

CHIA HSIN CEMENT CORPORATION

2020

# Corporate Social Responsibility Report



嘉新企業團  
CHIA HSIN CEMENT GROUP

# 1. Overview

1.1 Letter from the Chairman .....	3
1.2 About the Report .....	4
1.3 Stakeholder Identification and Communication .....	5
1.4 Identification of Sustainability Topics .....	8

# 2. About Our Business

2.1 Chia Hsin Cement Group .....	14
2.2 Business Model and Products and Services .....	17
2.3 Development of Each Business Group .....	18
2.4 Supply Chain Management .....	23

# 3. Business Governance

3.1 Corporate Governance .....	25
3.2 Sustainable Business Management .....	31
3.3 Risk Management .....	33
3.4 Financial Performance .....	36
3.5 Ethical Corporate Management and Code of Ethical Conduct .....	37

# 4. Environmental Sustainability

4.1 Environmental Sustainability .....	40
4.2 Environmental Management .....	43

# 5. Happy Workplace

5.1 Personnel Overview .....	46
5.2 Employee Wellness .....	48
5.3 Diversified Workplace .....	54
5.4 Talent Cultivation .....	57

# 6. Social Inclusion

6.1 Social Participation and Contribution .....	59
6.2 Equity and Inclusion and Community Involvement .....	63

## /Appendix/

Appendix 1 .....	68
GRI Content Index	
Appendix 2 .....	70
The Reference Table for Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies	
Appendix 3 .....	71
Sustainability Accounting Standard (SASB)	
Appendix 4 .....	73
External Assurance Statement	

## 2020 Sustainability Performance and Results

A **9.26% growth**  
in revenue in 2020

### Gemcare Maternity Centers received WELL Platinum Certification

Our Dunhua and Zhongshan Gemcare Maternity Centers both passed the highest WELL Building Platinum certification in September 2020. **By managing 10 major indicators for architecture spaces, such as air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community**, we build safe and healthy indoor spaces in accordance with the upmost professional standards.

### Promoted Humanities and Arts and Increased Community Interaction

During its soft opening in January of 2020, Hotel Collective held the **"ForeMost World Photography Awards"** in Okinawa, Japan. For the first time, more than 300 award-winning artworks from the 4 major photography awards in France, the US, Japan, and Russia were assembled, including an Okinawa-themed special exhibition of photographs taken in Okinawa by the famous Taiwanese photographer John Tao, who has won multiple international awards. During the Awards, the locals were invited to the hotel to enjoy world-class photographic artworks free of charge.

Received the  
**ISO14064-1 Certification**  
on **Greenhouse Gas Inventories**

### Hotel Collective (Okinawa, Japan)

**20,824** overnight guests & **57,914** dining-only guests received after opening in 2020.

Achieved extremely high customer satisfaction, scoring a **9.1 rating** on Booking.com.

Received the **2021 Traveller Review Award** and scored a **9.2 rating** on Hotels.com.  
Received the **Loved by Guests Award** in the Luxury hotels category.

### Corporate Governance Evaluation of Listed Companies

(905 listed companies evaluated)

Results from the 7th (2020) Corporate Governance Evaluation of Listed Companies:

Ranked in the second bracket, **the top 6%~20%**

### Chia Hsin Foundation

In 2020, the Foundation awarded  
Scholarships for Underprivileged Students—

totaling **NT\$ 3.59** million, benefiting **261** students.

Chia Hsin Sports Award—

totaling **NT\$1.145** million, benefiting **91** students.

**Supported rural students all over Taiwan in 2020 (annual)**

After-school tutoring funds—

about **NT\$2.91** million, benefiting **1,559** students.

**Sponsored young entrepreneur incubation teams in 2020 (annual)**

About **NT\$5.62** million.

# 1.1

## Letter from the Chairman

### *Pursuing a Common Good in the World*



In 2020, COVID-19 outbreaks spread across the world, disrupting people's lives and causing serious impacts on national economies. Since the beginning of the pandemic, Chia Hsin Cement Group has acted in accordance with its people-oriented beliefs by putting customer and employee health and safety first, immediately following government instructions, implementing pandemic preventive measures in operating locations, and making preparations for remote working. Simultaneously, reviews were conducted on our operations and countermeasures were discussed. Through this process, it was determined that Hotel Collective, our hotel business in Okinawa, would face significant impacts and longer-term lows. However, despite this exceptional period of the pandemic, we did not consider layoffs as an option, as we believe that employees are integral to a company and that providing employees with work security is an important aspect of corporate responsibility. Precisely because the Company places heavy emphasis on its employees, everyone in the company is able to align their hearts and goals, allowing Chia Hsin to flourish despite experiencing many volatile environments for over 60 years since its founding.

During times of pandemic prevention, masks and social distancing have formed an invisible wall around us. People have become isolated, and those who are under pressure or underprivileged often find themselves feeling frustrated and disheartened, desperately needing interpersonal assistance and encouragement. To support social inclusion principles, we held a "Send love to health workers" event, in which we recruited and worked together with local stores to provide exquisitely designed meals to nurses at Taipei Mackay Memorial Hospital and Neihu Tri-Service General Hospital during the month of International Nurses Day in May, thanking them for their efforts in protecting our health in spite of danger and hardships. In Okinawa, Hotel Collective collaborated with the local government to provide nutritious bento boxes to child welfare agencies, providing underprivileged children with warmth and encouragement. Additionally, through the Chia

Hsin Foundation, in 2020 we increased the provision of activity venues and sponsored the Garage+ Young Entrepreneur Incubation Center to support youth start-ups, receiving great results.

These times of difficulty have served as a touchstone. In addition to the aforementioned social care actions, we have continued to implement sustainable management and have never ceased in our efforts to embody environmental friendliness. Accordingly, we made a considerable amount of investments in Okinawa's Hotel Collective and the still under planning Toyosaki InterContinental Okinawa Chura SUN Resort, in which we adopted energy-saving and carbon-reducing designs and equipment to comply with international green building standards. Meanwhile, our Dunhua and Zhongshan Gemcare Maternity Centers were both awarded with the International WELL Healthy Building Certification in 2020, ensuring that mothers and babies are taken care of in the healthiest and most livable indoor environment.

Unfortunately, in May 2021, Taiwan also succumbed to the spread of domestic COVID-19 cases. Before the outbreak of domestic cluster infections, Chia Hsin Cement Group had already made advance arrangements, implementing procedures for employees to work from home and strengthening pandemic preventive measures. Going forward, we will do our best to protect all customers and employees and, together with the government and people, win this war against the pandemic.

**We are acting silently, and all our actions bear witness to the Company's value and belief — Pursuing a common good in society.**

Chairman

# 1.2

## About the Report

Chia Hsin Cement Corporation & Group (TWSE:1103; “Chia Hsin Cement Group”) published the 2020 CSR Report to allow stakeholders to better understand our endeavors in building and perfecting the group’s sustainable development. The report is built on the basis of transparency and honesty and incorporates the various operations of Chia Hsin Cement Group to showcase our efforts in the aspects of corporate governance, society, and the environment.

### CSR Related Contact Information

If you have any questions or suggestions regarding this report, please feel free to let us know. Thank you.

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### Scope of the Report

This report covers the issues of concern and related social issues shared between Chia Hsin Cement Corporation and its subsidiaries and stakeholders—such as shareholders/investors, customers/consumers, employees, government agencies, financial institutions, partners, vendors, the media, and the communities/non-profit organizations (NPOs), including the development of internal and external environments, key topics, project performances, and other information.

The data focuses on Chia Hsin Cement Corporation as the main operating entity and discloses the operating summaries of subsidiaries such as Chia Hsin Property Management and Development Corporation, Chia Pei International Corporation, Tong Yang Chia Hsin International Corporation, YJ International Corporation, Jaho Life Plus+ Management Corporation, and CHC Ryukyu Collective KK. All non-financial information and statistical data disclosed in this report are sourced from internal calculations and investigation results. Key financial information is explained and published in following with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, IFRSs (International Financial Reporting Standards approved by the Financial Supervisory Commission), and IASs (International Accounting Standards); in accordance with the consolidated financial statements attested by certified accountants; and in following with GRI Reporting Standards based on the core option. A portion of statistical data are sourced from information published by government agencies or other reliable organizations, which are presented using commonly used vocabulary and figures. In the case of exceptions, separate explanations are provided in the report.

### Reporting Period

Published in June 2021, this report discloses the related corporate sustainability information of Chia Hsin Cement Group in 2020. The reporting period spans from January 1st, 2020 to December 31st, 2020. Since the first report published in 2016, this is our 5th CSR report. The previous report was published in June 2020, and the next report is estimated to be published in June 2022.

### Reporting Data

Chia Hsin Cement Group prepares and publishes financial statements, annual reports, important messages, and other information on the MOPS (Market Observation Post System) for listed companies in a timely manner and in accordance with the information disclosure regulations for listed companies issued by the Financial Supervisory Commission (FSC). We also uploaded this report and other sustainable development information on the ESG section of the company’s website, which is available for download (<http://www.chcgroup.com.tw>).

In this report, all currency units, unless specially annotated, are in NTD. In addition, a portion of the employee benefits mentioned in the employee wellness chapter will be administered by the Employee Welfare Committee and apply to full-time employees of Chia Hsin Cement Corporation who have been employed for more than 3 months.

### Reporting Standards

The contents and structure of this report follow the core option of the GRI sustainability reporting standards devised by the Global Report Initiative (GRI) on July 1st, 2018. At the end of the report, we included an appendix chart—Global Sustainability Report (GRI Standards) Comparison Table—for easy access.

### External Assurance

This report is the Chia Hsin Cement Group’s CSR report for the year of 2020, which was prepared following the core option of the GRI Standards. The report passed the British Standards Institution Pacific Limited Taiwan Branch’s audit based on the AA1000AS v3 Type 1 Moderate Level.

# 1.3

## Stakeholder Identification and Communication

### Sustainability Issues Management Process



Identify key stakeholders



Communicate with stakeholders



Identify and rank sustainability issues



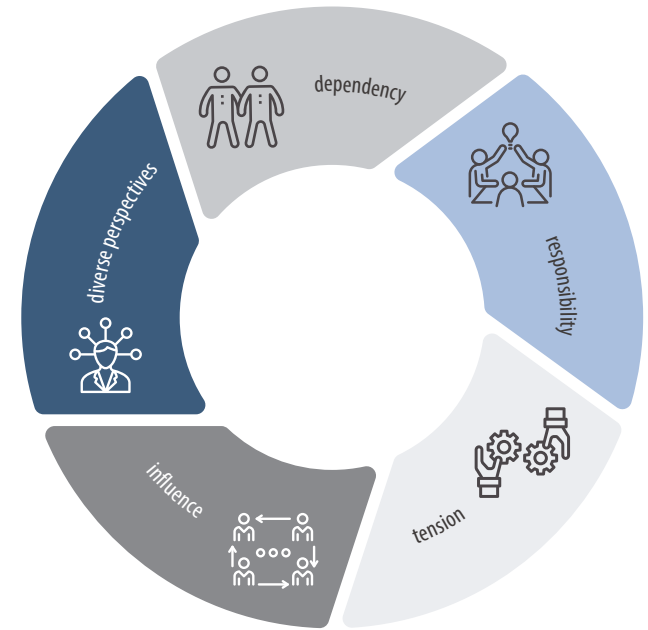
Conduct boundary analysis on value chain impacts



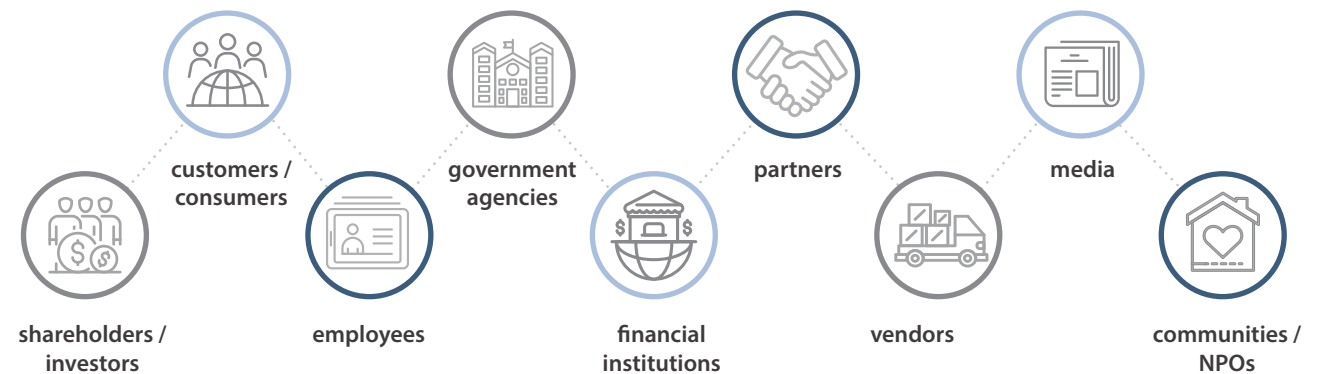
Designate management guidelines for material topics

### Identifying key stakeholders

To identify and rank key stakeholders, Chia Hsin Cement Group uses the International AA 1000 Stakeholder Engagement Standard (SES): 2015 stakeholder engagement evaluation framework based on the 5 principles of dependency, responsibility, tension, influence, and diverse perspectives. After members of our CSR report editorial team and Headquarters Office collect both internal and external information and a thorough discussion, the abovementioned engagement evaluation framework is used to vote and decide the key stakeholders of the company. In 2020, the category of communities/NPOs was added, making for a total of 9 categories of Chia Hsin Cement Group's key stakeholders, namely, shareholders/investors, customers/consumers, employees, government agencies, financial institutions, partners, vendors, the media, and the communities/NPOs.



### Chia Hsin Cement Group's Stakeholders



## Stakeholder Communication and Engagement

In regards to stakeholder communication and management, the Group makes use of multiple channels to disclose information, ensuring smooth and effective communication with key stakeholders.

