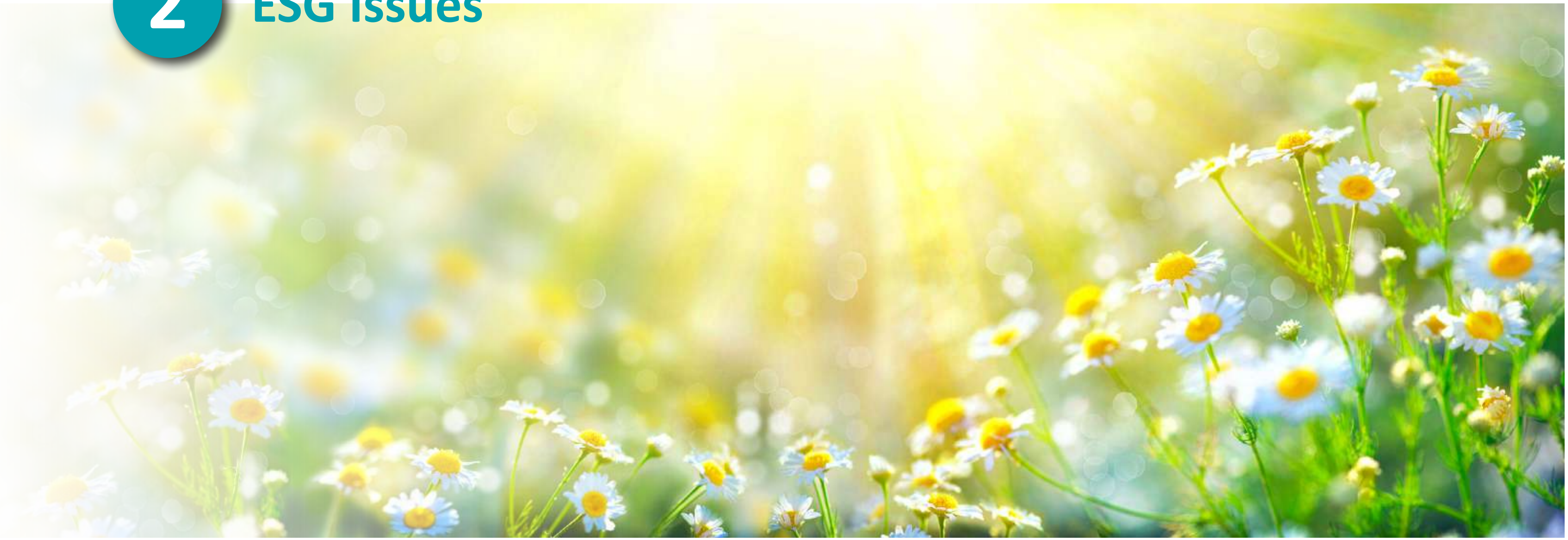
2 ESG Issues



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)

In pursuit of sustainable development, the company has established three core strategies based on its sustainability vision :「R&D and Innovation」,「Prudent Management」and「Social Inclusion」These serve as the company's 『Sustainability Principles』grounded in its sustainability development policy.

Sustainability vision

Guided by the USI Group's sustainable vision, we are committed to creating long-term value and contributing to a prosperous, sustainable society. Through ongoing advancement of our core capabilities, we aim to achieve strong business performance while delivering positive social and environmental impact.

Sustainable Management Policy

In pursuit of our sustainability vision, we are guided by three core strategies: innovation in research and development, prudent business management, and social inclusion. These principles shape our operational decisions and sustainability practices.

SDGs

In parallel, we assess the relevance of our sustainability vision to the UN Sustainable Development Goals (SDGs), prioritizing 8 goals and 20 sub-targets as focal points for strengthening sustainability management and enhancing performance. Through this approach, we progressively embed sustainability principles into our business operations and value chain.

