards, which can eliminate or reduce the risk of unacceptable hazards and ensure the safety of underground pipelines. We have carried out a comprehensive inspection and risk analysis of the safety of the underground pipelines, and formulated relevant mitigation measures for the parts with higher risks.

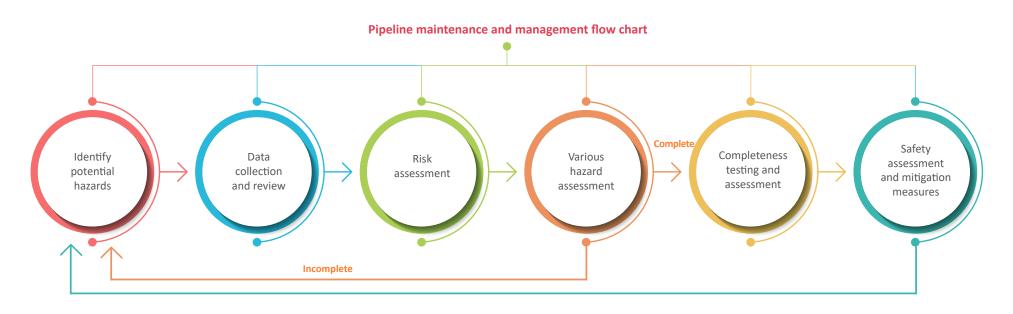
The long-distance external underground pipelines at the TVCM Linyuan Plant China General Terminal & Distribution Corporation→ TVCM Linyuan Plant to transport raw ethylene.

Pipeline risk quantitative level/Population density chart





• Evaluate the high consequence areas (HCA) along the pipelines divided into 15 sections according to 7 steps. The whole section has 19.94 kilometers in the high consequence area, and only a section of 0.36 kilometers is not a high consequence area.

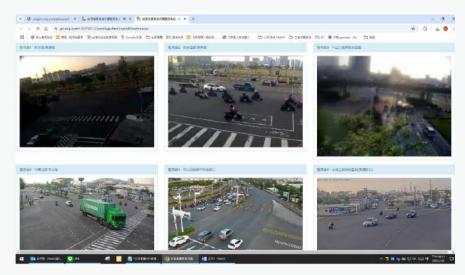


Risk assessment and countermeasures

The results of the risk assessment show that the two pipelines currently in use in the factory are at high risk because they pass through areas with high population density, indicating a greater potential impact on the environment and population caused by pipeline leakage.

Therefore, high consequence areas along underground pipelines were identified, followed by hazard identification and risk assessment. A third-party organization was commissioned to review and verify the risk assessment report. In the same year, the government promoted the construction of the Kaohsiung Intercontinental Container Center. In response, USI Corporation planned and began the construction of storage tanks, with safety as the primary consideration and the introduction of smart equipment to lay a solid foundation for future operational development.

Presentation of Real-time Road Images of Pipeline Routes



TVCM's Linyuan plant adopts the boundary connection technique on the route of the underground pipelines to transmit the CCTV images to the USIG on control room, achieving monitoring of the environmental change and road condition of the route.

Risk assessment framework for TVCM pipelines RISK POF COF Time-related Not time-related Hazard region Recipients hazard type hazard type Damaged by Corrosion a third-party External Internal corrosion corrosion Exposure Mitigation Resistance Conduct leakage discharge simulation testing with the existing real-time monitoring system 沿途高後果區(HCA) 識別(依照7個步驟進行,分成15投評估) 小港區與林園區等行政區 建築物的密集程度進行職 別,地區等級劃分 0/94

Performance of risk assessment for pipelines

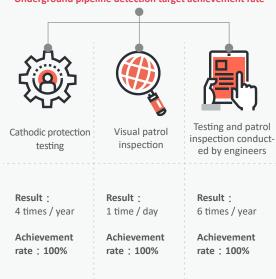
Conduct overall risk assessment and judgment of risk levels based on four main risk indicators, pipeline design, corrosion, improper operation and destruction by a third party, coupled with leakage impact factors.

Performance of risk assessment for pipelines

Implementation effect of pipeline risk assessment: Commission DNV to review the existing risk assessment methods and results and develop a new version of risk assessment model based on the results of ILI implementation.

In the maintenance and operation review briefing held on December 3, 2020, the Economic Development Bureau of the City Government of Kaohsiung proposed to reinforce the leak detection system (LDS) in accordance with Article 10 of the Measures for Management and Maintenance of Existing Industrial Pipelines in Kaohsiung City. The implementation included the existing monitoring system and simulation test of leak discharge. (The emission simulation testing for the year 2024 was successfully completed on November 8)

Underground pipeline detection target achievement rate



6.6 Social participation

CGPC follows the USI Group's sustainability vision and goals, and builds relationships of inclusion, respect and harmony between people, the environment and the society focusing on human-centered social welfare.

CGPC commits itself to social welfare with its core competency in plastics manufacturing, and environmental protection, community building and welfare, and education and activities are the three main points of its social welfare efforts.

We continue to consolidate internal and external resources to promote local environmental protection activities to reduce the ecosystem damage caused by marine plastic waste; community building by cleaning environment in the neighborhood of local factories and maintaining street lighting equipment, etc.; and support of education platforms and nearby schools' digital education resources as education welfare to achieve the Group's vision and goals of "Sustainability value to create a sustainable society".



2024 Social welfare Key Descriptions

Environmental protection

Beach clean-up

Conduct beach cleaning activities at Longfeng Fishing Port on September 21, 2024, mobilizing a total of 208 participants. The cleanup efforts resulted in the removal of 974.2 kilograms of waste. Since 2017, a total of 1,226 individuals have participated in these events, and a cumulative total of 4,187.6 kilograms of waste have been cleared.

Education and activities

Event descriptions

- 1. In 2024, the USI Education Foundation spent a total of NT\$9.72 million in various sponsorships, including scholarships and grants, university service clubs, the Alliance Cultural Foundation and Junyi School of Innovation in Taitung and other educational welfare activities.
- 2. Started sponsoring Toufen Junior High School to implement the Junyi Academy education platform in 2017, and donated 30 units of iPad in 2021 as part of the education resources package.

Note:

The USI Education Foundation aims to engage in education based on social welfare, and has implemented the following programs:

- 1. Sponsoring education in remote areas.
- 2. Setting up scholarships.
- 3. Holding speeches, seminars or other social education public welfare
- 4. Sponsoring schools or educational groups at all levels to help them participate in literature, sports, music, dance, art, drama and other activities.
- 5. Industry-academia collaboration.
- 6. Other related public welfare education programs in line with the purpose of the establishment of the Foundation.

Community building and welfare

Volunteer team Street Cleanup

From 2010 to 2024, there have been a cumulative total of approximately 865 participants.

Adoption of street lights and parks

A total of NT\$1.5 million has been donated to the adoption of 15 consecutive years. A total of 3,000 street lights have been adopted, and the park adoption maintenance has accumulated a total of 844 person-times.

Charity Club community care activities In2024, there were 7 visits conducted, making a cumulative total of 116 visits for 15 years.



Promoting Health and Exercise Culture

- 1. The tennis championship tournament is held once a year. The 22nd tournament was held in 2024, and the tournament has drawn participation of a total of about 4,600 persontimes over the years.
- 2. Starting 2020, the USI slowpitch softball friendship tournament would be held every year. The purpose is to develop team work and improve employees' cohesion.
- 3. Since 2023, the "USI Corporation Charity Basketball Game" has been held to promote employees' physical and mental well-being while supporting charitable causes. The 2024 event marked the second edition.
- 4. Employees were encouraged to participate in the Taipei Tech Earth Day Charity Run, and the USI Corporation organized the "USI Walk" (charity walk event) to promote health and public welfare.



Blood Donation Activities

In February and August of 2024, the Company organized the 10th and 11th Neihu Technology Park Thousand People Blood Drive (USI Corporation was the coorganizer): 93 people; donated a total of 146 bags of blood (250cc/bag).

In December 2024, the CGPC Toufen main factory held its first "Passing on Your Love" blood donation event. Actual number of blood donors: 38 people donated a total of 59 bags of blood (250cc/bag).



6.6.1 Environmental protection

Beach clean-up

Beach cleanup activity at the Long Fong Fishing Port

Since 2017, CGPC has supported the marine environmental policy of the Miaoli County Government Environmental Protection Bureau by adopting a 500-meter section of the Longfeng Fishing Port beach in Zhunan Township (please refer to the Beach Cleaning and Adoption System). Through beach cleanup activities, the Company aims to raise employees' environmental awareness and deepen their understanding of the harmful effects of plastics and marine debris on the environment and aquatic life. The initiative highlights the ecological crisis caused by marine waste and encourages the reduction of single-use plastic products, as well as proper waste sorting and recycling, to bring meaningful change to our environment. This year, CGPC once again collaborated with TTC's Toufen plant to co-host a beach cleanup event on September 21, 2024, to help maintain the cleanliness of the marine environment. This marked CGPC's seventh beach cleanup event in support of the "Love the Ocean" initiative. Led by Vice Chairman Han-Fu Lin and President Chi-Hung Hu, more than 200 employees participated enthusiastically, removing a total of 974.2 kilograms of waste in a collective effort to protect our beaches and oceans.