### Communicating the Values of Sustainability



**Emphasizing diverse communication**



**Actively engaging both internally and externally**



**Assessing stakeholder focus on different topics**



**Aligning with SDGs**



**Regularly evaluating our sustainability performance**

Stakeholders

**9 Categories**

Material Topics

**12 Topics**



**Shareholders / investors**

**Target Audiences**

Common shareholders, corporate shareholders

**Topics of Interest**

Corporate governance  
Financial performance  
Financial risk management  
New business development

**Main Communication Channels and Frequency**

- Spokesperson service hotline and email (real-time)
- Stock transfer agency service hotline (real-time)
- Annual general meetings (AGMs) and board meetings (yearly/twice or more a year)
- Investor conferences (quarterly)

**2020 Stakeholder Communication Performance**

- Convened 1 annual general meeting
- 4 investor conferences
- 7 board meetings



**Customers / consumers**

**Target Audiences**

Distributors, retail customers, tenants, consumers

**Topics of Interest**

Product quality and service  
Property management responsibilities to tenants  
Coordination among the industry upstream, midstream, and downstream

**Main Communication Channels and Frequency**

- Customer service email and hotline (real-time)
- Customer visits (irregular)
- Website mailbox (real-time)
- Line@ chat (real-time)

**2020 Stakeholder Communication Performance**

- Conducted customer satisfaction surveys and telephone follow-ups
- Organized customer visits and communication



**Employees**

**Target Audiences**

Employees and their families, consultants

**Topics of Interest**

Labor relations  
Salary and related benefits  
Talent training and development  
Employees health and safety  
Employees Wellness

**Main Communication Channels and Frequency**

- Timely communication with department supervisors (real-time)
- HR-employee suggestions mailbox (real-time)
- Labor-management meetings (every 3 months)
- Employee welfare committee meetings (every 3 months)

**2020 Stakeholder Communication Performance**

- 4 Employee welfare committee meetings
- 4 Labor-management meetings
- Devised promotion procedures that were announced internally
- Performance reviews and appointments
- Issued 4 HR e-letters



**Government agencies**

**Target Audiences**

Monitoring authorities, the Financial Supervisory Commission (FSC)

**Topics of Interest**

Regulatory compliance  
Labor relations  
Regulations and policies

**Main Communication Channels and Frequency**

- Participating in courses held by the FSC (irregular)
- Participating in the Taiwan Stock Affairs Association (TWSAA; irregular)
- Participating in courses or seminars held by labor and environmental protection government authorities (irregular)

**2020 Stakeholder Communication Performance**

- Participated in seminars, exchanges, and courses



### Financial institutions

#### Target Audiences

Banks and securities firms

#### Topics of Interest

Financial performance  
Financial risk management  
Public image

#### Main Communication Channels and Frequency

- Staying in contact and organizing visits (irregular)
- Announcing information about annual financial statements and quarterly reports (real-time)

#### 2020 Stakeholder Communication Performance

- Participated in seminars and exchanges



### Partner

#### Target Audiences

Lawyers, CPAs, Taiwan International Ports Corporation, Ltd. (TIPC)

#### Topics of Interest

Ethical corporate management  
Risk management  
Financial performance

#### Main Communication Channels and Frequency

- Meetings (irregular)
- Risk control meetings (irregular)
- CPA audits (yearly)

#### 2020 Stakeholder Communication Performance

- Participated in seminars and exchanges



### Vendors

#### Target Audiences

Suppliers, contractors

#### Topics of Interest

Price comparison and negotiation process  
Fair acceptance review process  
Supply chain management  
Supplier social performance

#### Main Communication Channels and Frequency

- Meetings (irregular)
- Visits (irregular)

#### 2020 Stakeholder Communication Performance

- Formulated ethical management procedures and conduct guidelines for vendors, for which adherence was required
- Devised supplier management policies and required our vendors to sign the "Letter of Undertaking of Integrity" and the "Letter of Compliance with Corporate Social Responsibility".



### Media

#### Target Audiences

TV, print and online media

#### Topics of Interest

New business development  
Operational performance  
Public image  
Major public issues

#### Main Communication Channels and Frequency

- Media gatherings and interviews (irregular)
- Inviting the media to join annual general meetings (yearly)
- Public announcements (irregular)

#### 2020 Stakeholder Communication Performance

- Media gatherings and interviews, etc.
- Participated in media seminars and exchange conferences



### Communities / NPOs

#### Target Audiences

Communities and non-profit organizations

#### Topics of Interest

Public welfare engagement  
Local participation and giving back to the community

#### Main Communication Channels and Frequency

- Preparing scholarships for underprivileged students and sports scholarships via the Chia Hsin Foundation (yearly)
- Sponsoring cultural & creative projects and rural educational activities (yearly)
- Engaging in public welfare activities (irregular)

#### 2020 Stakeholder Communication Performance

- Awarded scholarships
- Supported startup and green investments
- Collaborated with local revitalization groups





**Continuous review of material topics**

Each year, we review and adjust material topic rankings and management guidelines based on the interests and attention of our internal and external stakeholders.

**2020 Adjustment of Material Topics**

17 material topics in the previous year → 12 material topics

**Social**

- 1. Talent attraction and retention
- 6. Talent training and development
- 7. Employee benefits and equality
- 9. Marketing communications
- 12. Social care and public welfare

**Corporate Governance**

- 2. Ethical corporate management and legal compliance
- 3. Sustainable development strategy
- 4. Quality management and customer service
- 5. Risk management
- 8. Financial performance

**Environmental**










- 10. Saving energy and protecting the environment
- 11. Green products and services



Material Topics and the Boundary of Value Chain Impacts

Materiality Ranking	Topic Category	Material Topic	Reason for Materiality	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (● Direct impacts ○ Indirect impacts)			Chapters
					Upstream	Chia Hsin Cement Group	Downstream	
↓ 1	Social	Talent attraction and retention	The stable and sustainable growth of a business depends on a people-oriented and people-friendly corporate culture. Therefore, we design exceptional employee benefits, provide employee wellness, and create harmonious labor-management relations.	GRI 401: Employment 2016 / GRI 404: Training and Education 2016		●	○	5.2 Employee Wellness 5.3 Diversified Workplace 5.4 Talent Cultivation
2	Corporate Governance	Ethical corporate management and legal compliance	Ethical corporate management is the foundation of a business's operations. We therefore strengthen corporate governance and comply with laws and ethical behavior standards in our daily operations. We also foster an honest corporate culture, maintain healthy business development, and formulate policies, preventive measures, and reward and punishment mechanisms.	GRI 102: General Disclosures 2016	○	●	○	3.5 Ethical Corporate Management and Code of Ethical Conduct
3	Corporate Governance	Sustainable development strategy	We actively carry out our corporate social responsibilities to promote the balance and development of the economy, society, and the environment.	GRI 102: General Disclosures 2016	○	●	○	3.2 Sustainable Business Management
4	Corporate Governance	Quality management and customer service	We form close connections with customers and communicate our brand spirit through the provision of professional products and services, thereby establishing brand image and reputation.	GRI 102: General Disclosures 2016	○	●	●	2.3 Development of Each Business Group
5	Corporate Governance	Risk management	We establish risk management mechanisms and SOPs to strengthen internal auditing and the Group's adaptability to various operational risks.	GRI 102: General Disclosures 2016	○	●	○	3.3 Risk Management

Materiality Ranking	Topic Category	Material Topic	Reason for Materiality	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (● Direct impacts ○ Indirect impacts)			Chapters
					Upstream	Chia Hsin Cement Group	Downstream	
6	Social	Talent training and development	Through cultivating manpower, encouraging talent transformation, and discovering employee potential, we create a workplace that is conducive to the long-term development and enhancement of employee abilities.	GRI 404: Training and Education 2016		●	○	5.2 Employee Wellness 5.3 Diversified Workplace 5.4 Talent Cultivation
7	Social	Employee benefits and equality	We improve employee welfare and stress human rights and gender equality, building a safe and secure workplace.	GRI 401: Employment 2016		●		5.2 Employee Wellness 5.3 Diversified Workplace 5.4 Talent Cultivation
8	Corporate Governance	Financial performance	We venture into new business initiatives and cooperate with relevant professional teams in order to establish brand reputation, improve corporate governance and business management, and thereby enhance financial performance.	GRI 102: General Disclosures 2016	○	●	○	3.4 Financial Performance
9	Social	Marketing communications	We provide a stable quality and professional services to establish brand image and build customer trust. For our customers, we build diverse communication channels, provide meticulous services, and evaluate the customer satisfaction of our products, grasping customer needs in a timely manner.	GRI 102: General Disclosures 2016	○	●	●	1.3 Stakeholder Identification and Communication 2.3 Development of Each Business Group
10	Environmental	Saving energy and protecting the environment	We actively introduce international quality standards related to environmental sustainability, to reduce energy consumption and carry out environmental management and ecosystem protection; reduce climate change risks and seek out the potential opportunities brought about by climate change issues; and emphasize environmental health and safety to enhance resource efficiency.	GRI 302: Energy 2016	○	●	○	4.1 Environmental Sustainability 4.2 Environmental Management
11	Environmental	Green products and services	We promote energy saving and carbon emission reducing green products and services to realize environmental sustainability.	GRI 305: Emissions 2016	○	●	○	4.1 Environmental Sustainability 4.2 Environmental Management
12	Social	Social care and public welfare	We provide scholarships for underprivileged students; support rural education plans; contribute to society and engage in public welfare; and promote humanities and arts.	GRI 413: Local communities 2016	○	○	●	6.1 Social Participation and Contribution 6.2 Equity and Inclusion and Community Involvement

## Material Topics and Management Guidelines

Material Topics	Management Guidelines: Countermeasures and Goals	2020 Results	Review and Adjustments	
<b>Corporate Governance</b>				
<ul style="list-style-type: none"> <li>Ethical corporate management and legal compliance</li> <li>Risk Management</li> </ul>	  SDG13.3 SDG16.6	Establish a complete corporate governing mechanism, system, and internal audit unit so as to effectively control operations and development, strengthen ethical corporate management, and ensure corporate governance and legal compliance. Establish a rigorous risks management system to manage risks from all aspects, from risks identification, measurement, monitoring, and response to reporting.	<ol style="list-style-type: none"> <li>Conducted risk assessment and management on important business operations.</li> <li>Built information security management mechanisms and held promotional seminars. (3.3 Risk Management)</li> <li>Formulated ethical corporate management procedures and conduct guidelines for vendors, for which adherence was required. (3.5 Ethical Corporate Management and Code of Ethical Conduct)</li> <li>Devised supplier management policies and required our vendors to sign the "Letter of Undertaking of Integrity" and the "Letter of Compliance with Corporate Social Responsibility". (2.4 Supply Chain Management)</li> </ol>	<ol style="list-style-type: none"> <li>Continue to conduct risk assessment and management on business operations.</li> <li>Continue to conduct internal education and training on ethical corporate management and suppliers management.</li> <li>Continue to assess risks and potential opportunities related to climate change.</li> </ol>
<ul style="list-style-type: none"> <li>Sustainable development strategy</li> <li>Financial performance</li> </ul>	  SDG8.3 SDG10.1	Through maintaining stable operations in our cement and hospitality service businesses, the Group continues to innovate and move forward. Strengthen product capabilities, marketing abilities, and corporate governance, so as to achieve a favorable financial performance and protect the interests of shareholders.	<ol style="list-style-type: none"> <li>Hotel Collective in Naha, Okinawa opened for operations in 2020. Its application for LEED green building certification is currently under review.</li> <li>InterContinental Okinawa Chura SUN Resort in Toyosaki will introduce IHG Green Engage in its development and design, as well as in its future operations. (4.1 Environmental Sustainability)</li> <li>Jaho Life Plus+ Management Corporation expanded its operational scale, which now includes dining and has crossed over into postpartum care. (2.3 Development of Each Business Group)</li> </ol>	<ol style="list-style-type: none"> <li>Continue to collaborate with professional teams to promote greater growth and create more development opportunities for the Group.</li> <li>Continue to improve the competitiveness of the Group's various businesses, build brand reputation and trust in order to ensure stable growth and create the greatest investment value for our shareholders.</li> </ol>
<ul style="list-style-type: none"> <li>Quality management and customer service</li> <li>Marketing communications</li> </ul>	 SDG12.2/SDG12.5	Understand customer needs and commit to providing excellent service and quality, bringing brand-new experiences to our customers.  Establish an information security management system to ensure personal information security.	<ol style="list-style-type: none"> <li>The Group's hospitality business provided high-quality service, with our sole proprietorship hotel —Hotel Collective in Okinawa, receiving the "Agoda's 2020 Customer Review Award". (2.3 Development of Each Business Group)</li> </ol>	<ol style="list-style-type: none"> <li>Continue to strengthen our products and customer service quality by implementing SOPs and quality controls.</li> <li>Continue to communicate with customers in multifaceted ways through using social media or emerging media tools, so as to understand customer needs in a timely manner.</li> </ol>
<b>Environmental</b>				
<ul style="list-style-type: none"> <li>Saving energy and protecting the environment</li> <li>Green products and services</li> </ul>	  SDG7.3 SDG12.5    SDG13.3 SDG14.1	Comply with environmental regulations, introduce green buildings, devise environmental improvement policies, improve equipment efficiency, and reduce environmental impact.	<ol style="list-style-type: none"> <li>The Chia Hsin Headquarters passed the ISO14064-1 GHGs standard and will take guidance from the Bureau of Energy to introduce the ISO50001 energy management system in 2021. (4.1 Environmental Sustainability)</li> <li>Jaho Life Plus+ Management Corporation strategically collaborated with the Dunhua and Zhongshan Gemcare Maternity Centers and received WELL Healthy Building Platinum Certification (4.1 Environmental Sustainability)</li> </ol>	<ol style="list-style-type: none"> <li>Continue to strengthen environmental policies, analyze and manage the potential effects of each environmental impact.</li> <li>Continue to use product design as an avenue to introduce environmental sustainability concepts and environmental protection policies. Identify climate change-related risks as well as potential development opportunities for green products and services.</li> </ol>

Material Topics	Management Guidelines: Countermeasures and Goals	2020 Results	Review and Adjustments	
<b>Social</b>				
<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Talent training and development</li> <li>Employee benefits and equality</li> </ul>	 <p>SDG1.1 SDG3.8 SDG5.4 SDG8.8</p>	<p>Provide employees with a favorable workplace environment, salaries and benefits in order to create a friendly workplace atmosphere. Provide employee wellness and place emphasis on human rights and gender equality.</p>	<ol style="list-style-type: none"> <li>Created stable employment and also built a safe workplace environment (Chia Hsin Building is certified as a Safe Place). Organized fire drills and first aid training courses.</li> <li>Promoted employee wellness activities.</li> <li>Devised and implemented flexible working hours to promote work-life balance. (5.2 Employee Wellness)</li> </ol>	<ol style="list-style-type: none"> <li>Set indicators to manage and promote employee wellness activities, facilitate inter-departmental discussions and labor-management two-way communications on related topics.</li> <li>Continue to strengthen human rights, equality, and employee training and development.</li> </ol>
<ul style="list-style-type: none"> <li>Social care and public welfare</li> </ul>	 <p>SDG4.5/SDG4.7 SDG11.5</p>	<p>Connect with the community, serve and give back to the society using company resources, with aim of bringing a positive influence to society.</p>	<ol style="list-style-type: none"> <li>Chia Hsin Foundation has continued to provide scholarships for over 60 years. In 2020, the Foundation provided \$3.59 million in scholarships for underprivileged students and \$1.145 million in sports awards, benefiting a total of 352 students. (6.1 Social Participation and Contribution)</li> </ol>	<ol style="list-style-type: none"> <li>Continue to invest in education, rural area, startup, and gender inequality issues and engage in public welfare.</li> <li>Use arts and humanities to bridge the "local" and "global", thereby enhancing artistic energy and preserving traditional culture.</li> </ol>

**\* Responding to UN SDGs**

The United Nations organized the global sustainable development goals in 2015, establishing 17 primary goals as a major project to be achieved through global efforts by 2030. Subsequently, Taiwan has also devised a set of national sustainable development goals, owing to the efforts of the National Council for Sustainable Development of the Executive Yuan. In response, Chia Hsin Cement Group actively fulfills its corporate social responsibility by taking concrete actions to carry out the SDGs.

## Climate Change Management

### Climate change related opportunities



**Diversified business activities**

**Opportunity description**

In response to climate change, the diverse development of the high-carbon cement industry can disperse the impacts of climate change and strengthen climate change resilience.