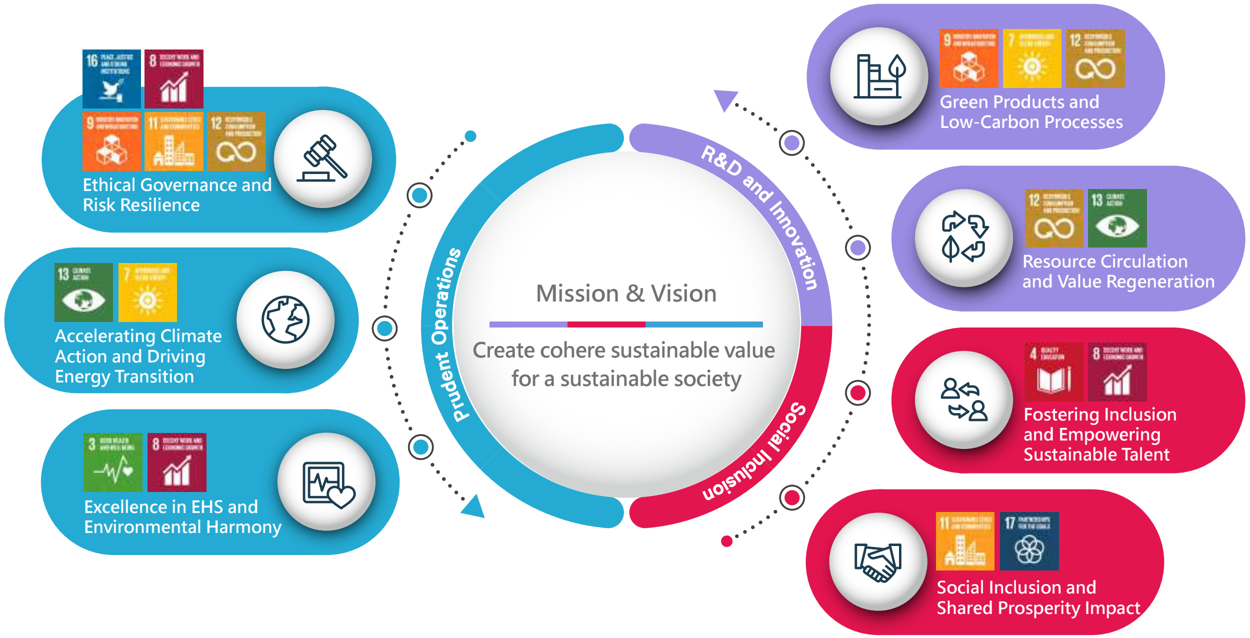
Major issue

By applying a materiality analysis framework, we evaluated both internal and external impacts and selected 8 critical sustainability issues. These issues provide a foundation for the Board of Directors and the ESG Committee to supervise and guide the implementation of sustainability strategies.

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

CGPC follows the Group's sustainability vision of "Creating Sustainable Value "Fostering a Thriving Sustainable Society," and has developed three core strategies: "Innovation in R&D," "Prudent Management," and "Social Inclusion." Based on these strategies, the company further advances seven key issues: Green Products & Low-Carbon Processes, Resource Recycling & Value Creation, Integrity Management & Risk Resilience, Climate Action & Energy Transition, Excellence in Occupational Safety & Environmental Well-being, Diversity & Sustainable Talent, and Social Inclusion & Shared Prosperity Impact. These seven issues form the foundation of the "CGPC Sustainability Strategy Framework" (as illustrated in the diagram).

CGPC Sustainability Strategy Framework



The company integrates sustainability concepts into its overall corporate development strategy. The strategies and implementation approaches for each issue are explained in the relevant chapters. Through institutionalized management, risk management, and continuous performance tracking, the company ensures effective linkage between sustainability strategies and operational decisions, establishing a solid foundation for long-term stable development and overall value enhancement.

Seven Key Issues Corresponding to Chapters and SDGs

Issue Title	Corresponding Chapters and SDG Goals
Green Products and Low-Carbon Processes	CH-3.5 Technology R&D Primary SDG: 9, Secondary SDG: 12 CH-3.6 Intelligent Management Primary SDG: 9, Secondary SDG: 7
Resource Circulation and Value Regeneration	CH-5.1 Environmental Management Policy Primary SDG: 12, Secondary SDG: 13
Ethical Governance and Risk Resilience	CH-3 Sustainability Development Primary SDG: 16 Secondary SDGs: 8, 9, 11, 12
Accelerating Climate Action and Driving Energy Transition	CH-5.2 Climate Change and Energy Management Primary SDG: 13 Secondary SDG: 7
Excellence in EHS and Environmental Harmony	CH-6.4 Safe and Healthy Workplace Primary SDG: 3
Fostering Inclusion and Empowering Sustainable Talent	CH-6.3 Talent Development and Cultivation Primary SDG: 4 Secondary SDG: 8
Social Inclusion and Shared Prosperity Impact	CH-6.6 Social Engagement Primary SDG: 11

2.1.3 Grievance mechanism (GRI 2-3)

CGPC has established a diversified grievance mechanism for stakeholders, setting up dedicated communication channels addressing environmental, social, and governance aspects (see table below). The actual implementation of each grievance mechanism, as well as the handling and improvement measures for regulatory violations and major incidents, are described accordingly. Disclosure has been unified under Chapter 3.4 "Regulatory Compliance." Other related implementation details are explained in the respective professional chapters according to the nature of each issue, describing their operations and handling measures. This ensures that stakeholder feedback is received in a timely manner and properly addressed by the responsible units.

Aspect	Environmental	Social	Governance
Material Topics	◆ Climate change and energy management ◆ Water Resources Management	◆ Talent Attraction and Retention ◆ Occupational Safety and Health	◆ Economic performance ◆ R & D and innovation ◆ Intelligent Management ◆ supply chain management
Track Issues	◆ Air Pollution Control ◆ Waste Management	◆ Talent Development and Cultivation ◆ Transportation Safety Management	◆ Product Quality
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.

Stage 1

Comprehend SDGs and discuss business development

- Conducting SDGs education training and discussing their impact on the company's operations.
- Consider priorities of SDGs.