ESG Event Video:

- 1. Remarks from President Hu on the significance of the event;
- 2. Footage of employees participating in the beach cleanup.

| Category | Weight (kg) | | |
|--------------------------|-------------|--|--|
| PET bottle | 34.4 | | |
| Glass bottle | 73.0 | | |
| Tin can | 6.5 | | |
| Fishing net/Fishing gear | 430.0 | | |
| Styrofoam | 53.0 | | |
| Bamboo and Wood | 77.3 | | |
| Other General Waste | 300.0 | | |
| Total | 974.2 | | |







Taoyuan-Hsinchu-Miaoli Regional Joint Autumn Beach **Cleanup Event**

CGPC actively participated in the Taoyuan-Hsinchu-Miaoli Regional Joint Autumn Beach Cleanup Event, which was held concurrently on Saturday, September 28, 2024. Prior to that, CGPC had already organized its own beach cleanup at Longfeng Fishing Port on September 21. In support of the government's initiative on September 28, the Company mobilized 49 volunteers to join the joint event, which involved approximately 800 participants. The team collected around 1,300 kilograms of general waste and 300 kilograms of recyclable materials. CGPC calls on everyone to join hands in protecting our oceans.





6.6.2 Community building and welfare

Streetlight and park adoption

Street lights in Toufen

For the safety of local residents in Toufen, CGPC has adopted the street lights of Minzu Road and Zigiang Road for 15 consecutive years from 2010 to 2024, donating NT\$100,000 a year to Toufen Township Office to care for 200 street lights. Accumulating an amount of NT\$1.5 million and 3,000 street lights.





Yongzhen Temple Park in Toufen \(\cdot \) Park space in Toufen Industrial Park

There is a small park by the Toufen Industrial Park Service Center, which serves a leisure place for employees in the area. Park adoption has lasted 15 years, from 2010 to 2024. Cleaning four times a month, for a total of about 844 person-time.

A company's operations must take into consideration of caring for employees and the local environment and promoting the community development to provide a better environment. CGPC has adopted Yongzhen Temple Park, park space in Toufen Industrial Park and street lights in Toufen, provided services of volunteering teams and assisted in care for employees' health, Safety and Health Family, pandemic control management, sponsorship in the dodgeball team of Shin-Shing Elementary School, blood drive, improvement of workplace, etc. through donation or scheduled maintenance.









Volunteer team services

Volunteer team services

In order to raise the community's awareness of the environment and maintain the community environment, CGPC established a volunteer team in 2010 to encourage employees to participate in community maintenance and cleaning services in their spare time. The volunteer team has about 60 members and regularly organizes activities. The team usually has 10 to 15 people attending each activity. From 2010 to 2024, about 865 person-time has been mobilized to participate in beach cleaning, community environment cleaning, park maintenance, street cleaning, etc.









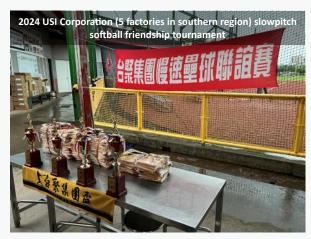




Employee Health Promotion and Exercise Culture Promotion

USI Corporation upholds the belief that "employees are the foundation of the enterprise" and is committed to fostering a healthy and positive workplace culture. To promote employees' physical and mental well-being, relieve work-related stress, and advocate the positive impact of exercise, the Group has long supported a variety of sports activities. These initiatives not only enhance employee welfare but also strengthen team cohesion.







© Combining Charity and Sports - "USI Corporation Charity Basketball Game"

Since 2023, plants across the Linyuan area have jointly organized the "USI Corporation Charity Basketball Game," combining employee wellness with social engagement. The 2024 second edition was hosted by APC, with teams from USI, TTC, TVCM, and CGPCP participating. After covering event expenses, each team voluntarily donated NTD 20,000 to support the Kaohsiung Municipal Renwu Senior High School basketball team and assist underprivileged student-athletes. In appreciation of the Group's generous support, Renwu Senior High School presented a certificate of gratitude to the participating plants. This event not only strengthened camaraderie among employees but also embodied the Group's commitment to caring for the underprivileged and fulfilling its corporate social responsibility. For event photos, please refer to the company newsletter.

Full participation in building a healthy workplace culture

USI Corporation encourages employees to take the initiative in forming sports clubs. Currently, a variety of groups have been established, including badminton, table tennis, yoga, and aerobic dance. The Taipei plant is also equipped with fitness equipment, allowing employees to exercise before or after work. This convenient setup fosters a healthy environment and helps cultivate a corporate culture of regular physical activity.

Encouraging participation in sports activities to enhance employee engagement

- ♦ USI Cup Tennis Tournament: Initiated in 2003 and organized by the Linyuan Tennis Association under the commission of TVCM, the tournament reached its 22nd edition in 2024. Each year, the event attracts around 200 employee participants, with a total attendance of over 4,600 since its inception.
- ♦ USI Group Slow-Pitch Softball Friendship Tournament: Launched in 2020 and hosted in rotation by TVCM, CGPCP, TTC, USI, and APC, the 2024 tournament gathered around 70 employee participants, bringing the cumulative number of participants to over 440. In this year's event, the joint team of TVCM and CGPCP competed against other plant teams. The lively atmosphere highlighted the spirit of teamwork and the strong unity within the Group. To add even more meaning to the event, Children Are Us Foundation was invited to provide snacks for participating employees. For event photos, please refer to the company newsletter.
- ♦ For other activities, please refer to CH6.4.2 Health Promotion Activities.

Community building and welfare

Charity Club

CGPC's Charity Club was established in Toufen Main plant in 1972. It gathered donations from employees, and its club members sent the donations to those in need. In 1995, the head office established the Taipei branch of the CGPC Charity Club. There are now 72 members. In 2024, the Club organized 7 visits of community care, and a total of 116 visits have been organized from 2010 to 2024. Adhere to the philosophy of "Spread love and care for society", and CGPC takes the initiative to do good for society to fulfill corporate citizenship.









o community welfare

CGPC (including its subsidiaries TVCM and CGPCP, excluding overseas affiliates) adheres to the principles of giving back to the community, caring for community development, and participating in local activities. The Company provides sponsorships and equipment to neighborhoods around the factories, community development associations, cultural associations, schools, and government agencies (graduation ceremonies, school anniversaries, etc), local festivals (Double Ninth Festival, Mid-Autumn Festival, Ghost Festival, etc.) and scholarships and grants for disadvantaged students.









Community building and welfare

Support disadvantaged children

Children are the future pillars of the nation. The welfare program helps disadvantaged and impoverished children or children with broken families have a healthy environment for growth and opportunities for education and a happy learning life, and improves their living condition. The Charity Club has collaborated with the Taiwan Fund for Children and Families to adopt two domestic children in poverty for a long time, and frequently donates to St Francis Girls' Home, St Francis Nursing Home, World Vision Taiwan, Miaoli County Family Support Center, children's homes, and other institutions.

Concord Charity Foundation Winter Warmth Campaign

Concord Charity Foundation, established in the year 2001, has been actively engaged in various charitable activities such as providing lunch subsidies for students, delivering meals to elderly individuals living alone, offering winter assistance to low-income households, and distributing essential supplies or financial aid to underprivileged and emergency cases. These dedicated philanthropic efforts have been widely recognized and appreciated. Every year on the eve of the Lunar New Year, Concord Charity Foundation organizes a Winter Warmth Sending activity to care for the disadvantaged families. For the 21 year in a row, the Foundation will use a common public welfare platform every year to gather many caring enterprises and the public to care for the disadvantaged families together. CGPC Caring Club has been involved in this event for a long time, hoping to send warmth to the disadvantaged at the end of the year in the cold winter.









Genesis Social Welfare Foundation

CGPC Charity Club has been actively supporting the Genesis Social Welfare Foundation through long-term donations, even during the pandemic period. The Genesis Social Welfare Foundation is dedicated to providing the best "care" for individuals in a vegetative state. They believe that these individuals, despite their lack of consciousness, should not be denied their basic human rights.

The Love Society sincerely invites all colleagues to join hands and contribute with kindness by donating funds for this worthy cause.





Community building and welfare

Hwa Yen Development Center





New Miaoli Children's Home





The Taipei Neihu Science Park Development Association, a registered nonprofit organization, held the "4th Taipei Science Cup Love Earth Charity Run" on April 21st. The event attracted 9,000 participants who started their run at the Dazhi Meiti Riverside Park. The event fulfilled its corporate social responsibility by combining health, outdoor activities, family bonding, environmental protection, and charity. It not only promoted the physical and mental well-being of employees in the Neihu Science Park but also donated the event proceeds to disadvantaged groups in society.

USI Group actively sponsored this charity run and encouraged employees to participate with their families. A total of 55 colleagues enthusiastically took part, injecting more energy into the event and demonstrating their passion for philanthropy and alignment with the company's culture.