**Potential impacts**

- Increased market needs and revenue
- Improved competitiveness due to market transformation
- Enhanced operational resilience

**Management guidelines**

- Business diversification disperses climate-related operational and investment risks, and is included in the Group's investment evaluation and risks management systems.
- Conduct overall evaluations to reduce investments in industries with high GHG emissions and increase the Group's proportion of low-carbon, high-resilience products and services.



**Entering new markets**

**Opportunity description**

Climate change promotes discourse on low-carbon emission and environmental impacts, indirectly drives the demand for new hotels and care center services in relation to healthy buildings.

**Potential impacts**

- Increased market needs and revenue
- Improved competitiveness due to market transformation
- Enhanced operational resilience

**Management guidelines**

- Conduct overall evaluations to reduce investments in industries with high GHG emissions and increase the Group's proportion of low-carbon products or services.
- Introduce ISO 14064 and ISO 50001 management systems into all of the Group's operations to promote energy and GHG emissions related goals for our products and services and secure a competitive foothold in emerging sustainable markets.



**Change in customer preferences**

**Opportunity description**

In response to climate change, the introduction of the LEED green building rating, the international WELL building standards, and the IHG green engage system, as well as measures such as using less energy intensive products and services improves market competitiveness and image.


**Potential impacts**

- Increased market needs and revenue
- Improved competitive edge
- Reduced operational costs

**Management guidelines**

- The Group's ESG and environmental sustainability strategies are established by governance and top-level management while dedicated teams are responsible for promoting the sustainable transformation plans.
- Promote ESG goals related to our products and services to enhance brand value and customer awareness.

### Climate change related risks



**Low-carbon products replacing current products and services**


**Risk description**  
Various industries have moved towards low-carbon, including the cement distribution, hotels and health care service industries. Our competitors are strengthening their manufacturing process R&D and energy management.

**Potential impacts**

- Reduced demand of products and services
- Introduction of low-carbon technology and increased costs
- Asset write-off and early retirement

**Management guidelines**

1. Introduce energy and GHG management systems, set GHG-related policies and targets at the initial development and design stage of new businesses, enabling them to become top choices in the low-carbon market of the future.
2. Realize energy management, save energy, and reduce carbon emissions in regular operations, so as to reduce the dependency on the use of energy.



**Requirements for and monitoring of current products and services**


**Risk description**  
The carbon emissions of the cement industry have gathered attention from all sectors, which may drive governments to issue GHG regulations for the cement and construction industries.

**Potential impacts**

- Increased operational costs
- Introduction of low-carbon technology and increased costs
- Reduced demand of products and services

**Management guidelines**

1. Assess the regulation and control trends of each business for incorporation into the Group's risks management system, for the timely monitoring and adjustment of the management system
2. Introduce ISO 14064 and ISO 50001 management systems into all of the Group's operations and set energy and GHG-related policies and goals to reduce the energy and GHG intensity of our services.
3. Promote business diversity to disperse climate-related investment risks.



**Rising sea levels**


**Risk description**  
In regards to storage and hotel-related assets located in coastal areas, the rise in sea level may affect their long-term operation and asset values.

**Potential impacts**

- Affected service quality
- Affected asset value
- Reduced demand of products and services

**Management guidelines**

1. Assess the physical climate risks of the assets in both our current and planned operations; formulate backup plans such as an emergency reporting procedure or alternative working locations during emergencies; and evaluate the needs for relocation and redesign.
2. Incorporate physical climate risks into the Group's risks management system for regular review and monitoring. For suppliers located in low terrains, identify the risks of breach of contract or material supply disruption and plan for backup suppliers and materials in advance.



**Increase in the severity of extreme events such as typhoons and floods**

**Risk description**  
Hotel and storage related assets are impacted by extreme weather events, which affects market demand, product and services, and may also affect the condition of the assets.

**Potential impacts**

- Affected service quality
- Affected asset value
- Reduced demand of products and services

**Management guidelines**

1. Assess the physical climate risks of our current businesses and evaluate the needs for enhanced designs and insurance plans.
2. Identify the transportation and logistics risks of relevant personnel and optimize the agent system, remote management, and other backup logistics plans.
3. Incorporate physical climate risks into the Group's risk management system for regular monitoring. Establish an emergency reporting procedure.

### Climate-related risk and opportunity identification and management

Chia Hsin Cement Group identifies climate-related risks and opportunities, evaluates potential impacts, and manages the indicators and targets of climate-related topics. In 2021, the Group plans to use the TCFD (Task Force on Climate-related Financial Disclosures) as a framework to conduct climate risk matrix analysis on physical risks, transition risks, and other risk profiles based on the four core elements below. It is estimated that high-level management interviews, cross-business groups climate risk assessment workshops, and a series of climate change related courses will be completed by 2021 Q3.



# 2.1

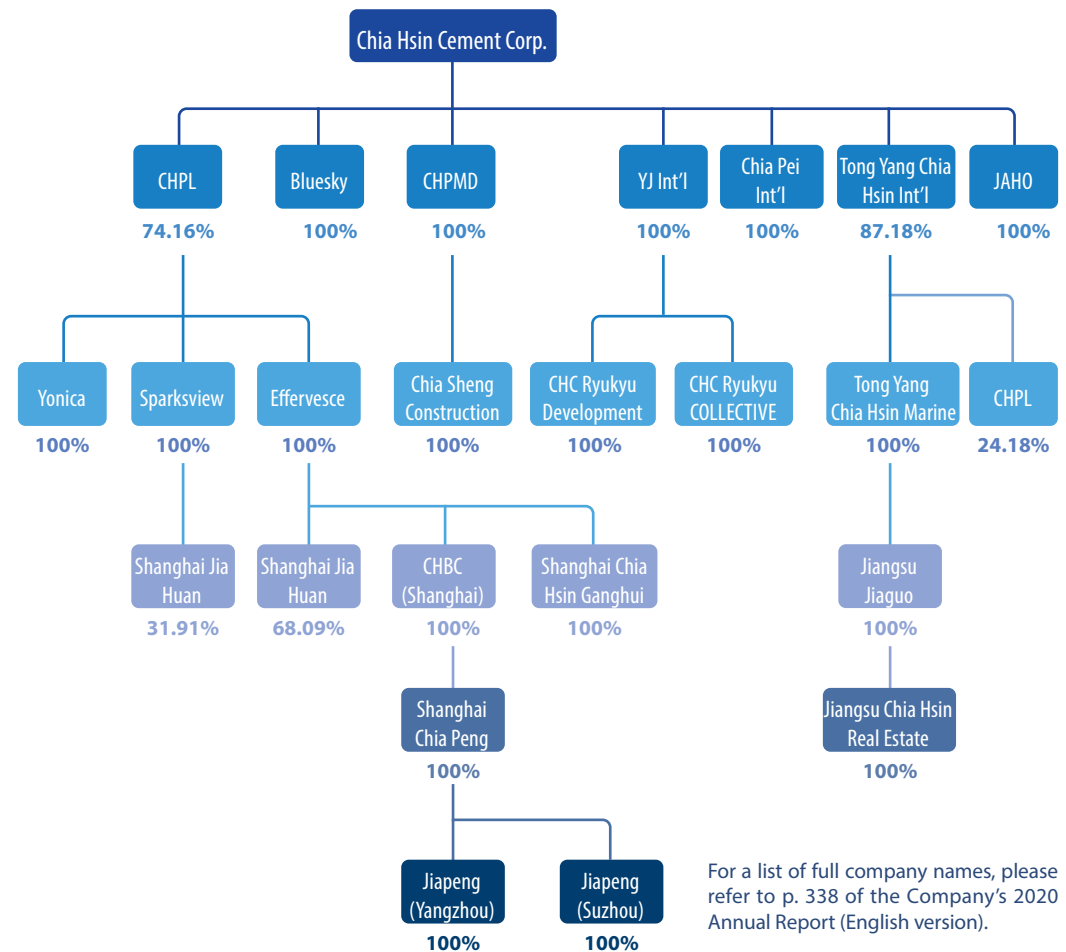
## Chia Hsin Cement Group

Chia Hsin Cement Corporation was founded in 1954 by Mr. Min-Yu Chang, as the first privately established cement company in Taiwan. After over 60 years of hard work and cultivation, it has developed into a business group that encompasses the cement, warehousing/logistics, asset development/management, and hospitality service industries, among others. In 2013, the Group actively underwent a business transformation in keeping with global changes and trends; the hospitality business sector became the core of its operations, while green environmental protection ideas were more widely incorporated in our operations. For example, we introduced green building design ratings such as the Leadership in Energy and Environmental Design (LEED) when building our hotels, and followed WELL Standards to construct friendly, livable, and healthy indoor spaces for our maternity care centers.

Our results after this transformation are as follows: the successful opening of the four-star A.Roma Lifestyle Hotel, a joint investment with LDC Hotels & Resorts Group in 2015; the operation of our sole proprietorship brand, Hotel Collective —located at Kokusai Dori Street at the heart of Okinawa City, in 2020; and the signing of a Hotel Management Agreement with the InterContinental Hotels Group to jointly build the InterContinental Okinawa Chura Sun Resort, which is expected to commence operations in 2024.

In regard to caring services, we collaborated with professional nursing teams to found the top-class Gemcare Maternity Centers. Zhongshan Center opened in 2016 and after receiving wide acclaim, additional operational bases were added, including Dunhua Center which opened in 2020. In the future, Chia Hsin Cement Group aims to strive towards the operational goals of diversification and internationalization, is committed to environmental sustainability and protection, and continues to progress and innovate.

**The Group's Businesses and Investment Ratios**



For a list of full company names, please refer to p. 338 of the Company's 2020 Annual Report (English version).

# Chia Hsin Cement Corporation

## Milestones

1954

Chia Hsin Cement Corporation was established, becoming one of the first private cement enterprises in Taiwan.

1957

The Company's Gangshan Plant began operations.

1969

Became listed on the Taiwan Stock Exchange.

1992

The cement silos built by Tong Yang Chia Hsin International Corporation at the Taichung Port commenced operation, and the Group ventured into the silo storage business.

1993

Began to make investments in China, gradually building cement storage silos and manufacturing bases.

1998

The flagship Jingyang Cement Plant in Zhenjiang, China completed construction and received funding from the IFC.

2001

Due to the manufacturing success of the Jingyang Cement Plant, the Gangshan Plant in Kaohsiung ceased manufacturing operations, while our business in Taiwan transitioned into cement outsourcing to supply the market.

2003

- The holding company of the Jingyang Cement Plant, Chia Hsin Cement Greater China Holding Corporation, was listed on the Hong Kong Exchanges and Clearing Limited.
- To implement specialization, Chia Hsin Cement Corporation spun-off its independently operated real-estate and assets management related business operations into the newly-established Chia Hsin Property Management and Development Corporation.

2005

New cement kilns at the Jiangsu Union Cement Plant located in Zhenjiang, China commenced operations.

2006

Successfully signed a lease for the Taipei Port's First Bulk Cargo Center, expanding our logistics business into the loading, unloading, and warehousing of the port's bulk cargo (currently operated by Chia Pei Int'l Corp., a wholly-owned subsidiary of Chia Hsin Cement Group)

2007

Chia Hsin Cement Corporation and Taiwan Cement Corporation (TCC) formed a strategic alliance for their cement business operations in China. The Company exchanged its equity interest in Chia Hsin Cement China Holding Corporation for the interest of TCC International Holdings Limited. (HKEX:1136).

2013

The Company began to make transition efforts, adopting asset revitalization and investment and development as its main business strategies.

2014

Purchased land on the Kokusai Dori Street in the city center of Naha, Okinawa (Ryukyu), where the Company invested in and built an international tourist hotel.



2015

A.Roma Lifestyle Hotel, which the Company co-invested in as a 40% shareholder with LDC Hotels & Resorts Group, commenced operations.

2016

- Invested in the establishment of Jaho Life Plus+ Management Corp., in order to develop lodging products for customers of all age groups and create related service systems.
- Acquired land in the Toyosaki beach area in Tomigusuku City, Okinawa (Ryukyu) for the construction of a large leisure resort hotel and shopping mall.
- Jaho Life Plus+ Management Corp. collaborated with professional nursing teams to operate the Gemcare Maternity Centers.

2017

- The land of the retired Gangshan Plant was revitalized, prepared, and subleased to various well-known businesses to be used as logistics transfer centers.
- Signed a Multifunctional Commerce and Trade Park development agreement with the Kaohsiung City Government.
- Started the construction of Hotel Collective in Naha, Okinawa.

2018

- In accordance with the privatization of TCC International Holdings Limited, we completed the TCC shares exchange project, exchanging the Company's shares in TCC International Holdings Limited for ordinary shares of TCC (TWSE: 1101). After the exchange, the Company owned about 6% of the ordinary shares of TCC.
- Signed a planning and design contract for the resort hotel in Toyosaki with Kengo Kuma & Associates.
- Completed the exploration and excavation of hot springs on our land in Toyosaki.
- Jaho Life Plus+ Management Corp. continued to expand its business scope, delving into food service and introducing fitness courses. It also cooperated with strategy partners to plan for the opening of a second maternity center (Dunhua Center).

2019

- Reached a Hotel Management Agreement with InterContinental Hotels Group (IHG) in the Toyosaki hotel development project to introduce the five-star InterContinental Resort and Villa brand. The hotel will be operated directly by the Japan subsidiary of IHG and will be named the InterContinental Okinawa Chura SUN Resort. IHG Green Engage (green environmental protection participation plan) will also be implemented in the hotel's development and design, as well as in its future business operations.
- Jaho Life Plus+ Management Corp. completed the interior work and obtained the use permit for the Gemcare Maternity Center's new location in Dunhua.

2020

- Hotel Collective, the Company's resort hotel located at Kokusai Dori Street of Naha City in Okinawa, Japan commenced operations in 2020 and applied for the LEED green building certification.
- Both the Dunhua and Zhongshan Centers of the Gemcare Maternity Centers—a strategic collaboration project of Jaho Life Plus+ Management Corp., received the highest Platinum certification for healthy buildings based on the WELL Standards set by the International WELL Building Institute.
- The InterContinental Okinawa Chura Sun Resort development project in the Toyosaki seaside land in Okinawa, Japan continues to progress. The overall construction is expected to be completed in 2024 Q1.
- Regarding the progress of our health care business in China, Yangzhou City and Suzhou City in Jiangsu Province were selected to set up maternity centers. Soft opening for the centers is expected to start in 2021 Q2.
- At the end of 2020, the Company invested in and obtained 23.1% of the shares of LDC Hotels & Resorts Group.

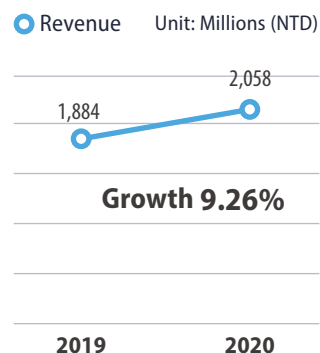
# 2.2

## Business Model and Products and Services

Revenue of major business groups in the last 2 years

Category	2019	2020
Cement sales revenue	1,028	1,009
Property development and management revenue	260	259
Warehousing and logistics revenue	546	606
Hospitality services revenue	50	184
<b>Total</b>	<b>1,884</b>	<b>2,058</b>

Unit: Millions (NTD)



Revenue of each business group in the last 4 years (%)

Category	2017	2018	2019	2020
Cement sales revenue	43%	48%	54%	49%
Property development and management revenue	35%	30%	14%	13%
Warehousing and logistics revenue	22%	22%	29%	29%
Hospitality services revenue	0%	0%	3%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



**Product**  
Cement trading  
**Operating Entity**  
Chia Hsin Cement Corp.  
**Results in 2020**  
Sold 455,000 metric tons of cement in the domestic market

**Product**  
Investing in cement companies  
**Operating Entity**  
Equity in TCC  
**Results in 2020**  
Sold cement clinkers in both Taiwan and China

**Product**  
Cement storing and transporting  
**Operating Entity**  
Tong Yang Chia Hsin International Corp.  
**Results in 2020**  
Stored and transported a total of 1.161 million metric tons of cement using the storage silos at the Keelung Port and Taichung Port.