Stage 2

Identify impacts and opportunities

- Link SDGs with material topics.
- Identify key opportunities and allocate resources.

Stage 3

Take actions in respond to SDGs

- Feasibility assessment and setting of goals.
- Set short-, medium-, and long-term plans, and incorporating them into the company's operational plans.

2.1.5 Response to the UN SDGs

The company's sustainability strategy and its linkage to the SDGs are based on materiality analysis. By assessing stakeholder concerns and the degree of operational impact, a sustainability management framework aligned with the SDGs has been established. For complete disclosure of SDG alignment, management policies, and performance, please refer to CH2.5 Materiality Analysis.

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.

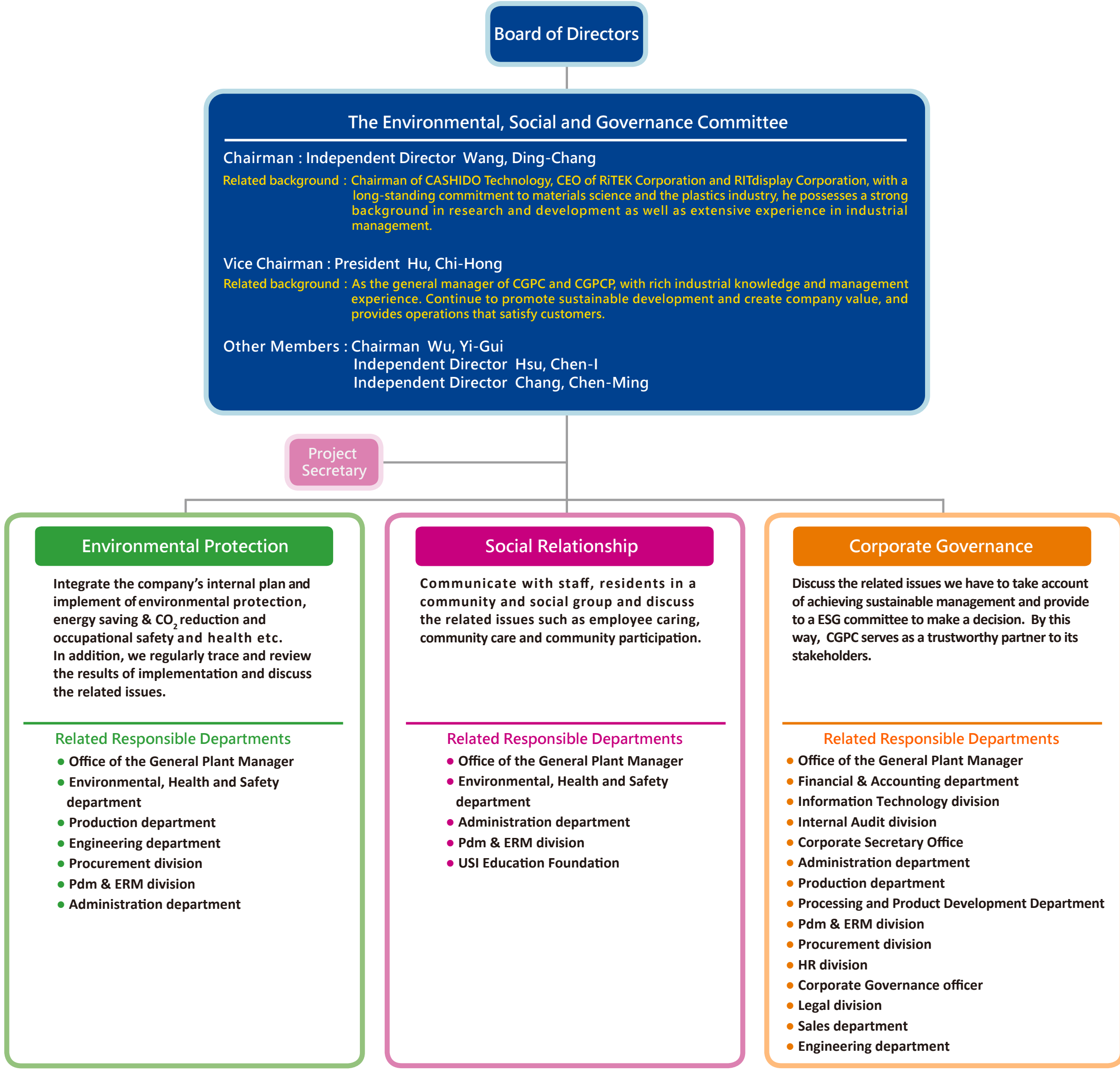
2.2.1 ESG Committee (GRI 2-10、2-11、2-12)

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 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) The Sustainability Development Committee submits its annual review results to the Board of Directors, enabling the Board to examine sustainability strategies, goals, and the progress of material issue implementation. These reviews serve as the basis for continuous improvement. (For details, please refer to Chapter 3.1.2 : Board Proposal Submission Process). In addition, please refer to the 'Implementation of Board Diversity' and 'Enhancing Directors' Professional Capabilities' sections under 'Board of Directors Information' on the Company's official website for details regarding the members' professional backgrounds, diversified core competencies, and sustainability-related continuing education.