2024 USI Corporation "USI Walk" Achievement Showcase

The Group hopes that all employees can pay more attention to their health amidst their busy work schedules, maintain physical and mental well-being, and contribute to energy conservation and carbon reduction for the planet. To support this goal, USI Corporation collaborated with Walkii, Taiwan's largest sports platform, to launch the 2024 "USI Walk" event. Held over a three-month period starting in September, the event aimed to encourage employees to incorporate more walking into their daily lives and reduce vehicle use. Through this incentive-based program, the Group promoted awareness of regular physical activity and the habit of "walking more and driving less." (Newsletter)

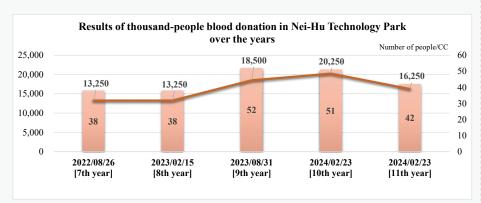
A total of 620 trees will be planted as part of this event, with 24 trees contributed through the efforts of USI Corporation employees who successfully met the activity goals (see location map).

Blood Donation Event

Thousand people donation" campaign in Neihu Technology Park

In order to fulfill corporate social responsibility, USI Group has collaborated with the Neihu Technology Park Development Association to organize the Neihu Technology Park Thousand People Blood Drive (USI Group was the co-organizer). The statistics of participation in each year is shown as follows:





"CGPC Toufen Main Factory Blood Donation" Event

To fulfill its ESG sustainability principles and social responsibility, the CGPC Toufen main factory brought together employees from CGPC, Delta Chemical's Toufen plant, and contractors to participate in the "Passing on Your Love" blood donation campaign. The blood donation event was held on December 3, 2024, from 13:00 to 16:00. A total of 38 people donated 59 bags of blood (250c.c. each), with a combined total of 14.750 c.c. donated.



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6.6.3 USI Education foundation

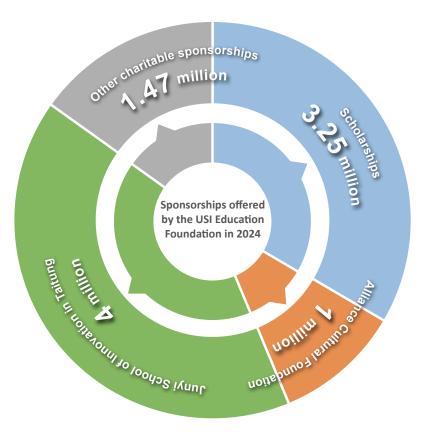
The USI Education Foundation was established on December 30, 2011, funded by the joint donation of USI Corporation and Asia Polymer Corporation. The Foundation officially started operation in 2012. It promotes educational charitable affairs, with focus on the education for the vulnerable and the rural and the care for environmental protection. The foundation advances its goals by establishing scholarships and grants, donating to charities, and sponsoring educational and charitable activities to enhance the energy and efficiency of service.

In order to expand the scale of public welfare, CGPC and TVCM joined the sponsorship efforts in 2017, and Taita also participated in the sponsorship program in 2018 to show its support, enabling the USI Education Foundation to commit more resources in education in remote areas, sustainability and other public welfare to give back to the society.

Major Sponsorships in 2024

In 2024, CGPC donated NTD 2 million to the USI Education Foundation. Through the Foundation, approximately NTD 9.72 million was allocated to various charitable initiatives, including NTD 3.25 million in scholarships and grants, NTD 1 million to the Alliance Cultural Foundation, and NTD 4 million to the Junyi School of Innovation in Taitung. Other charitable sponsorships amounted to approximately NTD 1.47 million.

| Scholarships | Donations to Public Welfare Groups | Sponsoring education and public welfare activities |
|-------------------------------------|---|---|
| Merit Scholarship | The Alliance Cultural Foundation | Toufen Junior High School's music project |
| Artificial Intelligence Scholarship | Taitung Junyi International Experimental High School | Beach cleanup activity at the Long Fong Fishing Port |
| | Teach for Taiwan Foundation | Public welfare activities on medical care and education |
| | BOYO Social Welfare Foundation | |



Scholarships

Merit Scholarship

For students who show outstanding academic performance in chemical engineering, materials, chemistry and applied chemistry, and other related fields in the specified 15 domestic public and private universities, the Company provides scholarships to encourage students studying for bachelor's or master's degrees to grow into industry talents. This year is the 13th year of the scholarship. A total of NT\$23 million has been awarded to over 330 students.

In 2024, a total of NT\$3 million was awarded to a total of 30 students from 18 departments of 11 public and private universities, including 3 doctoral students, 12 master's students, and 15 university students, of whom 20 were disadvantaged students. On December 6, 2024, a scholarship award ceremony and commendation luncheon were held to recognize the award-winning students at Taipei Marriott Hotel. The Group's supervisors were also invited to participate in the event to interact with the students, and encourage students to continue learning to exert a positive influence on society and give back to society. Lastly, Chairperson Stanley Yen of the Alliance Cultural Foundation, shared his life experience and wisdom, and encouraged the award-winning students to "learn to live, learn life, and learn to do things" and to be "ordinary but not mediocre" and have the power to enrich their lives. \(\text{Be an angel in your own life and in the lives of } \) others |







Artificial Intelligence Scholarship

To encourage domestic outstanding research students in participating in various artificial intelligence (AI) application research and development with the purpose to close the gap between industry and academic, and to cultivate chemical industry talents with Al professional background, the Foundation has established this program to reward outstanding graduate students master's and doctoral candidates with research topics focusing on AI applications for smart production systems, process control, and saving energy and costs. The program started on a trial basis in 2022 for a period of five years. The award-winning students received a scholarship of NT\$50,000 per semester. After regular review, the recipient will be granted a scholarship for a maximum of four consecutive semesters. A total of 5 students have received the award.



Donations to Charitable Organizations

The Alliance Cultural Foundation

To channel more resources into rural education and the sustainable development of the Hualien and Taitung regions, the Alliance Cultural Foundation (hereinafter referred to as "the Alliance") and the Junyi School of Innovation in Taitung (hereinafter referred to as "Junyi School") have long been the primary beneficiaries of the Foundation's support. This year marks the 15th anniversary of the Alliance's establishment, and its development efforts in the Hualien and Taitung regions have entered a stage of integration. The "Hualien-Taitung Sustainability Blueprint" laid out by the Alliance is built on three key pillars; cultivating local talent for sustainable development, establishing Junyi School as a model base for transformative education, and promoting international engagement in the region through the Paul Chiang Art Center.

The cultivation of local talent for sustainable development focuses on nurturing professionals through vocational education and supporting the deep-rooted cultural heritage of the mountains and the sea. Examples include the Bagelang Boat-shaped House project in Changbin, the Pisirian Cultural Center renovation and capacity-building program in Sanxiantai, support for the Cotton & Hemp House in Longchang which showcases a unique aesthetic and weaving craftsmanship, the Luanshan Forest Cultural Museum in Aliman, the Mountain Forest Base in Mazhongyuan of Fengbin Township, and the Saksaluan Hunter School of Xinchulan. The Alliance also introduced professional instructors from the industry to teach semester-long courses at National Cheng Kung Commercial & Aquaculture Senior Vocational High School, using local rice and seafood to teach Japanese cuisine and provide training in hospitality and travel planning. In addition, tour guide talent has been developed to transform Chenggong township from a stopover destination into one for in-depth tourism. Vocational cooperation projects that began more than a decade ago, such as mechanical processing, carpentry, and construction courses at Catholic St. Joseph Technical High School, have also been reinforced. These efforts have connected scattered initiatives into cohesive networks, leading to the formation of the "BINBIN Ecotourism Alliance" among local businesses in Changbin and Fengbin, and the "Island Living Co-Learning Network" that links Taiwan's east coast, rift valley, and South-Link regions. Since 2014, the Alliance has supported the development of the Paul Chiang Art Center, with the aim of creating a space where visitors can engage with art and personally experience the harmony between nature and architecture. After a thousand days of construction. the art center is scheduled to officially open in the spring of 2025. The Alliance will support the center in exhibition planning and management, and will promote broader public engagement through various art and aesthetic education programs. It is hoped that in the near future, with the emerging talents cultivated by Junyi School, the artistic vision of Paul Chiang, and the collective efforts and resources coordinated by the Alliance, the center will become a key platform for international artistic exchange and establish the Hualien-Taitung region as a model for sustainable tourism.





Teach for Taiwan

Teach for Taiwan was established in 2013. It is a non-profit organization dedicated to solving the difficulty of educational inequality, hoping to create equal opportunities for every child. Through training outstanding young talents and placing them in remote elementary schools for a minimum of two years, the program addresses the long-standing challenges faced by rural schools in Taiwan, such as difficulties in recruiting and retaining qualified teachers due to limited resources and frequent teacher turnover.

Since the launch of the first TFT cohort, the program has reached over 7.000 children, serving more than 1.000 students each year. According to an internal study conducted during the 2021 academic year, nearly 70% of the students taught by TFT participants demonstrated basic proficiency for their grade level. In addition to academic skills, the high-quality learning environments and teaching practices created by TFT participants have also helped nearly 70% of students develop strong non-cognitive skills, such as self-management, self-efficacy, grit, and emotional regulation. The program supports children in building capabilities beyond academics, empowering them to create change for their own futures.