**Product**  
Loading and unloading of bulk cargo  
**Operating Entity**  
Chia Pei International Corp.  
**Results in 2020**  
Loaded and unloaded 4.748 million metric tons of bulk cargo at the Taipei Port.

**Product**  
Office building leasing  
**Operating Entity**  
Chia Hsin Property Management and Development Corp.  
**Results in 2020**  
Chia Hsin Building

**Product**  
Retired plant leasing  
**Operating Entity**  
Chia Hsin Property Management and Development Corp.  
**Results in 2020**  
Replanned and prepared the land from the old Gangshan Plant in Kaohsiung for business solicitations and lease.

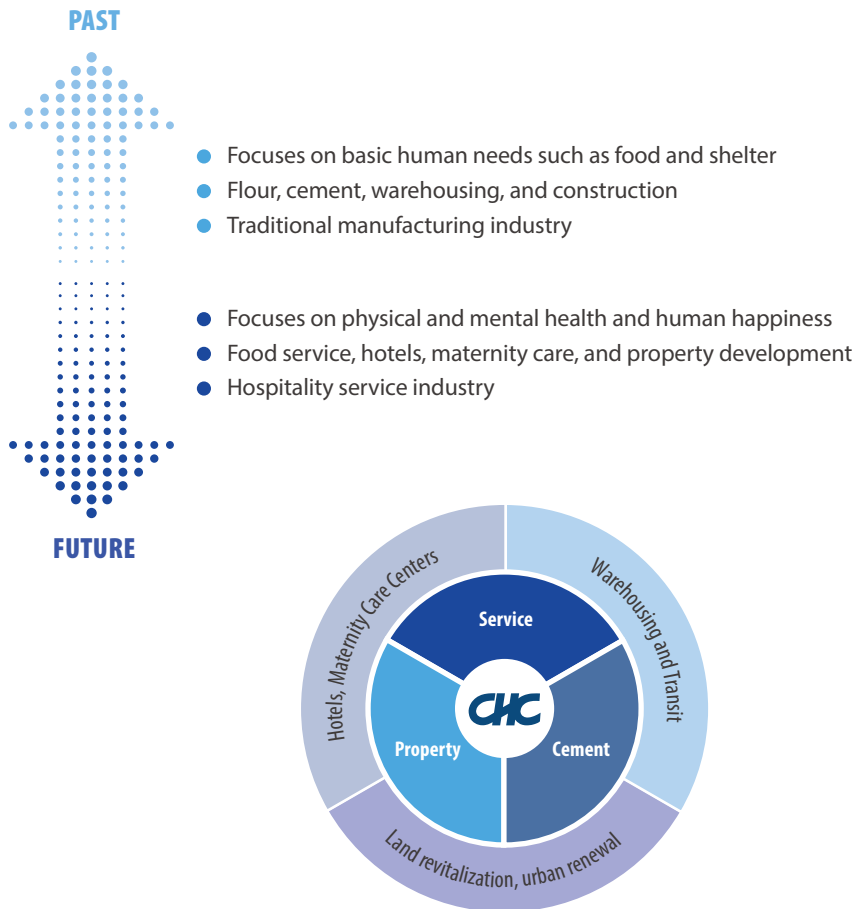
**Product**  
Hotel development  
**Operating Entity**  
CHC Ryukyu COLLECTIVE KK  
**Results in 2020**  
Hotel Collective commenced operations in Q1.

**Product**  
Hotel development  
**Operating Entity**  
CHC Ryukyu Development GK  
**Results in 2020**  
InterContinental Okinawa Chura SUN Resort in Toyosaki, Okinawa signed a Hotel Management Agreement with IHG in 2019. The hotel underwent design improvements in 2020 and is expected to open in 2024.

**Product**  
Brand services/consultation  
**Operating Entity**  
Jaho Life Plus+ Development Corp.  
**Results in 2020**  
Gemcare Maternity Center's Dunhua Center commenced operations. Both Zhongshan and Dunhua Centers were certified as healthy environments based on the WELL standards set by the International WELL Building Institute.

# 2.3

## Development of Each Business Group



### Cement Production and Sales/ Investments


- 1957** ○ Opening of the Gangshan Plant
- 1996** ○ Established Jiangsu Union Cement Co., Ltd.
- 1997** ○ Jingyang Cement Co., Ltd. started production
- 2001** ○ Cross-strait business preparations were completed, with the Gangshan Plant consequently ceasing production. The Company transitioned into trading in Taiwan and engaged in cement outsourcing to supply the market.
- 2005** ○ New kilns of Jiangsu Union Cement Co., Ltd. started production
- 2007** ○ The Company's shares of Jingyang Cement Co., Ltd. were exchanged into shares of TCC International Holdings Ltd.
- 2016** ○ Passed the resolution to dissolve and liquidate Jiangsu Union Cement Co., Ltd.
- 2017** ○ The Company's shares of TCC International Holdings Ltd. were exchanged into ordinary shares of TCC
- 2018** ○ Continued to participate in the cement industry by maintaining strategic investment in TCC

### Continuing to invest in the cement industry through forming strategic alliances

Chia Hsin Cement Corporation was established in the 1950s when the country was committed to building infrastructure, providing key construction supplies to support economic development in Taiwan. In the following years, the Company continuously adjusted its operations by diligently observing changes in the internal and external environment. For example, it built the Taichung Port cement storage silos and introduced imported cement to fill the insufficiency of domestic cement supply during the 1990s, when average cement consumption was at its peak. At the same time, it began to make investments in China in preparation for the expiration of limestone mining rights in western Taiwan, which would propel the domestic cement production's transition into cement logistics and trade. In 2007, upon observation that the Chinese market would enter into a scale-based competition, the Company formed a strategic alliance with TCC, merging TCC's operations (shares of Chia Hsin Cement Greater China Holding Corporation were exchanged into shares of TCC International Holdings Limited) so as to strengthen its competitiveness. Over the years, the Company has demonstrated its leadership in different fields while continuing to advance with the times and develop new business opportunities.

Later on, TCC planned to privatize TCC International Holdings Limited. After considering the benefits to the operation strategy of maintaining investments in the cement industry and simplifying the investment structure, the Company ultimately exchanged all of the shares held by itself and subsidiaries into 202 million shares of TCC in 2017. Combined with its original shares of TCC, the Company subsequently held 6% of the total shares issued by TCC as of the end of 2017.

### Warehousing / Logistics

- 
- 1992 ○ Storage silos at Taichung Port commenced operations
  - 1999 ○ Storage silos at Keelung Port commenced operations
  - 2006 ○ Signed a lease contract for Taipei Port's First Bulk Cargo Center with the Keelung Harbor Bureau
  - 2009 ○ The Taipei Port's First Bulk Cargo Center officially commenced operations
  - 2020 ○ 4.748 million metric tons of cargo were handled by loading and unloading operations at Taipei Port, and a total of 1.161 million metric tons of cement were stored or transported at the Taichung and Keelung Ports

### Planning key warehousing and logistics to gain a head start

Chia Hsin Cement Corporation signed the "Taipei Port First Bulk Cargo Center (East 13, 14, 15) terminal and hinterland lease and commitment to build the East 16 Terminal" contract with the Keelung Harbor Bureau in 2006. East 16 Terminal, in addition to storage facilities for coal and gravel, were subsequently completed and started operations at the end of 2009 under the entrusted management of Chia Pei International Corp. In 2020, the First Bulk Cargo Center loaded and unloaded 4.748 million metric tons of gravel and general bulk cargo. Besides First Bulk Cargo Center at the Taipei Port, the Company also operates large cement silo storages of 38,000 metric tons and 45,000 metric tons at the Keelung and Taichung Ports, respectively. Such bases are located in close proximity to the market and are able to cover the main economic belt on the Western corridor, providing customers with convenient service. For this reason, in addition to its own use, the Company also transits and delivers goods on behalf of other business partners in the industry.

**Property Development / Management**

- 1997 Invested in Chia Hsin Construction and Development Corp., venturing into the real-estate development business
- 2003 Established Chia Hsin Property Management & Development Corp., implementing labor specialization
- 2017 Incorporated professional management in the construction of the Okinawa hotel
- 2020 Property development— Mount Dagan ecotourism development project

**Innovation and change**

From the past to present, Chia Hsin Cement Group has always responded to the changes and needs in society, progressing from the textile and flour to the cement industries, in order to provide people with better lives. From focusing on human basic needs such as food, clothing, and shelter, the Group has transitioned into providing lifestyles that maximize physical and mental health and human happiness. Moving forward, we will continue to strengthen sustainable management and use good service to add value to our assets.

**Hospitality Services Management**

- 2014/6 Acquired 2 lots of land in 2 Chome, Matsuo, Naha City, Okinawa Prefecture, for a total area of 50,927.40 square feet (4,731.31 m<sup>2</sup>)
- 2015/10 Opening of the Company's invested A.Roma Lifestyle Hotel in Italy
- 2016/11 Acquired 397,586 square feet (36,937 m<sup>2</sup>) of land in Toyosaki, Okinawa
- 2016/12 Gemcare Maternity Centers, a collaborative venture between Jaho Life Plus+ and medical and nursing teams, obtained its business license
- 2017/ End of the year Started the construction of Hotel Collective in Naha, Okinawa
- 2019 (Q4) Completed the construction of the first self-developed Hotel in Okinawa – Hotel Collective
- 2020 Opening of Dunhua Gemcare Maternity Care Center (flagship store)  
Invested in and acquired 23.1% of LDC Hotels & Resorts' shares

**Chia Hsin Cement Group**

=A brand which *focuses on the people*

From "House" (Traditional manufacturing / Foundation business)

➦ "Home"  
(Hospitality services / Emerging business)

## Health Care Services

### Gemcare transforms you from within to meet a new stage in life

Gemcare Maternity Center is Chia Hsin Cement Group's first venture in the health care industry, with Zhongshan Center located on the 8th floor of Chia Hsin Building. From the year of founding in 2016 to today, Jaho Life Plus+ has successfully shaped the brand "Gemcare", which has become one of the highest-quality maternity care centers in the market.

In addition to continuing tradition, when faced with a modern society marked by more diversified female roles, Gemcare provides services and functions that are closer to the modern postpartum maternity care. The time during postpartum confinement represents the sentiments of respect, care, and gratitude given towards women who give birth. During this stage, women not only acquire another identity, but undergo physical and mental transformations.

Alongside the strong backing of a professional nursing team and the neighboring medical center, or the gracious care of a maternity housekeeper, Gemcare has also implemented an international five-star service management to provide customized services. From the beginning of pregnancy, customers are given all-around care; from hard to soft services, and from material allocations to personalized care, the efforts made to induce the healing and inner-to-outer transformation of women during maternity manifest themselves in every aspect at Gemcare. We further hope that through Gemcare, women can experience healthier physical and mental recoveries and develop to their full potentials, so that they can meet the next stage of their lives with renewed confidence and courage.

### 7 Major Caring Services

- Intensive baby care
- Careful maternity care
- Professional medical partners
- Services by a professional team
- Exclusive meals for postpartum mothers
- Essential oils aromatherapy and health care
- International building certification based on health standards

## Sustainability

### Professional nursing teams and a hotel-style services

The composition of professional teams at Gemcare Maternity Centers is different from other institutes. In addition to professional nursing teams, we have also implemented hotel-style services, allowing mothers to experience a relaxation and security that is more comparable to a honeymoon than that of the extension of a hospital stay.

### WELL Platinum Certification

Dunhua Center and Zhongshan Center received the highest WELL Platinum Certification—equivalent to the Oscars in the architecture industry, allowing mothers and babies to stay safely in a healthy environment.

### All-around care by teams composed of 10 different professionals

Gemcare leads the industry in professional care with a professional medical team composed of registered nurses, lactation consultants, nurse counselors, Chinese medicine physicians, nutritionists, physiotherapists, pediatricians, obstetricians, postpartum recovery specialists, and psychiatrists, providing mothers and babies with the most comprehensive care.

### A new integrated service for maternal and child health care

In January 2021, Gemcare started working with the professional fetal examination authority "Fetal Medicine Clinic" (台兒診所) and the "Endeavor Children's and Women's Clinic" (安兒康小兒專科診所) to provide customized -1 to +6 years pregnancy and early child care consulting services. We extend our services to cover the baby's golden development period of -1 to +6 years old and integrate fetal medicine and infant developmental medicine into the maternity center, creating a new integrated service for maternal and child health care and providing mothers with professional guidance and planning from pregnancy until postpartum.

### Promotion of organic and local businesses

To promote organic and local businesses, we procure organic foods from the Yonglin Farm and cooperate with and purchase from other small farms supported by the Group.

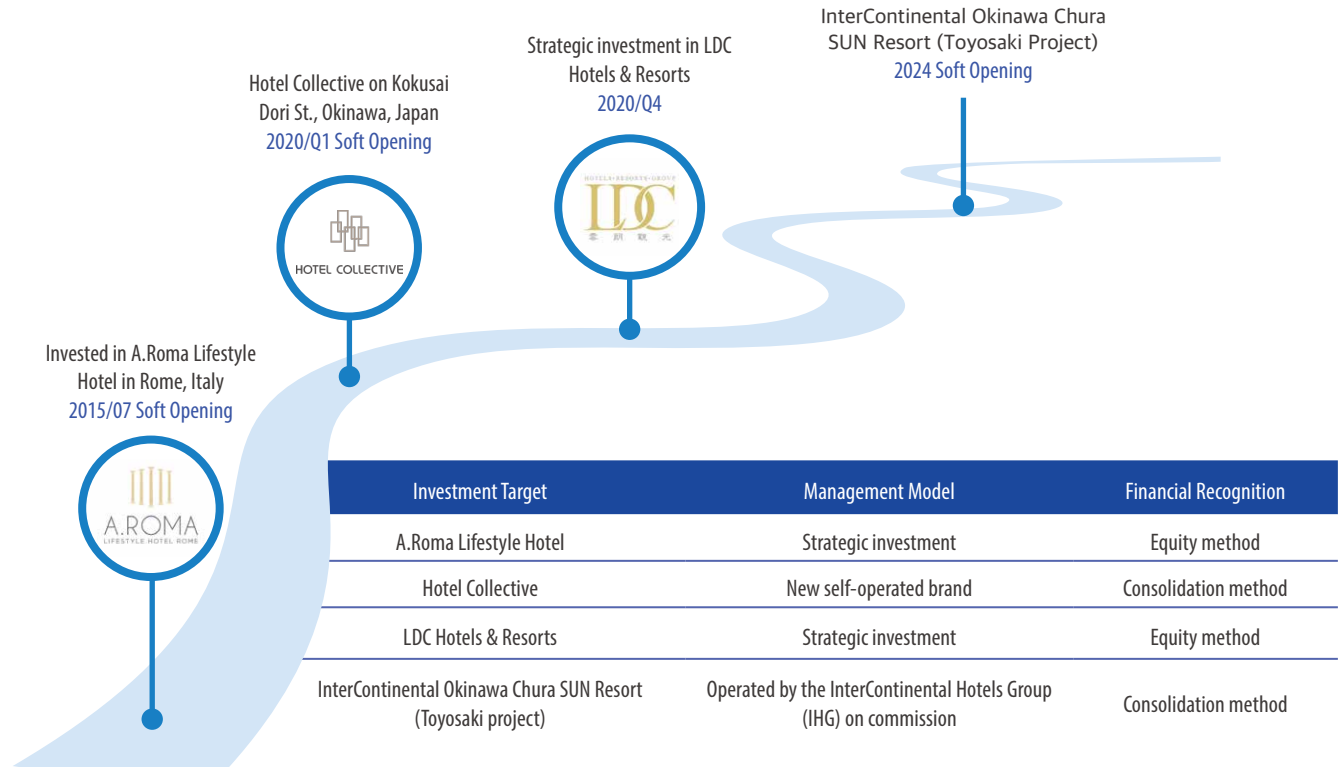
## Food Services

Hidden on the first floor of Chia Hsin Building is the collective elements restaurant, opened to the public in July 2018. Sitting near the beautiful green scenery of Zhongshan North Rd., the restaurant is like a hidden utopia in a concrete jungle. Its interior décor adopts a woody industrial design, and light and space is used to create a comfortable and relaxing dining atmosphere.