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 topics, 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, 2025.
Note 2: On June 2, 2025, the Company completed the re-election of the Sustainable Development Committee. Independent Directors Mr. Wang, Ding-Chang, Mr. Hsu, Chen-I, and Ms. Chang, Chen-Ming were appointed as members of the 4th-term Sustainable Development Committee. Mr. Wang, Ding-Chang 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 (Same as the Materiality Analysis explanation). 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

1 Identification of Stakeholders → 2 Priority and Evaluation → 3 Develop a Joint Action Plan

Materiality Assessment

Collects Stakeholders → Investigation Method → Analysis Results

9 Types of Stakeholders

There are 9 types of stakeholders including government agencies, suppliers/contractors, peers, and customers.

Online Survey

- Participants: Promote ESG Supervisors 54 copies
- Answer: 44 copies
- Ratio: 81%

Identify Major Stakeholders' rank

1. Employees
2. Clients
3. Suppliers/Contractors
4. Government agencies
5. Investors

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)

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 bene-fits, training and evaluations and equal opportunities for promo-tion, 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 perfor-mance 2. Human rights and labor-management relations 3. Occupational safety and health 4. Talent development and cultivation 5. Talent attraction and retention	1. Salary is adjusted based on the price index and individual performance (employees' average salary increase in 2025 was about 3.23%). 2. The union holds meetings to communicate face-to-face with employee representatives regularly 89% of employees participated in the union and signed a human rights protection policy. 3. The Occupational Safety and Health Committee meeting is held quarterly and a total of 17 critical occupational safety issues were discussed in 2025. 4. Named an excellent enterprise in training by the Taoyuan-Hsinchu-Miaoli Regional Branch, Workforce Development Agency, Ministry of Labor. In 2025, a total of 273 people were subsidized by the Workforce Development Agency, Ministry of Labor. The total education hours were 110 hours and the subsidy received amounted to NTD 5.9 thousand. 5. Senior executives engage with employees during quarterly birthday gatherings and hold irregular meetings with the labor union (8 times in 2025). 6. By analyzing the results of employee satisfaction surveys, the company continuously reviews and optimizes its benefits system. Starting in 2025, the survey scope will be expanded to include workers, thereby enhancing overall coverage and epresentativeness. 7. The company provides diverse communication channels, including email, LINE, telephone and one-on-one meetings. Confidential counseling services are offered by external professional psychological consultants to help identify employees' primary sources of stress and provide appropriate resources or organize related seminars and courses.
Clients	Clients are CGPC's sources of rev-enue. We listen to their needs and collect market information and provide products and information in alignment with their needs in real time.	1. Sending samples/from time to time 2. Product exhibitions/from time to time 3. Visits, phone calls, emails, video confer-ences/anytime 4. Client satisfaction survey/annually 5. Client feedback and complaint response form/anytime 6. CGPC Family Newsletter/every two months	1. Economic perfor-mance 2. Client relationship management 3. Technology R&D 4. Product quality	1. In 2025, new synthetic leather products 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 7.3% of total synthetic leather product sales. 2. We learn about clients' opinions through the annual client satisfaction survey. In 2025, the number of clients responding to the survey who were "Satisfied" or above accounted for 96.5% of the total number of clients who responded to the survey (target was 90%). 3. In 2025, there were 18 quality improvement proposals and the resulting benefits reached NT$633,000.
Suppliers/ Contractors	Suppliers/Contractors are CGPC's important partners in sustain-able development, affecting our production, services, and opera-tions. 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	1. Supply chain sustain-able management 2. Occupational safety and health	1. (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) In 2025, the company will achieve a 100% signing rate of the Supplier Social Responsibility Commitment. (4) Contact point: Mr. Chen, Material Planning Department at (02) 8751-6888 ext. 3771 For detailed information, please refer to CH4.3 Supply Chain Management. 2. In 2025, a total of 2,525 participants completed safety training for contractors entering CGPC facilities. From 2023 to 2025, there were no contractor-related incidents reported at TVCM or CGPCP. In 2025, CGPC experienced two contractor-related accidents.(See CH6.4.4 Contractor Safety Management for details)