Donate to charity groups

Junyi School of Innovation

Taitung has a population of only around 200,000, accounting for just one percent of Taiwan's total population. Over 55% of elementary schools in the county have fewer than 60 students, resulting in limited and fragmented educational resources. As a result, meaningful change in the Hualien-Taitung region must begin with education. The core mission of Junyi School is to nurture young people with the competencies and values needed for character, life, and work. "Character" refers to character education, which encompasses responsibility, ethics, empathy, a sense of justice, independent thinking, and teamwork. Educators must guide students in developing a character-based outlook on life and a strong sense of civic responsibility. Junyi School emphasizes cross-disciplinary learning that integrates the arts and academic subjects, encouraging students to discover and develop their individual strengths. This approach helps them understand themselves, find direction in a rapidly changing world, and cultivate a rich inner life.

Dormitory life plays a crucial role in rural education, especially in Hualien and Taitung, where children often have to leave their hometowns after elementary or junior high school to pursue further education in urban areas. Junyi School provides a supportive dormitory environment that fosters students' independence, shapes their character and attitude toward life, and enhances their ability to live autonomously. Foreign teachers are stationed on campus to help students use English in their daily lives. Various dormitory activities, both active and reflective, allow students to develop selfleadership and teamwork skills through weekend activity planning and routine-based training. This dormitory model has become a hallmark of Junyi's educational approach.

To fulfill the vision of international education and nurture global talent, Junyi School launched the "Innovative Study Abroad Program" in 2017. Today, its students have studied in 15 countries. The school's diverse faculty and student body, combined with a variety of learning approaches, expand every student's capacity for inclusion and understanding, helping them interact meaningfully with people from different cultural backgrounds.

To make full use of its dormitory space during summer vacation, the Alliance collaborates annually with external partners such as Taipei American School, the C.H. Foundation, the Fruits Educational Foundation, and ShanGeng365 to organize free residential themed camps. These camps provide students with limited resources the opportunity to build confidence and enrich their learning in a caring and passionate environment through group living, singing, drama, and various activities. They also foster a spirit of volunteer service among university student volunteers in Taiwan.







Boyo Social Welfare Foundation

Boyo Social Welfare Foundation was established in 2002 under the leadership of President Lee Chia-Tung, upholding the belief that "we must not allow poor children to remain trapped in poverty." For years, the foundation has provided free after-school tutoring and educational support materials for disadvantaged children in rural areas, aiming to break the cycle of inherited poverty through education. Through the dual approach of social work and educational services, Boyo offers care and guidance. Social workers help children break free from emotional and psychological burdens, while teachers assist them in understanding academic challenges. Everyone works together toward the same goal. This integrated approach is a key reason for the success of Boyo's after-school programs. Since its establishment 20 years ago, Boyo has continued to commit lots of manpower and resources to course design, supplementary learning materials and the training of parents in communities. There are 17 tutoring locations, and they have served more than 2,000 students. The goal is to help children become self-reliant and break free from poverty as they grow up, empowering them to choose their own careers and ways of life, and ultimately achieve the vision of "bringing hope home through knowledge."



Sponsor educational charity events

Medical and Health Education Public Welfare Activities

Although the National Health Insurance program has made healthcare highly accessible and people no longer need to worry about medical expenses, and although it ensures that the public receives comprehensive medical care with peace of mind, the humanistic care provided by student medical service teams in remote areas represents the core value of medical education and healthcare professionals. These teams not only offer much-needed medical resources and knowledge to underserved communities, but also provide emotional support and companionship. More importantly, through the guidance of medical professionals, medical students are able to integrate their classroom knowledge into real-life practice and, through these non-commercial, purely service-oriented experiences, discover a sense of mission.

To encourage medical universities to organize medical service teams that bring healthcare services, health education campaigns, and free medical consultations to remote areas with insufficient medical resources, the Foundation provided partial funding for five medical and health education public service camps in 2024. These five service teams involved over 500 participants and served more than 2,600 people.

| School | Club | location | Number of people Participating | Number of people served |
|-----------------------------|---|--|-----------------------------------|-------------------------|
| | First Social Medical Service Team | Dacheng Township and three other townships in Changhua | 110 | 300+ |
| Taipei Medical | Green Cross Medical Service Team | Shuilin and Yuanchang Townships in Yunlin | 120 | 400+ |
| University | Mountain Region Social Medical Service Group | Ren'ai and Puli Townships in Nantou | 70 | 400+ |
| | TMU Maple Medical Youth Service Corps | Ren'ai and Puli Townships in Nantou | 220 | 1,000+ |
| China Medical University | Oral Health Education Service Team | Manzhou Township in Pingtung | 30 | 500+ |

Taipei Medical University First Social Medical consultations for local residents





Taipei Medical University Feng-Hsing Sociomedical and Medical Knowledge Promotion Service Group -Recreational Camp



Toufen Junior High School's music project

The Foundation collaborated with the Harvest365 Foundation of Chiayi City and Toufen Junior High School to establish the music education project at the school in September 2021. Specialized choir teachers nurtured by the Harvest365 Foundation, together with music teachers at Toufen Junior High School, instruct the Harmony Choir, which is composed of 7th and 8th grade students. The choir consists of nearly 30 students who, in addition to regular club hours, also use their after-school time for practice. Through vocal arts, the program aims to accompany students in their growth and, by performing on stage at the annual Harvest365 Music Festival, inspire their motivation to learn and help them build self-confidence.

Some students who originally lacked confidence in their singing have found joy and self-assurance through singing with their peers in the choir, and have even become braver. There are even students who practice singing so diligently at home that their parents have learned the songs too. Passionate teacher Chu Yu-Ching said, "The students' real progress does not lie in musical technique, but in their understanding of what 'chorus' truly means." Immersed in the atmosphere of music, students feel the strength of one another, and we hope they will continue to express themselves with confidence on their future paths!



7 Appendix

7.1 GRI Standards Index

| Use Statement | China General Plastics Corporation. (hereinafter referred to as "CGPC") has prepared this report in accordance with the GRI Guidelines. The reporting period of this report is for the year 2024 (from January 1, 2024, to December 31, 2024). Some data may include information and performance from before January 1, 2024, as well as content relating to the year 2025. |
|----------------------------------|---|
| GRI 1 used | GRI 1: 2021 General |
| Relevant GRI Industry Guidelines | Not Applicable |

| GRI Standard | | | GRI 2: | GRI 2: General disclosures for 2021 | | | |
|--|---|-----------------------|----------------------|--|--|--|--|
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| 2-3 Report period, Frequency and Contact Person | About this Report, 2.1.3 Grievance mechanism | 04, 19 | | | | | |
| 2-4 Information re-editing | About this Report 3.2.4 Description of direct economic value generated and distributed by the organization 5.3 Water Resources Management 5.4 Air Pollution Control | 04 45 95 103 | | CH3.2.4: The retained economic value in 2023 was revised in the 2024 Sustainability Report due to rounding adjustments. CH5.2: Vinyl chain carbon reduction pathway planning, energy consumption over the past three years, unit product energy consumption over the past three years, greenhouse gas emission intensity by product, and greenhouse gas emissions of each plant over the past three years CH5.3: Water withdrawal of each plant in the last three years, R2 water reuse rate statistics over the past three years, wastewater discharge volumes over the past three years, and wastewater discharge intensity over the past three years CH5.4: Since chemical production volume is measured in dry tons, the 2023 - 2030 material topic targets have been updated accordingly. CH5.5: Waste generation statistics over the past three years have been updated due to omissions in previous data. | | | |
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| 2-7 Employees | 1.1 Company Introduction, 6.1 Workforce Structure | 13, 110~111 | | | | | |
| 2-8 Non-Employee Workers | 6.4 Safe and Healthy Workplace | 127~141 | | | | | |

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| | 3.1.5 Corporate governance officer | 38 | | | | |
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| 2-29 Stakeholder Engagement Policy | 2.3 Identification of Major Stakeholders 2.3.1 Stakeholder communication management and issues of concern | 23 24~25 | | |
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| 3- | 1 | | | Process for determining material topics | 2.4.1 Process for determining material issues | 26 | | | |
| 3- | 2 | | | List of material topics | 2.4.3 Changes in material issues | 31 | | | |
| Material issue | SDGs Sub-tar- get | | | Disclosure of subject-specific guidelines | Section | Page num- ber | Remarks | | |
| Category: Enviro | onment | | | | | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 5.2 Climate Change and Energy Management | 77~94 | | | |
| | | | 302-1 | Energy consumption within the organization | 5.2.6 Energy management | 89~90 | | | |
| | | | 302-2 | External energy consumption of the organization | Information not available/incomplete | | Difficulties in obtaining external data | | |
| Climate Change | 72 42 2 | GRI 302: | 302-3 | Energy intensity | 5.2.6 Energy management | 89~90 | | | |
| and Energy Management | 7.3, 13.3 | 2016 Energy | 302-4 | Reduction of energy consumption | 5.2.8 Energy conservation and carbon education solutions and performance | 93 | | | |
| | | | | | 302-5 | Reducing the energy demand of products and services | Not Applicable | | Downstream products are non-energy-consuming products. |
| | | GRI 3:2021 | 3-3 | Management of material topics | 5.3 Water Resources Management | 95~102 | | | |
| | | GRI 303: 2018 Water and effluents | 303-1 | Interactions with water as a shared resource | 5.3.1 Water management | 97~100 | | | |
| | 6.3, 6.4, | | 303-2 | Management of water discharge-related impacts | 5.3.3 Waste water quality testing | 101 | | | |
| Water Resources Management | 6.5, 6b, | | 303-3 | Water withdrawal | 5.3.1 Water management | 97~100 | | | |
| es management | 12.2 | | 303-4 | Water discharge | 5.3.2 Wastewater discharge management | 101 | | | |
| | | | 303-5 | Water consumption | 5.3.1 Water management | 97~100 | | | |
| | | GRI 3:2021 | | | | | Follow-up issues | | |
| | | | 305-1 | Direct (Scope 1) greenhouse gas emissions | 5.2.7 Greenhouse gas management | 90 | | | |
| | | | 305-2 | Indirect (Scope 2) greenhouse gas emissions from energy | 5.2.7 Greenhouse gas management | 90 | | | |
| | | | 305-3 | Other Indirect (Scope 3) greenhouse gas emissions from | 5.2.7 Greenhouse gas management | 90 | | | |
| | | | 305-4 | Greenhouse Gas Emission Intensity | 5.2.7 Greenhouse gas management | 90 | | | |
| Air pollution control | 3.9, 11.6 | GRI 305: 2016 Emissions | | 305-5 | Reduction of GHG emissions | 5.2.8 Energy conservation and carbon education solutions and performance 5.2.9 Energy conservation and carbon reduction equipment improvement solutions | 93 94 | | |
| | | | 305-6 | Emissions of ozone-depleting substances (ODS) | Not Applicable | | Non-production, imports and exports of ODS | | |
| | | | 305-7 | Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions. | 5.4 Air Pollution Control | 103~104 | | | |