In addition, the postpartum meal catering Jaho central kitchen was completed in 2019 Q3 and received the HACCP and ISO 22000 national safety accreditations in November of the same year. Since its official launch, the kitchen has provided top-quality postpartum meals for Gemcare Maternity Center. The kitchen strictly controls the quality of meals cooked, including controlling the temperature and the number of bacteria to multiply, also combines Eastern Chinese medicine with Western nutritional science to provide postpartum mothers in different stages with the most suitable health elements.

The meals are jointly developed by Chinese medicine physicians, dietitians, and chefs to adjust calories and fit the mother's health needs based on their weekly pulse diagnoses. The meals also use in-season ingredients and are adjusted according to the 24 Solar terms. For women with special conditions after giving birth, customized meals are provided. In this way, mothers are able to enjoy delicious meals during postpartum, while every meal that is provided is personalized and contains value beyond the face value of the meal, allowing mothers to keep good health without gaining weight.

## Hospitality Service



The Group ventured into the hospitality business in 2014. Through co-investing with LDC Hotels and Resorts, the Company was transferred hotel property that was under construction in Rome, Italy, which was eventually built into the 4-star city lifestyle hotel "A.Roma". Featuring 276 total guest rooms, the hotel successfully opened on October 15, 2015. To date, the customer base has gradually expanded, and the hotel's business is growing steadily.

Building an international hotel brand was our second course of action in the hospitality business: Hotel Collective, located at

the heart of tourist hot spot Kokusai Dori St. in Naha, Okinawa, is the Group's first overseas hotel brand. The land that the hotel was built on was acquired in 2014, covering an area of 51,703 square feet (4,803 m<sup>2</sup>). The hotel has 13 floors, 260 guest rooms, and features Naha's highest profile guest rooms, food and dining, banquet halls, conference rooms, church, and pool, etc. Completed at the end of 2019, the hotel began operating at the beginning of 2020.

Scaling was the third step in the hospitality business: To further expand the scale of the Group's hospitality business

in Okinawa, we purchased 36,938 square meters in Toyosaki coastal lands from the Okinawa Prefectural Land Development Corporation for approximately 1.5 billion yen. After successfully completing hot spring excavations in 2018, the Group joined hands with major global hotel brand InterContinental Hotels Group (IHG) in August 2019

to build the InterContinental Okinawa Chura SUN Resort in Toyosaki, Okinawa's top-class sea view hot spring hotel. The hotel was designed and planned by the internationally renowned Kengo Kuma and Associates, for which the design team made full use of Okinawa's natural elements and local culture in an effort to connect nature with humanity.

### Hotel Collective's business resilience under the Pandemic

As the pandemic swept the world, not only was Okinawa's tourism severely impacted, but after Japan declared a State of Emergency, local commercial activities and other events had almost completely ceased operations. In such downturn conditions, Hotel Collective, which opened in 2020, demonstrated its business resilience by adopting various strategies.

#### 1. Lowered costs:

- Controlled operating costs and negotiated lower prices with subcontractors. For example: the hotel cleaned the guest rooms by themselves, negotiated with audio, lighting, and elevator maintenance companies for a reduction in commission fees, postponed the signing of parking tower maintenance contracts, controlled costs spent on office supplies, etc.
- Saved water and electricity resources: for example, the hotel restricted the use of elevators and kitchen ventilation systems, turned off lighting systems, closed off certain floors, turned off various ventilation fans, and temporarily closed saunas, etc.
- Assigned work reasonably and reduced non-working time duties, so as to bring employees' overtime hours as close as possible to 0.
- Ordered only the minimum amount of amenities needed.
- To reduce food waste and in consideration of pandemic prevention and hygiene, the restaurants stopped serving buffets, replacing them with set menus.

#### 2. Improved employee education and training:

- Knowledge and practical training, such as knowledge courses on Okinawan tourist attractions and guest room management, and practical training courses on room cleaning, food service provision, English and Japanese check-in, telephone manners, and emergency first aid skills, as well as basic Chinese courses. At the same time, we strengthened cross-departmental training so that employees would be able to cover each other's positions when needed.

#### 3. Employee discounts:

Regarding employees as important customers of the hotel, we provided our employees with half price discounts, which not only increased sales performance, but was also part of the benefit for employees and their friends and family. The costs of the discounts are credited to employee welfare expenses.

#### 4. The hotel's official website and online travel agencies are the most efficient sales channels. In line with the government's travel subsidies, we quickly provided corresponding promotional plans during times when the pandemic situation was more stable.

#### Risk Control and Management

1. Carried out fire drills and self-inspections.
2. To prevent three types of contact, namely, enclosed, intensive, and close contacts with others, we installed face recognition device with non-contact infrared thermometer at the Kokusai Dori St. and South entrances and installed partitions at the front desk to prevent droplet transmission.

# 2.4

## Supply Chain Management

### Supplier Management Policy

In its selection of suppliers, the Group not only considers the aspects of quality, price, payment terms, cooperativeness, and delivery times, but also places emphasis on suppliers' social images and social reviews, which covers ethical corporate management, environment protection, occupational health and safety, labor rights, etc. In June 2020, the Company implemented the Supplier Management Policy and asked our subsidiaries to abide by the policy. Simultaneously, we published the policy on our website, so as to induce supplier awareness and compliance with the policy. We also conduct regular evaluations on our suppliers. If there is deemed to be a violation of the commitment to fulfill corporate social responsibility, transaction frequency and transaction amounts with the supplier will be reduced, whereas in the case of a major violation, the contract will be terminated, and no further transactions will be accepted.





**Upholding the principle of integrity**



**Emphasizing human rights**



**Prohibition of child labor**



**Prioritizing the procurement of energy-efficient equipment**

## Procurement and Purchasing Procedures

To regulate the Company's procedures in the areas of cement related equipment product procurement and construction subcontract management, in 2019 the Company implemented the "Cement Related Products, Equipment Procurement and Construction Subcontract Management Procedures", which covers cement related products, cement equipment purchasing, and construction related maintenance and repair subcontracting operations. Additionally, lists of qualified product suppliers are collected through the procedures to be used as a basis for future collaboration considerations. At the beginning of each year, we conduct an annual evaluation of our cement related product suppliers, in which a "Supplier Evaluation Form" is created based on the criteria of quality, delivery time, cooperativeness, and price.

### Goal

To select suppliers and ensure that they can provide suitable products, services, or construction operations, so that they are able to develop into long-term, reliable supply chains that possess corporate social responsibility ideas, thereby supporting the growth of the business.

### Business Ethics

The Company attaches importance to the ethical management of our suppliers, selecting suppliers based on "Ethical Corporate Management Best Practice Principles" and requiring that suppliers exceeding a certain transaction amount sign the "Letter of Undertaking of Integrity".

### Green Procurement Policy

The Company implements a green procurement policy. As such, the selection of products takes into account the energy-saving and environmental protection factors of product design, production, packaging, logistics, sales, service, recycling and reuse, etc. Under circumstances where the cost-effectiveness is determined to be acceptable, the Company will also procure based on the green procurement policy and use this as a standard for selecting qualified suppliers.

## Responsible Procurement

### Cement sector

As a retailer in Taiwan, the Company mainly purchases cement from domestic companies and abroad to be transported by sea to the silo storages at Keelung and Taichung Ports (the storage capacity at the ports are 38,000 metric tons and 45,000 metric tons, respectively), after which the cement is sold to customers in bulks or bags. Our main cement suppliers are Taiwan Cement (TCC) and Asia Cement (ACC), both proponents of quality control, human rights, and environmental protection.

### Hospitality and food services sector



We do not use shark fins or any other protected species as ingredients.



We do not use disposable utensils or melamine utensils.



We prioritize the use of local ingredients to reduce carbon emissions during transportation.

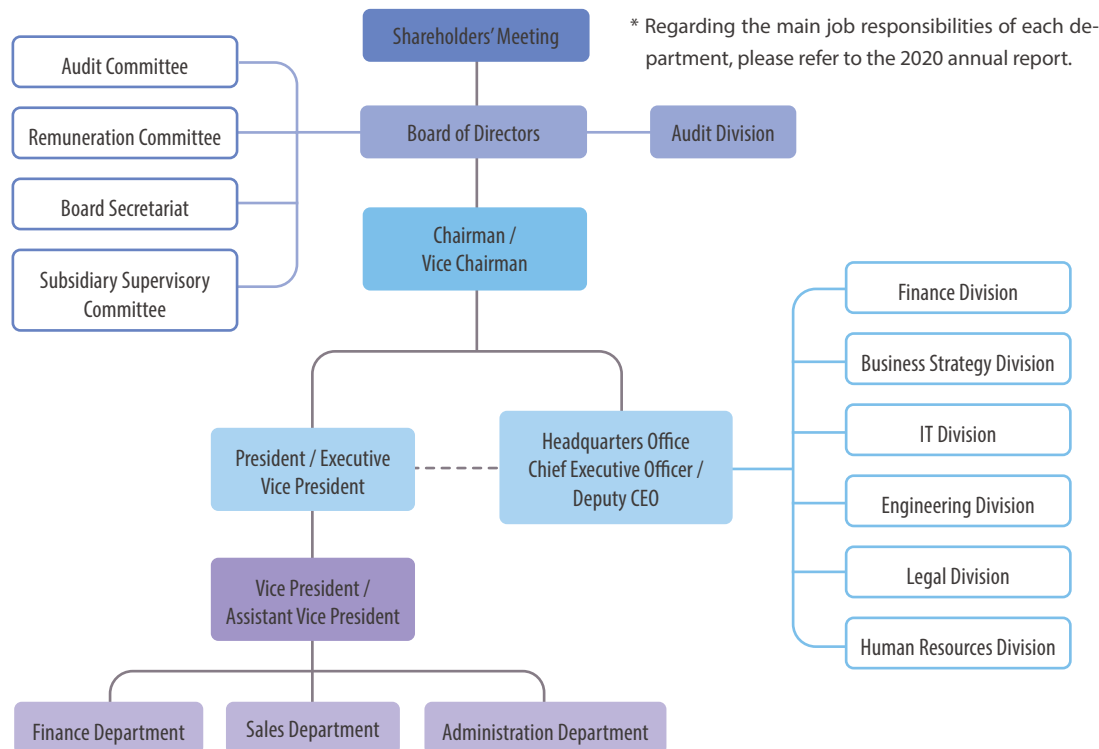


We promote organic and local businesses by purchasing organic foods from local farms.

# 3.1

## Corporate Governance

Organization Chart



### Board of Directors

#### Board Members and Board of Directors Operations

On June 21, 2019, the Company convened a regular shareholders' meeting to elect board members for the new term—three years in length, with the elected directors listed as follows: (The Company's regulations stipulate that seven to nine elected directors serve on the board of directors, with the specific number of directors to be decided by the board of directors meeting. According to the decision made at the 421st meeting of the board of directors on March 27, 2019, seven directors will serve in the new term, among whom three shall be independent directors).

**As of April 30, 2021, the Company convened nine meetings of the board of directors (seven and two in 2020 and 2021, respectively). In compliance with relevant laws to ensure information transparency, all important proposals discussed during the meetings are announced on the Market Observation Post System.**

#### Conflicts of Interest Principles

Through meetings of the board of directors, important decisions are made in regard to business plans, key candidate selections, budget approval, final accounts, crucial contracts, and other critical matters. To ensure the Company's systematic development, directors exercise their due diligence to carefully assess the proposals presented in board of directors meetings, and when necessary, invite legal and financial professionals to deliver presentations, thereby strengthening the Company's corporate governance. When the contents of discussions directly implicate particular directors themselves or the juridical persons they represent, such directors shall withhold participation in related discussions or decision-making so as to avoid conflicts of interest.

Title	Name	Gender	Experience & Education	Number of Meetings Attended	Number of Meetings attended by Proxy	Actual Attendance Rate (%)
Chairman	Jason K. L. Chang	M	Master, Massachusetts Institute of Technology	9	0	100%
Director	Chi-Te Chen	M	MBA, University of California, Santa Clara	9	0	100%
Director	Tong Yang Chia Hsin International Corporation representative Pan Howard Wei-Hao	M	Master of EE and MBA, Massachusetts Institute of Technology	9	0	100%
Director	Tong Yang Chia Hsin International Corporation representative I-Cheng Liu (took over duties on April 28, 2020)	M	Wharton School of the University of Pennsylvania	7	0	100%
	Tong Yang Chia Hsin International Corporation representative Jeffrey H. H. Wang * (Naturally discharged when he passed away on January 13, 2020)	M	Fashion Institute of Technology, The State University of New York	0	0	0%
Independent director	Robert K. Su	M	Ph. D., Accounting, Louisiana State University Dean, College of Commerce, National Chengchi University	9	0	100%
Independent director	Chia-Shen Chen	M	Ph. D., Psychology, National Taiwan University	9	0	100%
Independent director	Kuan-Ming Chen	M	BBA, University of Southern California	6	3	67%

\* On January 13, 2020, Tong Yang Chia Hsin International Corporation representative Jeffrey H. H. Wang passed away and was thus naturally discharged. In principle, Wang should have attended one board meeting in 2020, whereas I-Cheng Liu attended seven board meetings after taking over duties on April 28, 2020.

The Company upholds integrity management and shareholders' rights and interests. In 2013, shareholders' meeting was held to appoint independent directors to the board of directors, rounding out the board with supervisory and management capabilities. Additionally, the Company performs internal audits on various aspects, such as business operations, human resources, accounting, and financial control, to protect the rights and interests of all stakeholders and ensure the Company's sustainable operation.