Identification of Major Stakeholders	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 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	1. In 2025, environmental and occupational safety penalties amounted to NTD 1.87 million (3 cases) and NTD 15 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. In the area of integrity governance, there was one anonymous report regarding inaccurate supplier evaluation, for which the company has already imposed disciplinary action.(Please refer to CH3.4 Regulatory Compliance and CH3.1.8 Implementation of Integrity for further explanationfor details) 2. In recent years, we have actively promoted various improvement initiatives to strengthen the Company's operations. The specific measures are as follows: 2.1 Implemented Management System. 2.2 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). 2.3 Planning for climate change risk management (please refer to CH5.2 for details). 3. Established a water recycling system (HBF) , with a total recycled water volume of approximately 826.6 million liters in 2025. The R2 water recycling rate 79.2%. 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.	1. Shareholders' meeting/annually 2. MOPS/release as required 3. The Company's website "Corporate Governance and Investor Services Section"/Any time 4. Annual report/annually 5. Financial statements/quarterly 6. ESG report/annually 7. Investor conference/four times per year 8. CGPC Family Newsletter/every two months 9. The Company's website "USI Joint Stock Network"/Irregular 10. Setup of whistleblowing mailboxes	1. Economic performance 2. Client relationship management 3. Technology R&D 4. Supply Chain Sus tainabilityManagement	1. 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. 2. Regularly disclose financial information on the MOPS of the Taiwan Stock Exchange and the Company's website. 3. Set up the investor section on the Company's website. 4. Formulated the Business Integrity Practices to prohibit employees from unethical conduct. 5. 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 Topics (GRI 2-23)

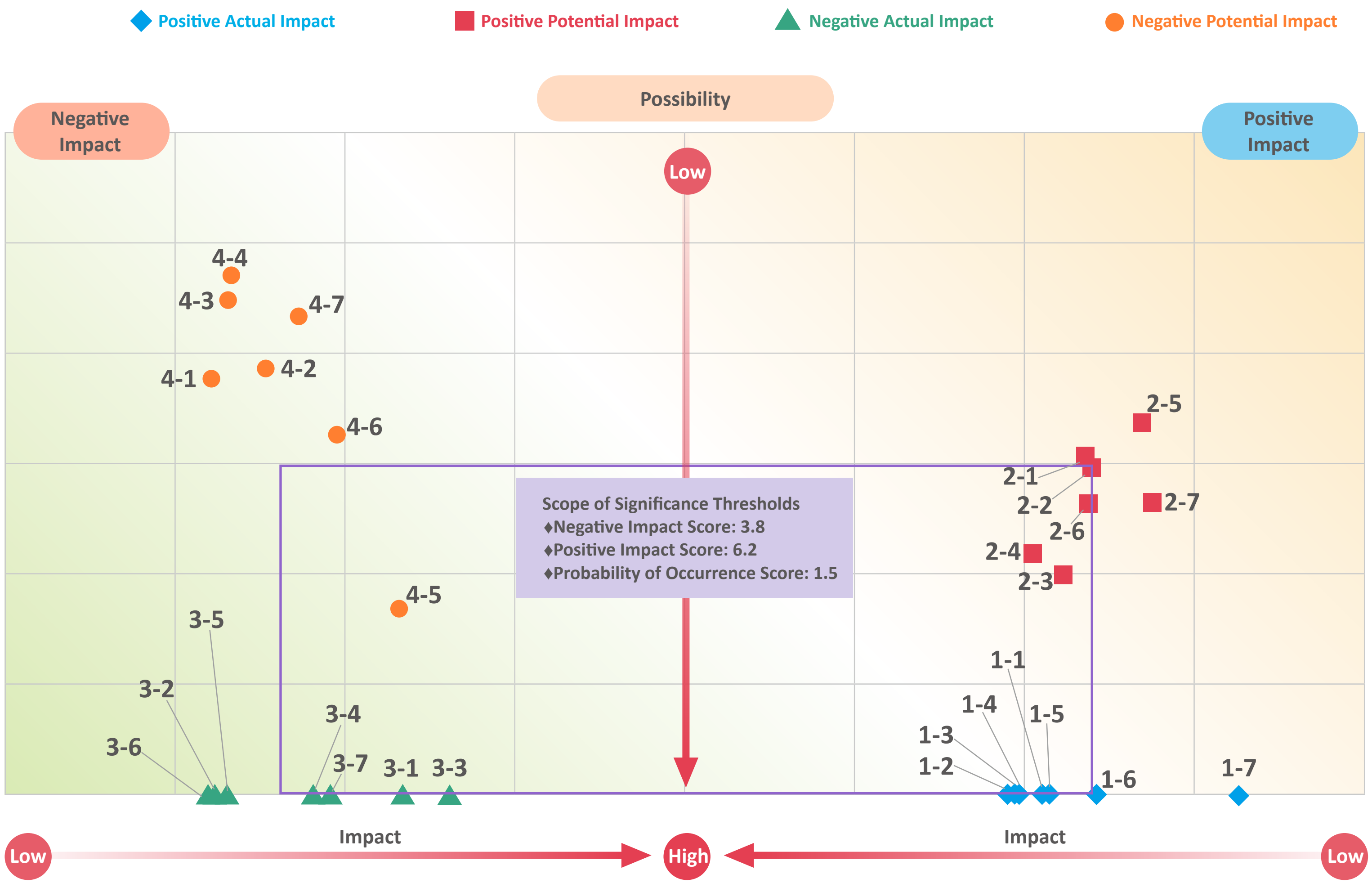
The Company followed the GRI Universal Standards to determine the three major steps of identification, analysis, and verification. A materiality analysis is performed every two years (The material topic assessment for 2024–2025 was completed in December 2024), and a dual materiality approach is incorporated. 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 topics (GRI 3-1)