| GRI Sta | ndard | | | Disclosure items | Section | Page num- ber | Remarks | | | |
|---------------------------------|----------------------|---|-------------|--|---|---------------------------|---|---|---------------------------|--|
| 3- | 1 | | | Process for determining material topics | 2.4.1 Process for determining material issues | 26 | | | | |
| 3- | 2 | | | List of material topics | 2.4.3 Changes in material issues | 31 | | | | |
| Material issue | SDGs Sub-tar- get | | | Disclosure of subject-specific guidelines | Section | Page num- ber | Remarks | | | |
| Category: Enviro | nment | | | | | | | | | |
| | | GRI 3:2021 | | | | | Follow-up issue | | | |
| | | | 306-1 | Waste generation and significant waste-related impact | 5.5 Waste Management | 105~107 | | | | |
| Naste Manage- | 6.3, 12.4, | | 306-2 | Management of significant waste-related impact | 5.5 Waste Management | 105~107 | | | | |
| nent 12.5 | 12.5 | GRI 306: 2020 Waste | 306-3 | Waste generated | 5.5 Waste Management | 105~107 | | | | |
| | | vvaste | 306-4 | Disposal and Transfer of Waste | 5.5 Waste Management | 105~107 | | | | |
| | | | 306-5 | Direct Disposal of Waste | 5.5 Waste Management | 105~107 | | | | |
| Category: Societ | у | | | | | | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 6.2 Talent Attraction and Retention | 112~122 | | | | |
| | | GRI 401:2016 Labor Rela- tions 8.3, 8.5, | 401-1 | New hires and outgoing employees | 6.2.1 Appointment and resignation | 113 | | | | |
| | 4487 | | Labor Rela- | 401-2 | Benefits provided to full-time employees (excluding temporary or part-time employees) | 6.2.2 Salary and benefits | 114~118 | | | |
| Talent Attraction and Retention | 8.3, 8.5, | | 401-3 | Parental leave | 6.2.2 Salary and benefitsits | 114~118 | | | | |
| and Retention | 8.7, 8.8 | GRI 405:2016 Diversity and | 405-1 | Percentage of corporate governance organization members and various types of employees by gender, age group, minority group, and other indicators of diversity | 6.1 Manpower Structure | 110~111 | | | | |
| | | Equal Oppor- tunity | 405-2 | Ratio of basic salaries and remuneration to women and men by employee category and key operating locations | 6.1 Manpower Structure 6.2.2 Salary and benefits | 110~111 114~118 | | | | |
| | | GRI 3:2021 | | | | | Follow-up issue | | | |
| Talent devel- | 4.4, 4.5 | | 404-1 | Average hours of training per year per employee | 6.3 Talent Development and Cultivation | 123~126 | | | | |
| opment and | 8.5, | GRI 404:2016 Training and | 404-2 | Programs improving employees' capabilities and transition assistance | 6.2.3 Human rights and protection 6.3 Talent Development and Cultivation | 119~122 123~126 | | | | |
| | | Education | 404-3 | Percentage of employees receiving regular performance and career development reviews | 6.3 Talent Development and Cultivation | 123~126 | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 6.4 Safe and Healthy Workplace | 127~141 | | | | |
| | | | 403-1 | Occupational safety and health management system | 6.4.1 Occupational safety management | 128~131 | | | | |
| Occupational | | GRI 403:2018 | 403-2 | Hazard identification, risk assessment and incident investigation | 6.4.1 Occupational safety management | 128~131 | | | | |
| afety and nealth | 3.9, 8.8 | Occupational | 403-3 | Occupational healthcare services | 6.4.2 Occupational health management | 132~133 | | | | |
| ileartii | | | | | Safety and Health | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 6.4.1 Occupational safety management 6.4.3 Occupational safety and health organizations 6.4.4. Contractor safety management | 128~131 134 134~135 | |

| GRI Star | ndard | | | Disclosure items | Section | Page number | Remarks | |
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| 3-1 | Į. | Process for determining material topics | | Process for determining material topics | 2.4.1 Process for determining material issues | 26 | | |
| 3-2 | 2 | | | List of material topics | 2.4.3 Changes in material issues | 31 | | |
| Material issue | SDGs Sub-tar- get | | | Disclosure of subject-specific guidelines | Section | Page number | Remarks | |
| Category: Society | У | | | | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 6.4 Safe and Healthy Workplace | 127~141 | | |
| Occupational | | | 403-5 | Worker training on occupational health and safety | 6.4.4. Contractor safety management 6.4.5 Emergency response | 134~135 135~136 | | |
| | | GRI 403:2018 | 403-6 | Promotion of worker health | 6.4.2 Occupational health management | 132~133 | | |
| safety and health | 3.9, 8.8 | Occupational safety and | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 6.4.6 Process safety management | 137~141 | | |
| | | health | 403-8 | Workers covered by an occupational health and safety management system | 6.4.1 Occupational safety management | 128~131 | | |
| | | | 403-9 | Work-related injuries | 6.4.1 Occupational safety management | 128~131 | | |
| | | | 403-10 | Work-related illness | 6.4.1 Occupational safety management | 128~131 | | |
| | 2.6.44.2 | GRI 3:2021 | | | | | Follow-up issues | |
| Transportation 3.6, 11.2, afety 11.6 | | Customize theme | | Customize theme | 6.5 Transportation Safety Management | 142~149 | | |
| Category: Econor | my | | | | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 3.2 Operational Performance | 43~45 | | |
| | | | 201-1 | Direct economic value generated and distributed by the organization | 3.2.4 Description of direct economic value generated and distributed by the organization | 45 | | |
| Financial perfor- mance | 8.2, 9.2 | GRI 201:2016 Financial | 201-2 | Financial impacts and their risks and opportunities caused by climate change | 5.2.4 Potential financial impact of risks and opportunities | 84~87 | | |
| | | performance | 201-3 | Defined benefit plans, obligations, and other retirement plans | 6.2.2 Salary and benefits | 114~118 | | |
| | | | | 201-4 | Financial assistance received from the government | 3.2.5 2023 Government subsidies | 45 | |
| Technology | 9.5, 12.4, | GRI 3:2021 | 3-3 | Management of material topics | 3.5 Technology Research and Development | 50~53 | | |
| Research and Development | 9.5, 12.4, 12.5 | Customize theme | | Customize theme | 3.5 Technology Research and Development | 50~53 | | |
| Intelligent Man- | | GRI 3:2021 | 3-3 | Management of material topics | 3.6 Intelligent Management | 54~57 | | |
| agement | 9.4, 7.3 | Customize theme | | Customize theme | 3.6 Intelligent Management | 54~57 | | |
| | | GRI 3:2021 | | | | | Follow-up issues | |
| Product quality | 9.4, 12.4, 12.5 | Customize theme | | Customize theme | 4.2 Product Quality | 63~64 | | |

| GRI Standard | | | | Disclosure items | Section | Page Number | Remarks | | | |
|-------------------|-------------------|------------|-------|--|---|---|--|----|---------------------|--|
| 3-1 | | | | Process for determining material topics | 2.4.1 Process for determining material issues | 26 | | | | |
| 3-2 | | | | List of material topics | 2.4.3 Changes in Material Issues | 31 | | | | |
| Material issue | SDGs Sub-target | | | Disclosure of subject-specific guidelines | Section | Page Number | Remarks | | | |
| Category: Economy | Category: Economy | | | | | | | | | |
| | | GRI 3:2021 | 3-3 | Management of material topics | 4.3 Supply chain management | 65~70 | New material issue | | | |
| | 8.7, 12.6 | GRI 308 : | 308-1 | Use environmental standards to screen new suppliers | 4.3.1 Supply chain sustainable development strategy and planning | 65 | | | | |
| Supply chain | | 2016 | 308-2 | Negative environmental impacts in the supply chain and actions taken | 2.4.2 Positive and Negative Impact Factors of Major Issues 4.3.1 Supply chain ESG risk management and implementation status | 27~31 65 | Supplier social responsibility commitment, risk management | | | |
| management | | 8.7, 12.6 | | GRI 403 : 2018 | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 4.3.1 Supply chain ESG risk management and implementation status | 65 | Supplier evaluation | |
| | | GRI 414 : | 414-1 | Use social standards to screen new suppliers | 4.3.1 Supply chain ESG risk management and implementation status | 65 | Supplier Social Responsibility Commitment | | | |
| | | 2016 | 414-2 | Negative social impacts in the supply chain and actions taken | 4.3.1 Supply chain ESG risk management and implementation status | 65 | Supplier Social Responsibility Commitment | | | |