## Board of Directors Performance Evaluation

To fulfill corporate governance and elevate the operational performance of the board of directors, the Company formulated the **"Board of Directors Performance Evaluation Regulation"** in compliance with the laws and regulations set by competent authorities. The Board of Directors Performance Evaluation Regulation was passed and implemented by the board of directors in May 2019, stipulating clear regulations regarding the performance evaluation cycle, evaluation period, evaluation scope, evaluation methods, evaluation implementation units, evaluation procedures, and other relevant matters for which the Company shall comply with. The implementation status of the performance evaluation in 2020 is shown as follows:

### Evaluation cycle

Once a year

### Evaluation period

From January 1, 2020 to December 31, 2020

### Evaluation methods

Includes the performance evaluation of the board of directors, individual board members, and functional committees

### Content of evaluation

The Company referenced samples provided by competent authorities to develop the following questionnaire evaluation items.

## 1 Board of Directors Performance Evaluation

- 1-1 Degree of participation in the Company's operations
- 1-2 Quality of decisions made by the board of directors
- 1-3 Composition and structure of the board of directors
- 1-4 Election and continuing education of the board of directors
- 1-5 Internal control

## 2 Performance Evaluation of Individual Directors

- 2-1 Alignment with the goals and missions of the Company
- 2-2 Awareness of director duties
- 2-3 Degree of participation in the Company's operations
- 2-4 Internal relationship management and communication
- 2-5 Professionalism and continuing education of directors
- 2-6 Internal control

## 3 Performance Evaluation of Functional Committees

- 3-1 Degree of participation in the Company's operations
- 3-2 Awareness of functional committee duties
- 3-3 Quality of decisions made by functional committees
- 3-4 Composition and election of functional committees
- 3-5 Internal control

## Board Members Continuing Education

Members of the Company's board of directors possess the knowledge, skills, and various professional background required to fulfill their job responsibilities by actively participating in a diversity of courses and lectures. This will continuously strengthen their professionalism, maintain excellent communication, and exchange valuable information and experiences with management teams. Information on the training courses taken by each director in 2020 to enhance their governance skills is summarized as follows:

Training Records for Directors and Independent Directors:

Name of Director	Course Content	Training Institution	Date Attended	Hours
Jason K. L. Chang	Enterprise New Value Driven by Digital Transformation	Taiwan Institute of Directors	2020/07/28	3
	Enterprise Transformation during the Changing Era	Taiwan Institute of Directors	2020/10/21	3
Chi-Te Chen	Shareholders' Meeting Planning and Case Study	Taiwan Corporate Governance Association	2020/03/06	3
	Ethical Corporate Management Best Practice Principles	Taiwan Corporate Governance Association	2020/08/14	3
Pan Howard Wei-Hao	Crisis Landing: How to Make Accurate Decisions for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	2020/08/13	3
	Corporate Sustainability: Screening of High-quality Corporate ESG as a Standard Practice	Taiwan Institute of Directors	2020/11/24	3
I-Cheng Liu	Post Pandemic Era - State Governance for Taiwan	Taiwan Listed Company Association	2020/06/16	2
	Crisis Landing: How to Make Accurate Decisions for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	2020/08/13	3
	Corporate Sustainability: Screening of High-quality Corporate ESG as a Standard Practice	Taiwan Institute of Directors	2020/11/24	3
Kuan-Ming Chen	Enterprise New Value Driven by Digital Transformation	Taiwan Institute of Directors	2020/07/28	3
	Reversion era of the Healthcare - Transformation and New Governance of the Industry	Taiwan Institute of Directors	2020/09/21	3
Robert K. Su	Corporate Governance – Global Political and Economic Situation Impact on Business Operation Risks	Taiwan Academy of Banking & Finance	2020/03/25	3
	Data Analysis of Fraud Investigation Case Studies in Relation to the Business Disputes Procedure Act	Association of Certified Fraud Examiner	2020/07/03	6

Name of Director	Course Content	Training Institution	Date Attended	Hours
Robert K. Su	Enterprise Transformation during the Changing Era	Taiwan Institute of Directors	2020/07/28	3
	2020 Annual Meeting of the Taiwan Institute of Directors: Turning Point in Business Strategy for Enterprises in Taiwan under the Impact of the Epidemic	Taiwan Institute of Directors	2020/08/07	3
	Crisis Landing: How to Make Accurate Decisions for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	2020/08/13	3
	Study of Due Diligence and Sales Contract of Mergers and Acquisitions	Corporate Operation Association	2020/08/14	3
	Case Study of Mergers and Acquisitions Personnel Integration	Corporate Operation Association	2020/08/18	3
	Impact on Taiwan from the U.S./China Trade War and Coronavirus Attack	DBS Bank (Taiwan) Ltd.	2020/08/27	3
	Application of Corporate Governance on Risk Management Procedures and Principles	Taiwan Corporate Governance Association	2020/09/15	3
	The Role of Institutional Investors in Corporate Governance	Taiwan Corporate Governance Association	2020/09/18	3
	Reversion Era of the Healthcare - Transformation and New Governance of the Industry	Taiwan Institute of Directors	2020/09/21	3
	2020 Substantial Beneficiaries Legal System Seminar	Corporate Governance Professionals Association	2020/09/24	3
	Introduction to Corporate Governance 3.0 – Sustainable Development Roadmap	Corporate Operation Association	2020/10/08	3
	Introduction to the Amended Operations and Related Procedures for Board Meetings, Independent Directors, and Remuneration Committees	Corporate Operation Association	2020/10/08	3
	Introduction to Board of Directors and Shareholders' Meeting Procedures through Recent Proxy Contest Case Studies	Corporate Operation Association	2020/10/13	3

Name of Director	Course Content	Training Institution	Date Attended	Hours
Robert K. Su	Acquisition and Shareholding Structure and Voting Rights under Proxy Contest	Corporate Operation Association	2020/10/19	3
	Implementation of Performance Evaluation of Board of Directors	Taiwan Corporate Governance Association	2020/10/20	3
	Enterprise Transformation in the Changing Era	Taiwan Institute of Directors	2020/10/21	3
	Money Laundering Prevention	DBS Bank (Taiwan) Ltd.	2020/10/27	3
	Corporate Governance - Family Business Inheritance and Planning	Taipei Foundation of Finance	2020/11/04	3
	Information Security and Risk Management of FinTech II	Taiwan Academy of Banking & Finance	2020/11/12	3
	Corporate Sustainability: Screening of High-quality Corporate ESG as a Standard Practice	Taiwan Institute of Directors	2020/11/24	3
	Information Security and Risk Management of FinTech III	Taiwan Academy of Banking & Finance	2020/12/08	3
	Chia-Shen Chen	2020 Annual Meeting of the Taiwan Institute of Directors: Turning Point in Business Strategy for Enterprises in Taiwan under the Impact of the Epidemic	Taiwan Institute of Directors	2020/08/07
Crisis Landing: How to Make Accurate Decisions for Enterprise Crisis and Risk Management		Taiwan Institute of Directors	2020/08/13	3
Case Study of Corporate Governance: Corporate Culture and Shareholder Activism		Taiwan Corporate Governance Association	2020/09/11	3
Reversion Era of the Healthcare - Transformation and New Governance of the Industry		Taiwan Institute of Directors	2020/09/21	3
Enterprise Transformation in the Changing Era		Taiwan Institute of Directors	2020/10/21	3
Corporate Sustainability: Screening of High-quality Corporate ESG as a Standard Practice		Taiwan Institute of Directors	2020/11/24	3

## Audit Committee

To help the board of directors supervise the quality and integrity of the Company's procedures and control in areas such as accounting, auditing, financial reporting, and financial control; establish favorable functional committee governance systems; and strengthen audit and supervision performance, in June 2013, the Company set up the Audit Committee and formulated relevant organizational procedures.

### Audit Committee Composition

The audit committee is composed of independent directors and shall consist of at least three members.

### Main Supervision-related Responsibilities of the Audit Committee

1. Review the appropriateness of the Company's financial statements
2. Elect and dismiss accountants and evaluate their independence and performance
3. Ensure the effective implementation of the Company's internal control
4. Ensure that the Company complies with relevant laws and regulations
5. Manage and control the Company's existing and potential risks

### Audit Committee Operations

On June 21, 2019, the Company elected the new Audit Committee members for the new term.

**In the most recent year, the Audit Committee held eight meetings (A), for which the attendance record of each member is as follows:**

Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Rate of Attendance in Person (%) (B/A) <small>(Note 2)</small>	Remarks
Independent Director	Robert K. Su	8	0	100%	Re-elected on 2019/06/21
Independent Director	Chia-Shen Chen	8	0	100%	Re-elected on 2019/06/21
Independent Director	Kuan-Ming Chen	5	3	63%	Re-elected on 2019/06/21

\* Number of meetings: seven meetings in 2020 and one meeting in 2021 (as of April 30, 2021.)

## Remuneration Committee

In December 2011, the Company established a Remuneration Committee and formulated relevant organizational procedures to strengthen the Company's corporate governance and improve its remuneration systems for directors and managers.

- Remuneration Committee Composition:  
Remuneration Committee members are appointed according to the resolution of the board of directors. The committee must consist of at least three members, at least one of whom shall be an independent director. The committee shall also consist of one advisory committee member—assumed by the head of the Company's Human Resources Department, who attends the meetings but does not have any voting rights and assists the committee in performing related duties.
- Remuneration Committee Functions:  
Remuneration Committee members take a professional and objective perspective to assess the remuneration policies and systems for directors and managers established by the Company and make suggestions to the board of directors to serve as decision-making references.

### Remuneration Committee Members

- A total of three members serve in the Remuneration Committee.
- The committee's current tenure: June 21, 2019 to June 20, 2022. Over the past year (up to April 30, 2021), the committee held seven meetings (A), for which the attendance record of each member is as follows:

Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Attendance Rate in Person (%) (B / A) <small>(Note)</small>
Convener	Chia-Shen Chen	7	0	100%
Member	Chi-Lin Wea	7	0	100%
Member	Robert K. Su	7	0	100%

\* Number of meetings held in the most recent year includes: five meetings in 2020 and two meetings in 2021 (as of April 30, 2021).

## Subsidiary Supervisory Committee

The Company assumes responsibility for all of its investors and shareholders. Thus, on July 2, 2010, it founded the Subsidiary Supervisory Committee and formulated relevant organizational procedures in order to establish and implement mechanisms for overseeing the operational efficiency and risk control mechanism of its subsidiary companies.

### Subsidiary Supervisory Committee Members and Operations:

Members serving on the current Subsidiary Supervisory Committee were appointed by the board of directors on July 11, 2019. The member list is as follows:

Chairman	Director	President
Jason K. L. Chang	Pan Howard Wei-Hao	Chih-Chu Chi

### Operational Supervision and Risk Control

The assets and financial accounting of the Company's affiliated companies are managed independently by the companies themselves. The Subsidiary Supervisory Committee comprises of two to four directors, independent directors, or presidents selected by the board of directors, while the convener elected by majority vote is responsible for making necessary adjustments to the risk management, business, finance, information, operation management, and investment-related task forces belonging to various departments and units. Such task forces are responsible for working with the Company's Audit Division to review the reports and proposals regularly or irregularly submitted by the Company subsidiaries and offering relevant professional advice to help the subsidiary supervisory committee fulfill its supervision and management responsibilities. By monitoring subsidiaries and affiliated companies' business activities and potential risks involved and amending its risk control mechanisms in a timely manner, the Company is able to avoid bearing risks caused by the malpractices of its affiliated companies.

## Participation in Public Associations

To promote business information exchanges and ensure positive interaction and cooperation with all sectors of society, Chia Hsin Cement Group has joined organizations such as the Taiwan Cement Manufacturers' Association, as well as corporate governance and stock affairs-related public associations and domestic associations/organizations formed by entrepreneurs, and engages in cross-strait and Taiwan-Japan exchanges, among others, to maintain close communication with the outside world.

Name of the association joined by Chia Hsin Cement Group	Board of directors and supervisors / committee	Members
Taiwan Cement Manufacturers' Association	●	●
Chinese National Association of Industry and Commerce in Taiwan	●	●
Cross-Strait CEO Summit	●	●
Taiwan Institute of Directors	●	●
Young Presidents' Organization		●
Monte Jade Science & Technology Association of Taiwan		●
Taiwan Stock Affairs Association		●
Importers and Exporters Association of Taipei		●
Taiwan Japan Association for Business Communication		●
Chinese International Economic Cooperation Association, Taiwan		●
Taiwan Women on Boards Association		●
Information Management Association		●
The Institute of International Auditors-Chinese Taiwan		●
Accounting Research and Development Foundation		●
Chinese National Federation of Industries	●	●
Taiwan Corporate Governance Association		●

# 3.2

## Sustainable Business Management

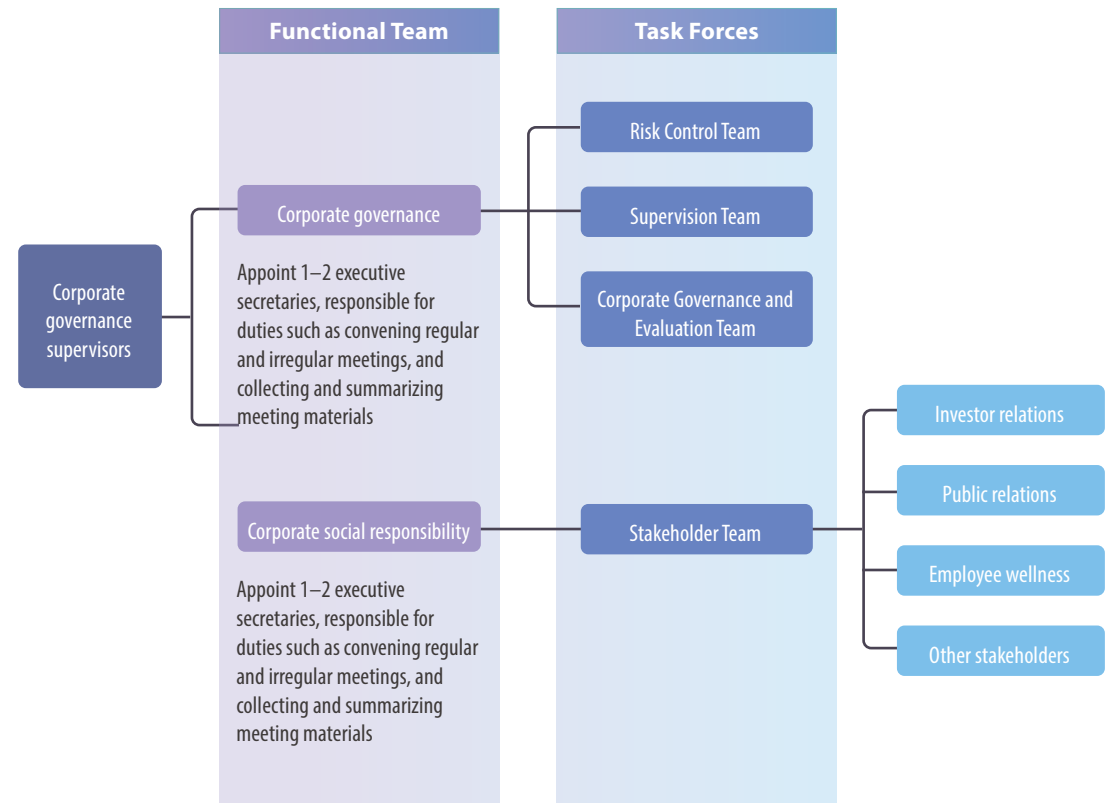
### Promote Sustainable Development Policies

To uphold the spirit of corporate governance, fulfill corporate social responsibilities, and facilitate a balance between economic, social, environmental, and ecological development, in 2015 the Company formulated its Corporate Social Responsibility Policies, which was subsequently reviewed and approved by the board of directors—the Company’s highest governance unit, and designated the Headquarters Office as the unit responsible for promoting corporate social responsibilities. To strengthen the Company’s sustainable development operations, an ESG Target Promotion Team was established in 2019, for which team members involved with relevant operations were selected. This ESG Target Promotion Team is led by the Company’s CEO, who also acts as the Company’s corporate governance officer. In 2020, the same organizational structure was extended to establish a Corporate Governance Team and Corporate Social Responsibility Team—differentiated by functions and tasks, and the teams were further divided into a Risk Control Team, Supervision Team, Corporate Governance Evaluation Team, and Stakeholder Team, who are collectively responsible for data collection, topic planning, goal setting, and plan development and implementation. The corporate governance officer is responsible for regularly reporting each year’s work objectives, plans, and implementation results to the Company’s board of directors.