Identification	Communication partner	In accordance with the five aspects of the AA1000 SES Stakeholder Engagement Standards, we send stakeholder identification questionnaires to ESG work team executives once every two years. They are sent out in the same year as the material topics analysis. After the statistical results are approved by the ESG Committee secretary and team leaders, five core stakeholder groups were determined based on the identification scores: employees, customers, government agencies, suppliers/contractors, and investors.	5 categories **Core Stakeholders**
	Collection Topics	With reference to international sustainability norms and standards (GRI Universal Standards: 2021, SASB, SDGs, TCFD) and the Company's operating goals and vision, the task force compiled 28 positive/negative actual and potential sustainability issues.	28 items **Sustainable Topics**
Analysis	External Impacts	Questionnaire surveys of core stakeholders were conducted in 2024, and issues were scored based on the extent of their positive and negative impacts. 594 feedbacks were issued and 455 valid responses were received.	455 copies **Valid External Question-naires**
	Internal Impacts	CGPC conducted a questionnaire survey of internal unit officers and directors in 2024. Issues were scored according to the extent of positive and negative im-pacts and the likelihood of their occurrence. A total of 54 valid responses were received. Adjustments to the weight proportion were made based on the ques tionnaire results of the highest governance unit for statistical analysis.	54 copies **Valid Internal Question-naires**
	Materiality Assessment	The sustainability impact items on the economy, environment, and people (human rights) are included in the materiality analysis methodology. The EU concept of double materiality is used to analyze material topics, and the frequency of material issue analysis is once every two years. Based on the questionnaire analysis results, we sorted the material topics and selected 15 significant ESG issues. Based on the environmental, social, and governance aspects, we conducted a dual materiality analysis to narrow the issues down into 8 material topics.	15 items **Significant Topics**
Confirm	Material Topics	Continuation 2024 material topics (Climate Change and Energy Management, Water Resources Management, Talent Attraction and Retention, Occupational Safety and Health, Economic Performance, Technology R&D, Supply Chain Management, and Intelligent Management, 8 in total), which were submitted to the ESG Committee for approval and reported to the Board of Directors.	8 items **Material Topics**

2.4.2 Materiality Assessment (GRI 2-23, 2-25, 3-1, 3-2, 3-3)

When conducting ESG materiality identification, CGPC not only refers to the requirements of the GRI Universal Standards 2021, SASB Chemical Industry indicators, SDGs, and sustainability trends in domestic and international industries, but also incorporates the company's operational development goals and sustainability vision. Through various communication channels, a total of 28 stakeholder concerns were collected. Based on "impact level" and "likelihood of occurrence," a risk matrix was developed. In accordance with the opinions of the ESG working group, stakeholders, and internal and external experts, a significance threshold was set, resulting in the selection of 15 ESG topics as material topics.



■ **Positive Potential Impact**

2-1 Successful development of sustainable materials has contributed to revenue growth

2-2 Actively seeking alternative raw materials and supplies to reduce the use of scarce or highly polluting materials

2-3 Introduced intelligent systems and other advanced technologies to enhance efficiency and quality

2-4 Invested in renewable energy to achieve green power targets

2-6 Promoted a gender-equal workplace environment to improve employee retention rates

● **Negative Potential Impact**

4-5 Carbon fee imposition has led to increased production costs

♦ **Positive Actual Impact**

1-1 Develop new products, diversify eco-friendly materials, and enter new industries

1-2 Introduce automated processes and systems to improve production efficiency and reduce production costs

1-3 Effective supply chain management enhances product quality

1-4 Invest in renewable energy to comply with regulatory requirements, reduce carbon emissions, and enhance industry competitiveness

1-5 Improved water recycling rate reduces production costs and lowers the risk of operational disruptions