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7.2 SASB Chemical Industry Index

Refer to the Sustainability Accounting Standards - Chemicals issued by the Sustainability Accounting Standards Board (SASB)

| Item | Code | Content of indicators | Unit | 2022 | 2023 | | 2024 | Corresponding chapter | Page number |
|-----------------------|--------------|---|--|--|---|--|---|--|----------------|
| | RT-CH-110a.1 | Scope 1 GHG emissions (tonne CO ₂ e) Scope 1 GHG emissions are regulated by emissions restriction regulations at a percentage (%). | (1) Million tonnes CO ₂ e (2) % | (1) 0.1603 (2) 99.86% | (1) 0.1513 (2) 99.79% | | (1) 0.1613 (2) 98.94% | 5.2.7 Greenhouse gas management | 90~92 |
| Greenhouse gas | RT-CH-110a.2 | Management strategies or plans for Scope 1 GHG emissions, including emission reduction targets, performance | n/a | In response to the government's net zero emission policy, CGPC conducts inventory and monitoring of greenhouse gas emissions and holds technical exchange meetings with other affiliates of the Group, so that plants can communicate technologies used and issues faced to achieve sharing and improve the performance of energy conservation and carbon reduction (as shown in the table below). | | | | 5.2 Climate Change and Energy Management | 77~94 |
| | | analysis, etc. | | Item | 2022 | 2023 | 2024 | | |
| | | | | Carbon reduction (_{tco2e}) | 6,461 | 9,970 | 3,888 | | |
| | | | | Energy Saving (GJ) | 102,916 | 153,867 | 60,404 | | |
| | | Emissions of the following air pollutants: | I | ı | | | | | |
| | | (1) Nitrogen oxides | tonne | 81.773 | 79.423 | | 77.199 | 5.4 Air Pollution Control 10 | |
| Air quality | RT-CH-120a.1 | (2) Sulfur oxides | tonne | 1.560 | 1.000 | | 0.106 | | 103~104 |
| | | (3) Volatile organic compounds | tonne | 443.007 | 347.395 | | 261.100 | 5.4 Air Pollution Control | |
| | | (4) Hazardous air pollutants (HAPs) | tonne | 25.031 | 31.981 | | 16.358 | | |
| | | (1) Total energy consumed (GJ) | GJ | 4,055,542 | 3,988,900 | | 3,583,018 | | |
| Energy manage- | DT CU 120- 1 | (2) Percentage of energy consumption from grid (%) | % | 27% | 26% | | 27% | 5.2.6 Energy manage- | 00~00 |
| ment | RT-CH-130a.1 | (3) Percentage of renewable energy use (%) | % | - | - | | 0.01% | ment | 89~90 |
| | | (4) Energy generated in-house (GJ) | GJ | 4,415 | 6,238 | | 9,137 | | |
| | | (1) Total water withdrawal | Million liters | 2,918.9 | 2,734.5 | | 2,594.9 | | |
| | | (2) Total water consumption | Million liters | 2,022.5 | 1,905.8 | | 1,792.7 | | |
| | RT-CH-140a.1 | (3) Operating locations located in areas with "High" or "Very high" deficiency in water and the percentage compared with (1) and (2). | % | CPGC, TVCM and CGPC high" deficiency in wat | | reas with ' | 'High" or "Very | | |
| Water manage- ment | RT-CH-140a.2 | Number of cases of violations of water quality-related discharge permits, standards and regulations. | Number | No violations of releva | nt regulations. | | | 5.3 Water Resources Management | 95~102 |
| | RT-CH-140a.3 | Describe water management risks and strategies, as well as risk mitigation practices. | | Continuous monitoring water consumption red tinue to study feasible improve water conservates. Improve pipeline follow up and review t | cords. In terms of mar solutions and use man vation and enhance wa es, conduct regular lea | agement, nufacturin ater recycl k-prevent | we will con- g processes to ing and reuse ion inspections, | | |

| Item | Code | Content of indicators | Unit | 2022 | 2023 | 2024 | Corresponding chapter | Page number |
|---|------------------|--|-------------------------------|--|--|--|---|------------------|
| Hazardous waste manage- ment | RT-CH- 150a.1 | The total amount of hazardous waste generated by the Company and the percentage of amount recycled. | (1) tonnes (2) recycling % | (1) 46.55 (2) 3.5% | (1) 197.95 (2) 69.8% | (1) 170.60 (2) 89.4% | 5.5 Waste Management | 105~107 |
| Community relations | RT-CH- 210a.1 | The processes involved in discussion of managing risks and opportunities related to community interests. | n/a | communities through | ablish communication n local talent recruitment nd maintenance, and he ntial risks and create wir | , scholarship programs, ealth care initiatives, in | 6.6 Social Participation | 149~163 |
| | RT-CH- | (1) Total Recordable Incident Rate (TRIR) formula: (Number of Recordable Incidents × 200,000) / Total Work Hours | % | 0.33 | 0.57 | 0 | | |
| | 320a.1 | (2) Mortality rate, a. Regular employees, b. Contract employees | % | 0 | 0 | 0 | Workplace | |
| Occupational health and safety | RT-CH- 320a.2 | For employees and non-employees (to reduce long-term/chronic exposure), health risk assessment, and description of monitoring. | n/a | Health Management S health examinations b Company has also esta health promotion mea | ed the ISO 45001 Occupa System, conducting haza Jased on operational envaluished control operational asures, with regular mor | rd identification and vironmental risks. The on guidelines and hitoring and tracking of | | 73~76 127~141 |
| Product design contributing to the efficiency improvement in the use phase | RT-CH- 410a.1 | Product revenue that can improve resource efficiency during the use phase. | NT\$ thousand | There were 12 new products developed in the past 2 years, and the total sales of new products in 2022 was NT\$99,420 thousand. | There were 15 new products developed in the past 2 years, and the total sales of new products in 2023was NT\$39,302 thousand. | There were 15 new products developed in the past 2 years, and the total sales of new products in 2024 was NT\$39,291 thousand. | 3.5 Technology Research and Development | 50~53 |

| Item | Code | Content of indicators | Unit | 2022 | 2023 | 2024 | Corresponding chapter | Page number |
|---------------------------------------|--------------|--|--------|--|---|--------|--|------------------|
| Chemical safety and | RT-CH-410b.1 | The percentage of product revenue (%) of products containing chemical substances classified as Type 1 and 2 health and environmental hazards by the GHS hazard categories. | % | 60.05% | 58.28% | 61.69% | | |
| environmental manage- ment | | The percentage (%) of relevant products that have under gone hazard analysis. | % | | 100% | | 5.1 Environmental Management Policy | 73~76 |
| | RT-CH-410b.2 | Strategies for the development of chemicals of high concern and alternative products that reduce human and environmental impact. | n/a | , | l, liquid caustic sod ed by CGPC are not | 0 | n | |
| Genetically modified organism | RT-CH-410c.1 | Percentage of overall revenue coming from GMO products. | % | No GMO products are produced. | | | | |
| Legal and monitoring management | RT-CH-530a.1 | The Company's position on government regulation and policy planning on environmental and social issues. | n/a | Check environmental protection/social laws and regulations every month, comply with important government and international environmental protection regulations and promote the ISO 14001 and other management systems to ensure that the Company's daily operations have minimal impact on the community. Conduct active communication to understand employees and local residents and other key stakeholders and then propose solutions for improvement. | | | 5.1 Environmental Management Policy 6.4 Safe and Healthy Workplace | 73~76 127~141 |
| | | Process safety incident counts (PSIC) | Number | 0 | 1 | 0 | | |
| Process safety and emergency response | RT-CH-540a.1 | Process safety total incident rate (PSTIR) (= Process safety incident cases x 200,000 million man-hour / Total employee work hours) | % | 0 | 8 | 0 | 6.4 Safe and Healthy | 127~141 |
| | | Process safety incident severity rate (PSISR) (= Total severity score for all process safety incidents x 200,000 million manhour / Total employee work hours) | % | 0 | 0 | 0 | Workplace | 12/ 141 |
| | RT-CH-540a.2 | Number of transportation incidents | Number | 0 | 0 | 0 | | |