### Scope of Application

The sustainable development policies are applicable to all companies within the Chia Hsin Cement Group. When engaging in business operations, all companies shall adhere to social ethics and respect the rights and interests of stakeholders. When pursuing profits, all companies shall place emphasis on environmental, social, and corporate governance factors, actively fulfill their corporate social responsibilities, and follow development trends in the aspects of environmental balance, social co-prosperity, and corporate governance to ensure the Group’s sustainable operations.

### Organizational Structure for Sustainable Management





### Main job responsibilities of the Corporate Governance Unit



Hold regular corporate governance meeting



Report the implementation results of the various task forces

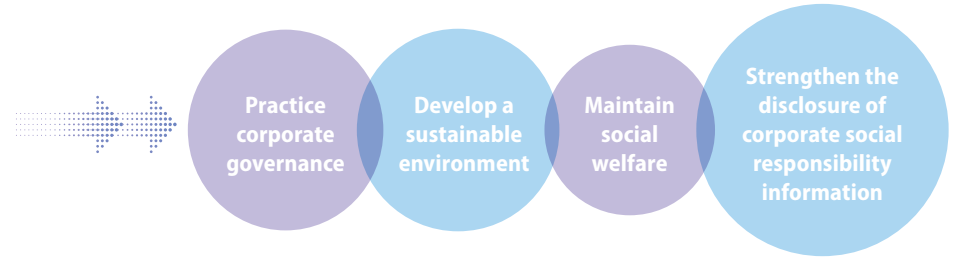


Discuss or review projects that require follow-ups



Report implementation results to the board of directors regularly

### Corporate Social Responsibility Implementation Principles



### Corporate Governance Unit Functions

#### Responsibilities of the corporate governance officer



Handle matters related to board of directors and shareholders' meetings in accordance with the law



Record board of directors and shareholders' meeting minutes



Help directors take office and continue to learn



Provide directors with the data required to fulfill their job responsibilities



Assist directors in complying with the law



Supervise corporate governance unit operations

Corporate governance

Corporate Social Responsibility

#### Risk Control Team

- Every department shall assign at least one person to become a member of the team (using the topics discussed during meetings as a basis, invite managers from relevant subsidiary companies to participate in the meetings)
- Assess the risk items of all companies in the Chia Hsin Cement Group and identify the corresponding degrees of risks
- Formulate and implement risk assessments plans and follow up on improvements made

#### Supervision Team

- The Audit Division is responsible for communicating audit plan results to relevant personnel
- Monitor and analyze reinvested companies

#### Corporate Governance and Evaluation Team

- The Board Secretariat shall be responsible for tasks such as performing self-assessments, submitting applications, formulating improvement plans, and following up on improvements made

#### Stakeholder Team

- Includes communities, suppliers, banks, and customers. Different departments or personnel shall assume responsibility based on the department and personnel's specialties or the projects involved

## Sustainable Management Guidelines

### 1. Corporate Governance Unit meetings

- a. Hold regular Corporate Governance Unit meetings
- b. Set annual targets and implementation plans
- c. Report the implementation progress of major projects
- d. Supervise and follow up on improvement projects

### 2. Discussion items

- a. Draft operation reports
- b. Analyze changes in internal and external business environments
- c. Report the Group's operation statuses (including key businesses and financial data analyses)
- d. Identify and define the operational risks of the Group
- e. Ensure that the Audit Division communicate with relevant units before and after the implementation of annual audit plans
- f. Propose improvement plans for corporate governance evaluation items and follow up on implementation statuses

The risks assessed include environmental risks (such as natural disaster risks, pandemic risks, changing business environment risks, and risks caused by environmental sustainability issues), supply risks (such as product price fluctuation risks and supply chain risks), financial risks, and management risks. Risk items are divided into types and given quantitative scores, while assessments are performed based on the comparison of median scores.

### 3. Risk Control Team

- a. Assist the Corporate Governance Unit supervisor in defining and identifying business risks
- b. Establish a risk control team to assess risks and formulate adaptive measures
- c. Launch risk improvement projects
- d. Follow up on the progress of risk improvement projects
- e. Perform risk re-evaluations based on the improvement results
- f. Build risk alert mechanisms

### 4. Items or Indicators to be Analyzed when Supervising Reinvested Companies

- a. Subsidiary companies  
Actual operators: Analyze business performance and control risks (special focus is placed on compliance and auditing)  
Holding companies: Not included in the analyses
- b. Strategic investments: Identify business directions and prospects, business performance, cash flow and financial risks, and whether the market prices (stock prices) of companies are subject to high volatility
- c. Non-significant investments with seats for directors and supervisors: Pay attention to companies' business performances as well as their opinions on or votes cast for proposals addressed in board of directors' meetings

# 3.3

## Risk Management

### Implementation of Risk Management Policies and Risk Measurement Standards

The Company's risk management policy is based on controlling risks within tolerable levels. The risk control teams of the Audit Committee, Audit Division, and corporate governance units, and the Subsidiary Supervisory Committee is tasked with evaluating the various risks faced by the Company and its subsidiary companies, including environmental risks, supply risks, management risks, and financial risks, and adopting relevant risk response measures and control activities. Moreover, the related information generated during risk management processes are communicated between relevant units and implementation statuses are monitored, thereby effectively reducing risks.

## Structure of the Risk Control Team under the Corporate Governance Team

The Risk Control Team is attached to the Corporate Governance Team and started taking on related duties after establishment in the fourth quarter of 2019. The Team is primarily responsible for conducting questionnaire surveys to assess each company's environmental, supply, financial, and management risks.

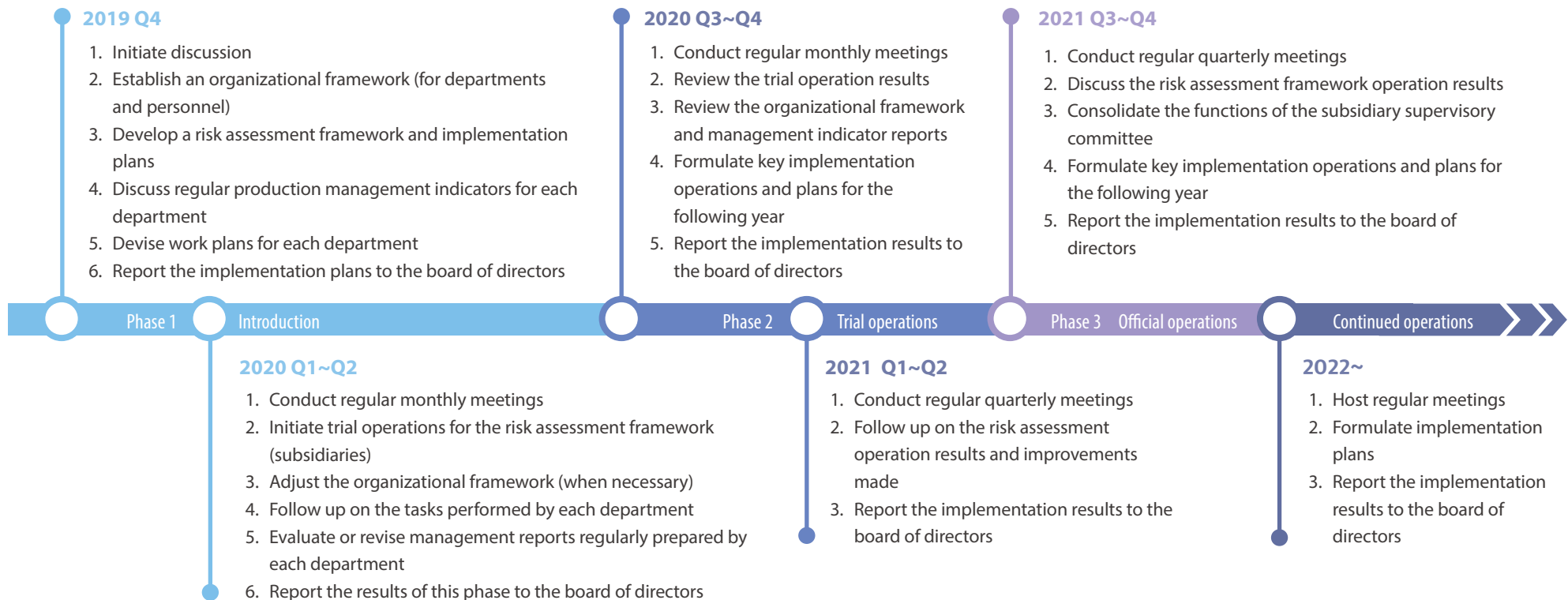
### The purpose of performing risk assessments

To determine risk management procedures and to compare risk levels (obtained from risk analyses) with existing risk assessment benchmarks in order to prioritize risks.

### The objective of performing risk assessments

Prioritize risks according to the risk analysis results. According to the assessment results, handle the risks with the lowest tolerance levels and those ranked as high degree of risks in risk profiles; retain and regularly monitor risks that are acceptable and risks with a low likelihood of occurrence.

## Tasks and Plans for Different Risk Control Phases



## Information Security and Risk Management Framework

To establish an information security and risk management framework, the Company formulated specific information security policies and management plans and announced its Information Security Policies and Management Plans on the Company website (under “Corporate Governance” in the ESG Zone).

To strengthen information security management, ensure information availability, integrity, and confidentiality, and avoid intentional or accidental internal and external threats, Chia Hsin Cement Group's information security facilities and management methods are divided into six major categories:



## Management Measures for the COVID-19 Pandemic and Relevant Risks

On January 30, 2020, the World Health Organization declared COVID-19 as a public health emergency of international concern. The COVID-19 pandemic not only devastated the world's economies, but also drastically changed its political and social systems. In response to the tremendous effects of the pandemic on the Company's internal and external operating environments, the Group has adopted and strengthened the following management measures:

### Build reporting mechanisms



To enhance COVID-19 reporting mechanisms and ensure that all units are informed about the latest pandemic-related updates in real-time, the Group reviewed existing operations and established interdepartmental collaboration mechanisms by making use of the instant and convenient features of communication software. Such communication software serves as an effective channel for upper management and department heads to communicate, make decisions, and announce relevant matters, effectively diminishing the negative impacts of the pandemic.

### Implement pandemic prevention policies



The Group purchases, inspects, and inventories pandemic prevention-related equipment and materials such as alcohol and infrared forehead thermometers; keeps safety stock and controls important materials such as face masks at all times; controls employee and visitor entries and departures from the Chia Hsin Building; and carries out body temperature checks and health management operations. Furthermore, a Risk Control Team monitors the latest pandemic updates and proposes corresponding management measures.

### Respond flexibly to management regulations



Because of the negative effects of COVID-19 on the society, the Group places heavy emphasis on the psychological states of our employees, helping them with their inquiries, anxieties, and needs. Accordingly, related policies such as flexible work hours, work from home, and paid official leave have been introduced to create a safe and healthy workplace environment. Additionally, additional response measures are adopted according to the severity of the pandemic, such as business travel suspension and visitor management.

### Perform periodic impact assessments



Since January 2020, all departments of the Group (including its affiliated companies) are required to conduct self-assessments on the impact of the pandemic. At the same time, the Risk Control Team establishes regular tracking management measures and monitors the latest pandemic trends to provide assistance as needed.

### Adjust business strategies in real time

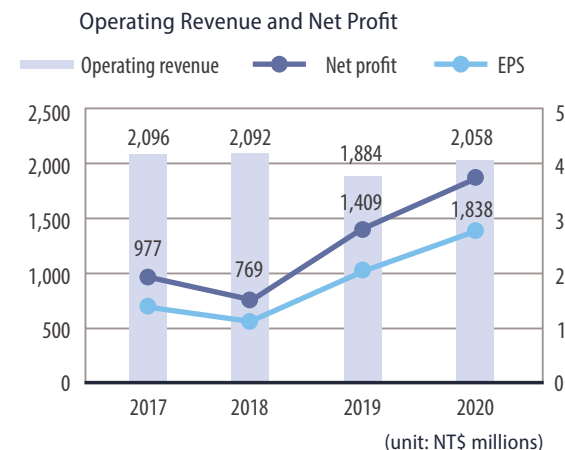


In response to the COVID-19, the Group assesses the impact of the pandemic on the lodging and health care services and adjusts its operating strategies accordingly.

# 3.4

## Financial Performance

Chia Hsin Cement Group upholds the principles of integrity and transparency, posting major financial and non-financial information both on the Company's website and Taiwan Stock Exchange's Market Observation Post System prior to required deadlines. In addition to obtaining relevant information from online, shareholders can communicate with management teams during shareholders' meetings, or through the contact persons of stock agencies or stakeholders to express their opinions and obtain feedback.



### Profitability Analyses

Item	2017	2018	2019	2020
Operating revenue (unit: NT\$ millions)	2,096	2,092	1,884	2,058
Net profit (unit: NT\$ millions)	977	769	1,409	1,838
EPS (unit: NT\$)	1.39	1.09	2.02	2.74
Debt ratio (%)	31.98	34.6	38.85	38.45
Ratio of long-term capital to property, plant, and equipment (%)	911.57	830.28	535.84	606.96
Return on assets (%)	3.90	2.78	4.27	4.96
Return on equity (%)	5.57	3.83	6.32	7.55

Note: The data was calculated based on consolidated financial statements prepared using the International Financial Reporting Standards

## Dividend policies

Article 26 of the Company's articles authorizes the board of directors to formulate future dividend policies as the basis for drafting earnings distribution proposals. Though the Company adopts residual dividend policies, in consideration of future capital expenditures and funding demands, the Company plans to use any surpluses to cover for potential losses, income taxes, reserves, employee compensations, and director remunerations, after which the remaining balance for the fiscal year will be distributed to shareholders. Moreover, at least 50% of the distributable earnings of the fiscal year shall be distributed as shareholders' dividends.

### Investor Services

The Company has appointed the Capital Securities Corporation to handle stock affairs-related operations in order to ensure information transparency in accordance with relevant regulations and also encourages shareholder participation. The Company also has a spokesperson to answer investors' inquiries, if any.