▲ **Negative Actual Impact**

3-1 Economic downturn leading to oversupply and weak demand

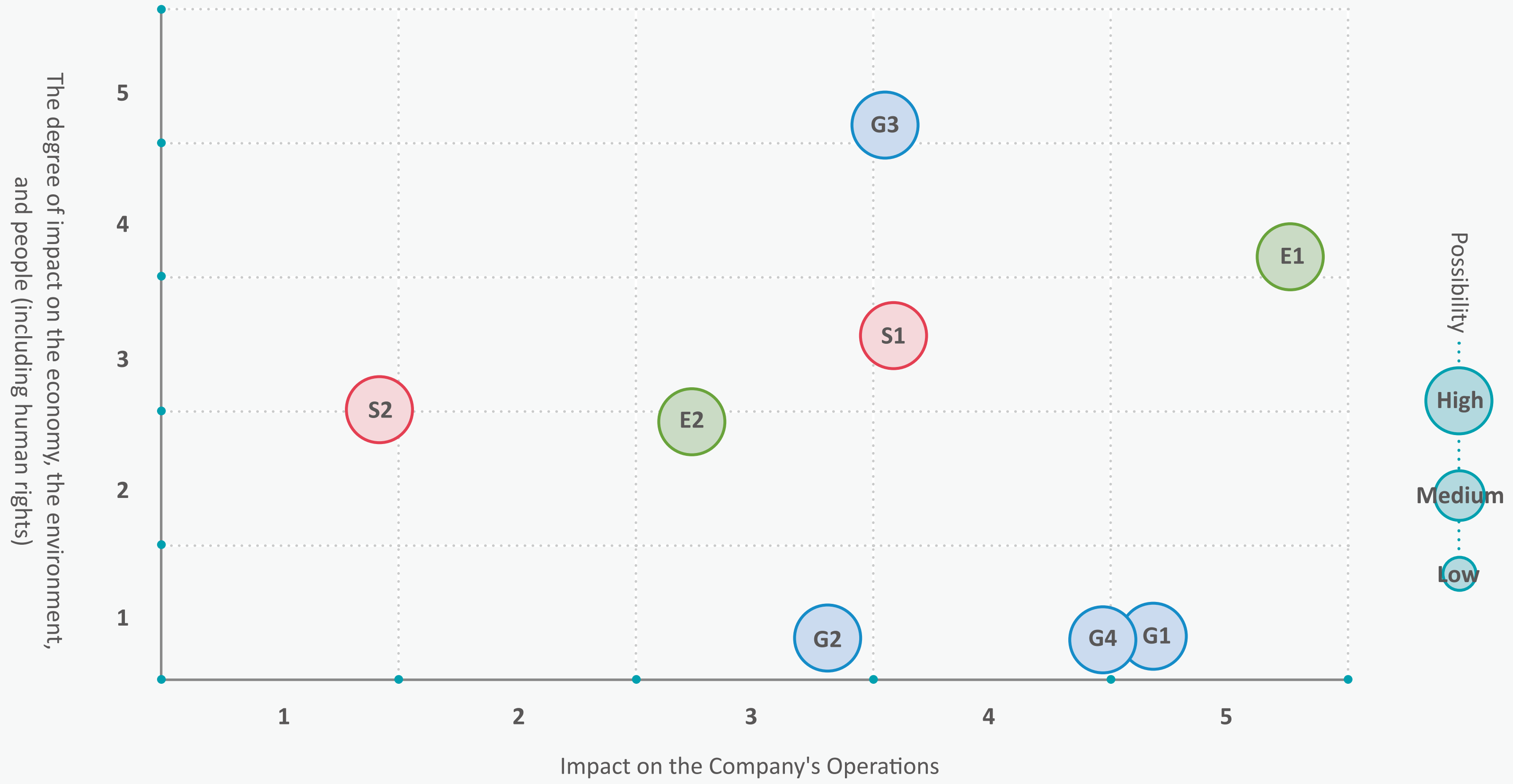
3-3 High increase in energy costs, particularly electricity tariff adjustments

3-4 Water usage fees imposition has led to increased production costs

3-7 Inadequate implementation of process safety management causing accidents

Selection of Material Topics

CGPC classified the 15 significant topics 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 topics. Raised these material topics 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 topics

ESG	Item	Issue orientation	15 Significant Topics	8 Material Topics
E Environmental	3-3	(Negative actual)	High increase in energy costs, particularly electricity tariff adjustments.	Climate Change and Energy Management (GRI 302 Energy) (GRI 2012 Financial Impacts and Other Risks and Opportunities of Climate Change)
	4-5	(Negative Potential)	Increased production costs due to carbon fees.	
	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 (GRI 303 Water and Effluents)
	3-4	(Negative actual)	Water consumption charges - Increased production costs.	
S Social	3-7	(Negative actual)	Process safety management is not implemented - causing accidents.	Occupational Safety and Health (GRI 403 Occupational Safety and Health)
	2-6	(Positive potential)	Promote an equal workplace environment for women - Increase the company's talent retention rate.	Talent Attraction and Retention (GRI 401 Employment Relations) (GRI 405 Employee Diversity and Equal Opportunity)
G Governance	3-1	(Negative actual)	Poor market conditions - oversupply and low demand.	Economic Performance (GRI 201 Economic Performance)
	2-1	(Positive potential)	Successful development of sustainable materials - Revenue expansion.	
	1-1	(Positive Actual)	Develop new products, diversify products - environmentally friendly materials and enter new industries.	Technology Research and Development (Custom theme)
	2-2	(Positive potential)	Actively seek alternative raw materials to reduce the use of scarce or highly polluting raw materials.	
	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 (Custom theme)
	2-3	(Positive potential)	Introducing intelligent and other advanced technologies - improving efficiency and quality.	