7.3 Sustainability Disclosure Indicators—Plastic Industry

| Number | Content of indicators | Type of indicators | | 2024 disclo | Unit | Corresponding chapter and page number | | | |
|--------|---|-----------------------|---|--|-------------------------|---------------------------------------|--------------------------|------------------------------|--|
| 1 | Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated | Quantify | (1) Total energy consumption(GJ) | energy | | | (1) GJ (2) % (3) % | 5.2.6 Energy manage- ment | |
| | and self-use energy | | 3,583,018 | 27% | 0.01% | - | (4) GJ | P. 89~90 | |
| _ | Total water withdrawn and total water consump- | | Total water | Total water withdrawn | | Total water consumption | | 5.3 Water Resources | |
| 2 | tion. | Quantify | 2,59 | 4,900 | 1,79 | 2,746 | Thousand M ³ | Management P. 95~102 | |
| | ital general and hazardous waste generated, | | Total hazardous was | Total hazardous waste generated (tonnes) Percentage recycled (%) | | (1) tonnes | 5.5 Waste Management | | |
| 3 | and percentage recycled. | Quantify 170.60 89.4% | | .4% | (2) % | P. 105~107 | | | |
| | | | Ratio calculation meth | od: Number of occupa | ational accidents/total | number of employees | | | |
| | | | Ite | Item Descript | | iptions | | 6.4 Safe and Healthy | |
| 4 | Number of employees in and rate of occupational accidents. | Quantify | Number of employees in occupational accidents | | 0 | | Person (%) | Workplace P. 127~141 | |
| | | | Occupational | Accident Rate | 0.0 | 00% | | | |
| | | | Com | pany | Productio | n (tonnes) | | | |
| | | | | CC | GPC . | 230 | ,046 | | |
| 5 | Production by product category. | Quantify | TV | CM | 319 | ,081 | tonnes | None | |
| | | | CG | PCP | 172 | ,322 | | | |

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7.4 Implementation Status of Climate-related Information

| Number | Item | Implementation Status |
|--------|---|---|
| 1 | Clarification of the supervision and governance of climate-related risks and opportunities by the board of directors and management. | CGPC places climate change management under the supervision of the Board of Directors. The Sustainable Development Committee, chaired by an independent director, serves as the highest organizational unit for climate-related matters. Each year, the committee reviews the Company's climate change strategies and targets, manages actions related to climate risks and opportunities, evaluates the progress of implementation, and reports to the Board of Directors. The relevant work meetings and their respective functions are summarized as follows: 1. Management Meeting: Chaired by the Chairman, discusses and plans major energy-saving and carbon reduction policies on an irregular basis. 2. Group's Environmental Division Quarterly Review Meeting: Serves as the highest level of energy management in the USI Corporation. It takes place every quarter and involves reporting on the planning, progress and making resolutions to the Chairman. 3. Green Energy Task Force: Serves as the responsible unit for promoting green energy initiatives within the USI Corporation. Reports to the Chairman on the progress and future plans of green energy development on a monthly basis. 4. Other functional committees under the Board of Directors, such as the Audit Committee, review the results identified by the Risk Management Task Force. The Risk Management Task Force conducts annual assessments of risks arising from global climate change, energy issues, and related fiscal and taxation matters, and submits its findings to the Board of Directors. In light of the global emphasis on issues related to E (Environmental aspect), S (Social aspect), and G (Governance aspect), the Company follows the "Sustainability Roadmap for TWSE- and TPEx-Listed Companies" issued by the Financial Supervisory Commission, which promotes the phased disclosure of greenhouse gas (GHG) inventory and assurance information, as well as the development of corporate GHG inventory capabilities. The Company has completed the GHG inventory and assurance process for the parent |
| 2 | Explanation of how identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, intermediate-term, long-term). | In 2023, a questionnaire survey was conducted with the ESG Committee and senior management to assess the relevance of each risk to the Company's operations and the expected time frame of its potential impact, as well as the development potential and feasibility of each opportunity. A total of 21 responses were collected. Based on the statistical analysis conducted by the task force, 12 material climate-related topics were identified (2 physical risk items, 4 transition risk items, and 6 opportunity items). CGPC assessed the potential financial impacts of these 12 material risks and opportunities, and formulated corresponding response strategies and management mechanisms. These efforts aim to address the potential impacts of climate change across various aspects of the business, mitigate the operational risks brought by extreme climate events, and build a resilient culture toward climate change. Climate-related risk items are categorized into three timeframes based on the expected period of impact: short-term (< 3 years), medium-term (3–7 years), and long-term (> 7 years). For detailed information, please refer to Section 5.2.2 Climate Change Management Framework |

| Number | Item | Implementation Status |
|--------|--|--|
| 3 | Explanation of the financial impact of extreme weather events and transition actions. | • Financial impact of extreme weather events In accordance with the TCFD recommendations, CGPC has developed future scenarios based on physical and transition risks to analyze potential future impacts and opportunities the Company may face. The results have been incorporated into the assessment of strategic resilience. Physical risks were evaluated with reference to the Taiwan Climate Change Projection and Information Platform (TCCIP)'s publication in June 2023, titled "Atlas of Taiwan Climate Change Key Indices: AR6 Statistical Downscaling Edition", and the National Science and Technology Center for Disaster Reduction's "Climate Change Disaster Risk Mapping Platform" of Taiwan, which provide projections of long-term climate changes and potential climate risks. The IPCC AR6 scenarios combine the Shared Socioeconomic Pathways (SSPs) with the Representative Concentration Pathways (RCPs). CGPC adopted the SSP5 8.5 scenario, which represents very high greenhouse gas emissions with CO ₂ emissions projected to double by around 2050, to conduct future scenario analyses for climate hazards such as "heat," "flooding," and "drought." Under the RCP 8.5 scenario, the number of typhoons affecting Taiwan is projected to decrease by approximately 15% by mid-century (2040–2065) and by about 55% by the end of the century (2075–2099); however, the proportion of severe typhoons is expected to increase by roughly 100% and 50%, respectively. Maximum wind speeds are projected to rise by about 4% and 8%, and typhoon rainfall by approximately 20% and 35%. Although the total number of typhoons affecting Taiwan may decrease in the future, the threat of more intense typhoons is expected to rise. The Company must strengthen disaster preparedness and enhance its disaster resilience to minimize losses caused by typhoons. • Financial Impact of Transition Actions The financial impact of Transition actions on businesses is primarily reflected in cost and investment adjustments resulting from changes in policies and regulations, technologi |
| 4 | Explanation of how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system. | To strengthen its business philosophy of integrity and ensure stable operations and sustainable development, CGPC approved the "Risk Management Policies and Procedures" through a resolution of the Board of Directors in 2020. This framework aims to reduce operational risks the Company may face and enable directors to effectively assess and oversee existing or potential risks. Each responsible functional department conducts timely evaluations and rolling adjustments based on changes in the global economic environment, the latest ESG regulations, and the risk and opportunity assessment framework. The project secretary of the Audit Committee reports at least once a year to both the Audit Committee and the Board of Directors on the Company's annual risk management operations, enabling them to understand the Company's risk landscape and offer more concrete and timely recommendations for corporate governance strategies. Please refer to Section 5.2.2 Climate Change Management Framework and Section 5.2.3 Identification of Climate Risks and Opportunities |

| Number | Item | Implementation Status |
|--------|--|---|
| 5 | If resilience to climate change risks is assessed through scenario analysis, the scenario, parameters, assumptions, analysis factors, and key financial impacts used should be explained. | In response to the intensifying global climate change, CGPC continues to adopt the TCFD structure to deepen its analysis of potential risks under extreme climate conditions and to identify emerging business opportunities. Based on projections under the RCP 8.5 scenario from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction, CGPC assessed temperature rise, rainfall, flooding, and drought conditions for the period of 2016–2035. Three physical risk topics were identified. In addition, risk and opportunity factors were identified with reference to Group strategies, industry characteristics, Taiwan's Intended Nationally Determined Contributions (INDC), and TCFD indicators. Based on the nature of risk and opportunity factors, risks are categorized into physical risks and transition risks include flooding, drought, and high temperatures, while transition risks include policy and regulatory changes, reputation, technology, and market shifts. Opportunities are identified across four dimensions: resource efficiency, energy sources, products and services, and markets. Physical risks were evaluated with reference to the Taiwan Climate Change Projection and Information Platform (TCCIP)'s publication in June 2023, titled "Atlas of Taiwan Climate Change Key Indices: AR6 Statistical Downscaling Edition", and the National Science and Technology Center for Disaster Reduction's "Climate Change Disaster Risk Mapping Platform" of Taiwan, which provide projections of long-term climate changes and potential climate risks. The IPCC AR6 scenarios combine the Shared Socioeconomic Pathways (SCPS) with the Representative Concentration Pathways (RCPs). CGPC adopted the SSP5 8.5 scenario, which represents very high greenhouse gas emissions with CO ₂ emissions projected to double by around 2050, to conduct future scenario analyses for climate hazards such as "heat," "flooding," and "drought." Transition risks were assessed with |
| 6 | If there are transformation plans to manage climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks should be explained. | CGPC has adopted 2017 as the base year for identifying greenhouse gas emission indicators and targets. For detailed information, please refer to Point 9. The indicators and targets for identifying and managing physical and transition risks are as follows: • Energy management targets are set under the Group's carbon reduction goals , with 2017 as the base year, aiming for a 27% reduction by 2030 and carbon neutrality by 2050. • Climate response strategies: Short term (< 3 years): Replace outdated equipment, improve energy efficiency, install solar power systems, implement green procurement, develop response measures for flooding and drought, and mitigate the impact of carbon fee collection. Medium term (3–5 years): Promote low-carbon energy transition, adopt intelligent monitoring systems, and expand the deployment and use of renewable energy. Long term (> 5 years): Continue focusing on low-carbon fuels, carbon capture and utilization technologies, and negative emission technologies. • Greenhouse gas emission disclosure: Scope 1, Scope 2, and Scope 3 emission data are disclosed annually in the Sustainability Report, with regular reviews of the underlying causes for increases or decreases. Please refer to: Section 5.2.2 Climate Change Management Framework, Section 5.2.3 Identification of Climate Risks and Opportunities and Section 5.2.4 Potential Financial Impacts and Response Measures for Risks and Opportunities |