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

Material issue	Considerate Aspects	Item	Significant Impact Items	Remedial and Preventive Measures for Material Topics' Negative Impact	Section
Climate Change and Energy Management	Negative Actual Impact	3-3	High increase in energy costs - electricity tariff adjustments	1. Continuously replacing outdated equipment to improve energy efficiency 2. Adjusting scheduling to shorten production preparation time and reduce energy waste during standby periods 3. Conducting regular thermal imaging measurements to detect abnormalities early and arrange immediate improvements to reduce the probability of equipment breakdown. 4. Performing annual maintenance and inspections to monitor equipment operation.	5.2 Climate Change and Energy Management 5.3 Water Resources Management 5.4 Air Pollution Control
	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.	
Water Resources Management	Negative Actual Impact	3-4	Imposition of water usage fees - increased production costs	1. Enhance water recycling efficiency 2. Concentration Ratio Improvement for Cooling Towers 3. 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. 4. 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 Management
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 Topics' 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.S.-China 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, carbon black from scrap tire recycling, natural antibacterial and anti-mildew materials, aquaculture-solar hybrid pool liners, and fully recyclable TPO leather. These efforts aim to meet market demand, enhance industrial competitiveness, and safeguard the interests of investors and shareholders.	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 Topics (GRI 3-2)

Continuation 2024 material topics are identified once every two years, most recently, the identification was completed in December 2024.

Aspect	Year	Material issue	Change status	Descriptions
Environmental	2023	Air pollution control	Currently well-managed, with ongoing monitoring	Key material topics such as Air Pollution Control, Waste Management, Transportation Safety Management, Talent Development and Training, and Product quality are currently being properly managed. However, we will continue to monitor these areas and adjust our management strategies as needed. In light of the increasing severity of global issues such as 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 emphasis 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	Waste Management		
Social	2023	Transportation Safety Management		
	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 Topics (GRI 3-3)

● Direct Effect ; ◎ Indirect Effect

Aspect	Material issue	ESG principles	SDGs	Significance and Impacts on the Company	Corresponding to GRI Guidelines Major Topics	Material issue indicators	2026 Targets	2027 Targets	2030 Targets	Corresponding chapter	Value Chain Impacts (Stakeholder Impacts) Boundaries and Involvement Levels				
											Upstream		Corporate Governance	Downstream	
											Supplier Contractor	Government agencies	Employees	Clients	Investors
Environmental	Climate Change and Energy Management	Stable operations		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_2e)	24.94	28.76	29.97	5.2 Climate Change and Energy Management	●	●	●	●	●
						Energy Consumption per Unit of Core Product (Note) (Unit: GJ/ton)	4.92	4.59	4.50						
	Water Resources Management	Stable operations		Continue to monitor the records of water withdrawal and water consumption and analyze and improve them, use reclaimed water, reduce environmental pollution, and maintain employee and community residents' health and the ecological balance.	GRI 303:2018 Water and Effluents	Water Intensity of Plant Operations (Unit: ton/ ton)	4.47	3.39	3.29	5.3 Water Resources Management	◎	●	●	◎	●
						R2 Water recycling rate (Unit: %)	78.6	82.1	82.3						
Social	Occupational safety and health	Social inclusion		Establish an operation safety management system to strengthen and educate relevant concepts and prevent occupational accidents, to maintain employees' and contractors' health and safety.	GRI 403:2018 Occupational safety and health	Disabling injury frequency rate (F.R.)	0	0	0	6.4 Occupational Safety and Health	●	●	●	●	●
						Severity of disabling injuries (S.R.)	0	0	0						
	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: %)	≦ 5.00	≦ 4.50	≦ 4.00	6.2 Talent Attraction and Retention	◎	◎	●	◎	◎

Note: Core products: CGPC PVC Resin, TVCM VCM, and CGPCP PVC Resin. Please refer to P.77

● **Direct Effect** ; ◎ **Indirect Effect**

Aspect	Material issue	ESG principles	SDGs	Significance and Impacts on the Company	Corresponding to GRI Guidelines Major Topics	Material issue indicators	2026 Targets	2027 Targets	2030 Targets	Corresponding chapter	Value Chain Impacts (Stakeholder Impacts) Boundaries and Involvement Levels				
											Upstream		Corporate Governance	Downstream	
											Supplier Contractor	Government agencies	Employees	Clients	Investors
Governance	Financial performance	Stable operations	8	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	◎	●	●	◎	●
	Technology Research and Development	R&D and innovation	12	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	◎	◎	●	●	●
	Supply chain management (new topic)	Stable operations	12	As a leading domestic enterprise, CGPC is committed to sustainable development. Our operational strategies are designed with consideration for both social and environmental impacts. We work hand in hand with suppliers and partners to create mutually beneficial relationships that drive shared growth for both the Company and society.	GRI 308 Supplier environmental assessment GRI 414 Supplier social assessment	Signing rate of existing supplier commitment letters (Unit: %)	100	100	100	4.3 Supply Chain Management	●	●	●	●	●
						Local procurement rate (Unit: %)	≥ 70	≥ 70	≥ 70						
	Intelligent Management	Stable operations	9	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	Smart Projects (Note) (Unit: cases)	7	7	8	3.6 Intelligent Management	●	●	●	●	●

Note: The number of smart projects is the combined total of "Smart Process Implementation" and "AIoT Smart Manufacturing" projects. For detailed breakdowns, please refer to P.54.