| Number | Item | | | Imp | lementation Status | | | | |
|--------|---|---|--|--|--------------------|---------------------|--|--|--|
| 7 | If internal carbon pricing is used as a planning tool, the basis for price determination should be explained. | Starting in 2025, To proactively re 2024. The price is system integrates accelerate the in departments undon carbon-relate | Taiwan, three subsidiary regulations on carbon fees were officially announced on August 29, 2024, followed by the announcement of the carbon fee rate on October 21. In a carbon fee calculations, marking the beginning of a carbon-pricing era. proactively respond to government policies, effectively address climate change, and reduce carbon risks, the Company introduced an internal carbon pricing system in 24. The price is based on the domestic carbon fee reference and was initially set at NTD 300 per metric ton, with plans for phased increases through periodic review. This stem integrates carbon costs into the Company's decision-making and investment evaluation processes to assess the impact of carbon emissions on business operations, celerate the implementation of carbon reduction measures, and drive low-carbon investments. In July 2024, the Company held two training sessions to help relevant partments understand the concept and application of internal carbon pricing and support implementation across all plants. Additionally, a general education course carbon-related topics was conducted in September, open to all employees to raise awareness and professional capacity in carbon reduction, working together toward nieving carbon reduction goals. | | | | | | |
| 8 | If climate-related goals are set, the following information should be provided: the activities covered by the goals, scope of greenhouse gas emissions, planning timeframe, and annual progress towards achieving the goals. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the quantity of RECs should be explained | 2017," and further to the TCFD structor of very high green established short CGPC is followin compared to the reduction strategenergy. The long achieving carbon also being closely | To strengthen the Company's resilience to climate risks, CGPC set its 2030 carbon reduction target in 2022 as "a 27% reduction in carbon emissions by 2030 compared to 2017," and further established "carbon neutrality by 2050" as a long-term corporate goal in 2023. In addition, to assess its ability to respond to climate risks, CGPC referred to the TCFD structure released by the Financial Stability Board (FSB) in 2015 to analyze the climate-related risks and opportunities the Company may face under a scenario of very high greenhouse gas emissions. Based on the findings, CGPC formulated mitigation and adaptation strategies, initiated various carbon reduction, and established short-, medium-, and long-term greenhouse gas reduction targets to reduce potential financial impacts and achieve its goal of sustainable business operations. CGPC is following the Group's carbon reduction pathway, and as of 2024, its greenhouse gas emissions (including consolidated subsidiaries) have decreased by 31.1% compared to the base year(2017). Moving forward, the Company will more actively implement energy-saving and carbon reduction programs. The medium-term carbon reduction strategy focuses on transitioning to low-carbon energy, improving energy efficiency, implementing intelligent monitoring, and installing and utilizing renewable energy. The long-term strategy continues to focus on low-carbon fuels, carbon capture and reuse technologies, and negative emission technologies, with the aim of achieving carbon neutrality and advancing the transition to a low-carbon economy. The planning timeline and annual progress for greenhouse gas emission reductions are also being closely monitored. Please refer to: Vinyl Chain Carbon Reduction Pathway Planning, Section 5.2.6 Energy Management, Section 5.2.8 Energy Conservation and Carbon Reduction Programs and | | | | | | |
| | | For greenhouse g | gas inventory data, | please refer to <u>Chapter 5.2</u> of this report. | | | | | |
| | | Cor | mpany | CGPC | TVCM | CGPCP | | | |
| | | Inventory | Scope of inventory | CGPC Main plant | TVCM Linyuan plant | CGPCP Linyuan plant | | | |
| 9 | Greenhouse gas inventory and verification status. | inventory | Data period | 2024 | 2024 | 2024 | | | |
| | vermeaton status. | Assurance | Assurance Unit | SGS | DNV | AFNOR ASIA | | | |
| | | Cert | ificates | ► CGPC | ► TVCM | ► CGPCP | | | |
| | | Note: Please refe | Note: Please refer to the note in <u>Vinyl Chain Carbon Reduction Pathway Planning.</u> | | | | | | |

Deloitte.

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

China General Plastics Corporation

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of China General Plastics Corporation, ("the Company") for

Subject Matter Information and Applicable Criteria

See Appendix for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI) and SASB Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- . Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- · Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, and observation to obtain evidence supporting limited assurance.

- 1 -

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Hsiu-Chun Huang

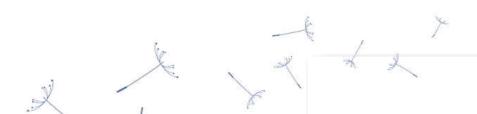
Hsi'u - Chun Huanz Taipei, Taiwan Republic of China

August 5, 2025

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

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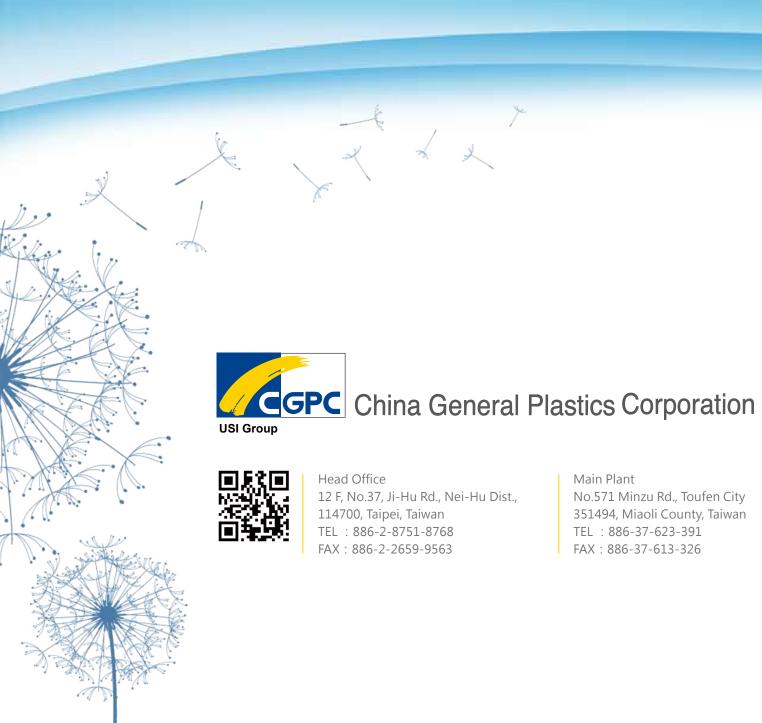


APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

| # | Subject Matter Information | Corresponding Section | Applicable Criteria | Disclosures |
|----|--|---|---|--|
| | GGPC (Main plant), TVCM (Linyuan plant) and CGPPC (Linyuan plant). In 2024, the total energy consumption was 3,583,018 GJ, percentage of purchased electricity was 27%, the utilization rate (renewable energy/total energy) was 0.01%, and total self-generated and self-use energy was 0 GJ. | 7.3 Sustainability Disclosure Indicators - Plastics Industry | Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy | Paragraph 3, Appendix 1-5 No. 1 |
| | CGPC (Main plant), TVCM (Linyuan plant) and CGPCP (Linyuan plant): In 2024, total water withdrawn was 2,594.9 thousand M², and total water consumption was 1,792.8 thousand M². | 7.3 Sustainability Disclosure Indicators - Plastics Industry | Total water withdrawn and total water consumption | Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Appendix 1-5 No. 2 |
| 3. | | 5.5 Waste Management 7.3 Sustainability Disclosure Indicators - Plastics Industry | Total general and hazardous waste generated, and percentage recycled | Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Appendix 1-5, No. 3 |
| 4. | GGPC (Main plant), TVCM (Linyuan plant) and CGPCP (Linyuan plant): In 2024, number of employees in occupational accidents was 0 person, and rate of occupational accidents was 0%. | 7.3 Sustainability Disclosure Indicators - Plastics Industry | Number of employees in and rate of occupational accidents | Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Appendix 1-5, No. 4 |
| 5. | and CGPCP (Linyuan plant): In 2024, emissions of the air pollutants were as follows, sulfur oxides (SOx) 0.106 tonnes, nitrogen oxides (NOx) 77.199 tonnes, | 5.4 Air Pollution Control 7.2 SASB Chemical Industry Index | Emissions of sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs) and hazardous air pollutants (HAPs). | SASB RT-CH-120a.1 Air quality |





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