### Dividend Distribution over the Past Four Years

Unit:NT\$/share

Item	2017	2018	2019	2020
Cash dividend	0.5	1.0	1.0	1.4
Stock dividend	0.0	0.0	0.0	0.0
Total	0.5	1.0	1.0	1.4

### Direct Economic Value Generated and Distributed by the Organization

\*Unit: NT\$ thousands

Item	2018	2019	2020
Operating revenue	2,092,406	1,884,002	2,058,417
Financial investment revenue	455,528	1,022,944	807,947
Operating costs	1,803,918	1,685,405	2,202,158
Employee salaries and benefits	292,956	344,096	508,346

# 3.5

## Ethical Corporate Management and Code of Ethical Conduct

To establish an ethical corporate culture and develop sound business operation models, thereby laying the foundation for our business, the Company formulated the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" in accordance with current laws and regulations, for which all formulations and revisions were approved by the board of directors.

**There were no major penalties in 2020.\***



**Prohibiting dishonest behavior**



**Complying with laws and regulations**



**Formulating policies**

### Management Procedures for Preventing Insider Trading

To prevent damage to the Company's reputation caused by the improper circulation or unauthorized use of the Company's major internal news, the Management Procedures for Preventing Insider Trading were passed by the Company's board of directors in order to enhance insider trading prevention and protect the equity of investors and the Company.

#### Applicability /

The management procedures apply to the Company's insiders (including its independent directors), quasi-insiders, and news recipients. For more information, please visit the ESG Zone on the Company website.



## Ethical Corporate Management Best Practice Principles

To establish an ethical corporate culture and develop sound business operation models, the Company referenced the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies announced by the Taiwan Stock Exchange Corporation to formulate the Ethical Corporate Management Best Practice Principles (hereinafter, "Ethical Corporate Management Principles"), which were approved by the Company's board of directors in 2014. Out of consideration for making necessary revisions to ensure compliance from all levels of the company, in 2020, the Company referenced the Ethical Corporate Management Principles to introduce the Ethical Corporate Management Operating Procedure and Behavioral Guidelines.



The Ethical Corporate Management Principles are applicable to the Company, subsidiary companies, related foundations and consortiums with more than 50% direct or indirect donations, and other institutions or juridical persons with substantial control. To ensure the implementation of the Ethical Corporate Management Principles, the Company established effective accounting and internal control systems and various management guidelines, in which Audit Division personnel regularly check for compliance and any unethical behavior found is punished in accordance with the Company's reward and punishment regulations. The Audit Division is also responsible for formulating and implementing ethical corporate management policies and prevention plans. **Starting in 2020, such responsibilities were shifted to the Headquarters Office, which regularly reports implementation statuses to the board of directors**, while the Audit Division is responsible for reviewing matters of compliance and handling whistleblowing matters.

### Whistleblowing System

To achieve favorable corporate governance, prevent activities such as fraud and bribery, and eliminate operations that violate the Company's articles or relevant laws and regulations, the Company referenced the Ethical Corporate Management Best Practice Principles to formulate the Whistleblowing Procedural Guidelines, which are applicable to the Company and its subsidiaries, including internal and external related stakeholders.

- The Audit Division of the board of directors is the department responsible for handling whistleblowing cases reported to the Company.
- If members related to the Group are found to engage in unethical or prohibited practices in violation of the Company's "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" (e.g., accepting bribery and/or related benefits, engaging in fraud, and benefiting themselves illegally), whistleblowers may report such incidents through the following channels.

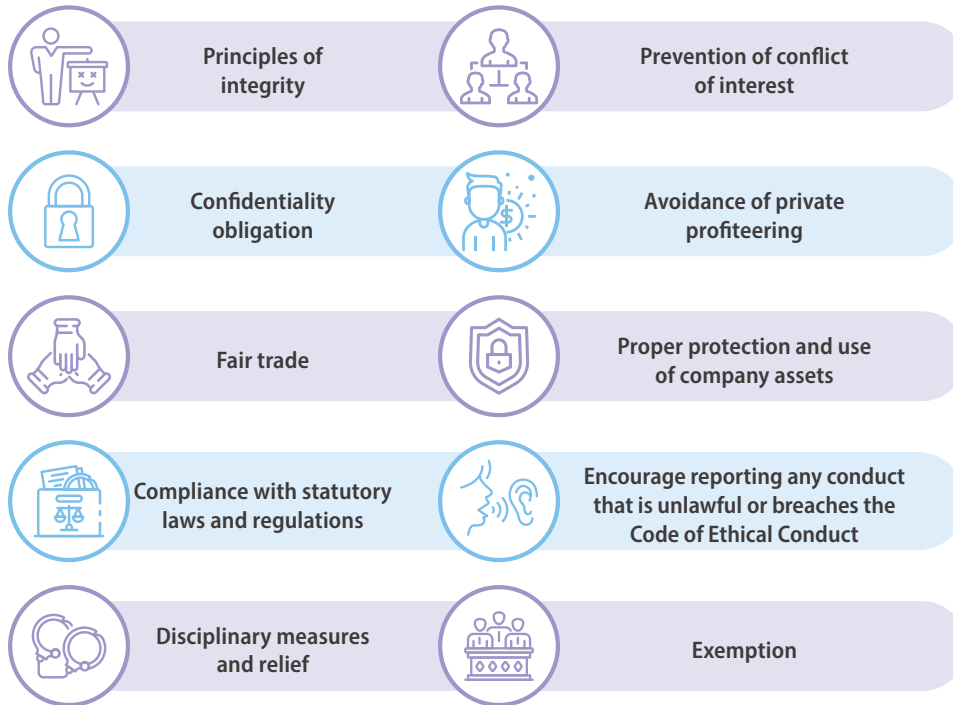
#### Whistleblowing channels and methods:

1. **By phone:**  +886-2-2551-2317  
To prevent verbal omissions or misunderstandings from compromising the acceptance and investigation of cases, the Company may record the contents of phone conversations when deemed necessary and shall ensure that the phone calls are kept strictly confidential.
2. **By mail:**  
No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City (To: Head of the Audit Division, Chia Hsin Cement Corporation)
3. **By Email:**  [chcgroup.audit@gmail.com](mailto:chcgroup.audit@gmail.com)  
[chcgroup.audit@gmail.com](mailto:chcgroup.audit@gmail.com) (when reporting by Email, please make sure that the attachments are encrypted to prevent the reported information from being exposed)

## Code of Ethical Conduct

To ensure that the behavior of the Company's directors and managers complies with ethical standards and that the Company's stakeholders are informed about the Company's ethical standards, the Company introduced the "Code of Ethical Conduct for TWSE/GTSM Listed Companies" promulgated by the Taiwan Stock Exchange Corporation, which were approved by the Company's board of directors in 2014. In 2015, the Guidelines were further revised as the "Code of Ethical Conduct", applicable to the Company's directors and managers—including the president and those of similar management levels; vice presidents and those of similar management levels; finance department heads; accounting department heads; and those with management responsibilities or who act as authorized signatories of the Company. Additionally, the Code of Ethical Conduct shall be publicly announced on the Company's website, annual reports, prospectuses, and the Market Observation Post System, and the same rules shall apply to revisions made to the guidelines, if any.





### Human Rights Policies

Chia Hsin Cement Group is committed to protecting the basic human rights of its employees, acknowledging and supporting internationally recognized human rights standards such as the United Nations Global Compact, Universal Declaration of Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work. To demonstrate the Group's respect for and responsibility towards protecting human rights by taking concrete actions, the chairman of the board signed the Human Rights Policies in January 2020. The policies were subsequently announced on the Group's websites and bulletin boards, declaring that the Group complies with local laws and regulations on labor and gender equality and disavows any behavior that violates or infringes upon human rights.

**\*No discriminatory incidents were reported during the disclosure period of this report.**

## Guidelines for the Protection and Management of Personal Data

To comply with the Personal Data Protection Act and related laws and regulations, Chia Hsin Cement Group established relevant regulations for the collection, processing, and use of personal data to ensure the safety of personal data, avoid infringements, and facilitate the rational use of personal data. Accordingly, the Legal Division formulated the Guidelines for the Protection and Management of Personal Data, which are applicable to members including all personnel of the Company and its affiliated companies, and third parties that have business dealings with Chia Hsin Cement Group, such as juridical persons and natural persons.

To protect personal information, the Company founded the Personal Data Protection Management Committee, for which the Company's president serves as the convener and the committee comprises of the convener, the convener's designated personnel, and the heads of each department. The committee handles matters related to the planning, supervision, inspection, maintenance, and improvement of the Company's personal data management systems. Concerning the collection, processing, and use of personal data, the Company also formulated the Guidelines of the Personal Data Protection Management Committee.

### Personal Data Protection Management Committee:

To protect personal data, the Company established the Personal Data Protection Management Committee, which meets in the fourth quarter of every year. Additionally, the Company has set up a personal data protection contact personnel, serving to communicate and report, collect, and organize information on personal data breaches. The Personal Data Protection Management Committee is responsible for the following:

1. Formulating and promoting the Company's personal data protection policies;
2. Evaluating and managing the Company's personal data risks;
3. Engaging in personal data protection coordination and communication as well as issue emergency response notifications;
4. Periodically checking and verifying every unit's personal data storage and protection status;
5. Reviewing, discussing, and assessing the legality and suitability of personal data management systems;
6. Handling and initiating investigation procedures when personal data is leaked or is at risk of leaking.





# 4.1

## Environmental Sustainability

Faced with the issue of environmental sustainability, on the matters of climate change and global warming, Chia Hsin Cement Group engages in energy-saving, carbon-reducing, and water-conserving practices and adopts various measures, such as continuing to or transitioning to the use of environmentally friendly and energy and water-saving products, avoiding disposable tableware, and decreasing the use of bottled water in order to diminish the negative impact of our operations on the environment. When introducing new business projects, we actively incorporate environmental sustainability-related international quality certification standards and implement relevant environmental and ecological protection measures to ensure the environmental friendliness and livability of our buildings in aspects such as design, construction, and operational methods, thus promoting the concepts of health and quality of life and fulfilling our social responsibilities in environmental management and ecological protection.

### Received "Leadership in Energy and Environmental Design" (LEED) Green Building Certification

Located in Kokusai Dori St., Okinawa, Hotel Collective is the first wholly-owned hotel of Chia Hsin Cement Group. In June 2021, the hotel received LEED international green building certification.

### Implementing Greenhouse Gas Inventories (ISO 14064-1:2018)

The Chia Hsin Headquarters completed 2020 greenhouse gas inventories and passed external reviews. Starting 2021, Chia Hsin Cement Group will begin to expand greenhouse gas inventories to all of its business locations.

### Awarded WELL Building Platinum Certification

Gemcare Maternity Center (Zhongshan and Dunhua Branches), a strategic partner of Chia Hsin Cement Group, was awarded WELL building platinum certification in 2020.

### Participating in the IHG Green Engage Program

InterContinental Okinawa Chura SUN Resort, Chia Hsin Cement Group's second premium hotel located in Okinawa, Japan, introduced a five-star InterContinental Hotels & Resorts which is scheduled to open in 2024. To realize sustainable environmental development, InterContinental Okinawa Chura SUN Resort will participate in the IHG Green Engage program.

### Incorporating Energy Management Systems (ISO50001)

In 2021, Chia Hsin Cement Group submitted its application to the Bureau of Energy for the demonstration guidance of the ISO 50001 energy management system. An energy management system is expected to be built at the Chia Hsin Headquarters and pass an external review in November 2021.

### Greenhouse Gas and Energy Management Committee

In compliance with the relevant laws and regulations of the Greenhouse Gas Reduction and Management Act and the Energy Administration Act and to realize greenhouse gas and energy management, we established the Greenhouse Gas and Energy Management Committee in order to promote energy-saving and carbon-reducing practices. The President of Chia Hsin Cement Corporation serves as the chairman of the committee, and is responsible for convening meetings, determining and organizing related work teams, and supervising the operations of said work teams.

### Implementing Greenhouse Gas Inventories ISO 14064-1:2018



In 2020, Chia Hsin Cement Corporation voluntarily implemented greenhouse gas inventories, while new ISO 14064-1:2018 standards were referenced to conduct subsequent reviews. The organizational boundary of greenhouse gas inventory implementation was calculated using the operational control method, from which the scope of implementation for Year 1 was set as the Headquarters Office building. In the future, we will continue to expand greenhouse gas inventories to all of our business locations, and establish energy-saving and carbon-reducing plans to elevate energy usage efficiency and lower the intensity of greenhouse gas emissions.

### Maintaining Marine Ecology



In order to protect the ecosystem and natural environment of seas and surrounding rivers, Chia Hsin Cement Group strictly abides by relevant local environmental laws and regulations when carrying out construction and development operations. For example, Chia Hsin Cement Group complied with the Red Soil Runoff Prevention Ordinance and Facility Management Standards when conducting hotel construction in Okinawa, Japan. Additionally, Chia Hsin Cement Group installs measures such as outflow prevention equipment and turbid water treatment when engaging in soil surface and topsoil protection works at construction sites, thereby preventing torrential rain from washing original soil in construction sites into seas and rivers and causing damage to coral reef ecosystems.

- Size of the areas where red soil runoff prevention measures were implemented: Approximately 4,805m<sup>2</sup>
- Methods used to prevent red soil runoff: Topsoil protection, soil outflow inhibition, turbid water dehydration and treatment via machines, waste soil treatment, etc.
- Control measures adopted: Establishing disaster prevention plans to prevent red soil runoff, performing regular inspections during construction periods, assessing water quality during rainfalls, and building countermeasures and a network for handling red soil runoff, etc.



### Received LEED Green Building Certification: Energy and Water Conservation

Hotel Collective, Chia Hsin Cement Group's first wholly-owned hotel located in Kokusai Dori St., Okinawa, opened for operations in 2020. To ensure the sustainable performance of the building and the completion of energy-saving, water conservation, and environmental protection measures such as those related to energy and water conservation, in June 2021, Hotel Collective obtained LEED Green Building Certification.

\*LEED: Leadership in Energy and Environmental Design

- Uses total heat exchangers to exchange exhaust air indoors with fresh air outdoors, decreasing the energy consumption load of air conditioners by approximately 10%–20%
- Uses heat pumps (COP value = 4.2) as a replacement for boilers (COP value = approximately 0.8) in the manufacturing of hot water
- Uses LED lamps exclusively throughout the building. Auto-switching or adjustable brightness designs are used for all lights so that brightness can be adjusted based on usage needs, thus conserving energy
- Uses VRV air conditioners exclusively throughout the building, while variable-frequency controls are used for outdoor units. Outdoor air conditioner outputs are able to be automatically adjusted according to indoor loads, achieving the goal of saving energy
- Collects rainwater, which is reused to water plants, decreasing irrigation tap water consumption by 50%
- Uses dual flush toilets and water saving certified sanitary equipment to effectively reduce daily water usage

### Reducing Damage to Biological Habitats



The Group's overseas hotels in Okinawa, Japan are built in high-density development zones with living convenience to reduce damage to biological habitats.

### Practicing Green Travel



- Introduced electric vehicle charging parking spaces in hotel parking lots and helped promote the use of electric vehicles to decrease carbon dioxide emissions and achieve the goal of saving energy and carbon reduction.
- Set up bicycle parking spaces, shared parking spaces, and special parking spaces for environmentally friendly vehicles to reduce carbon dioxide emissions and to encourage people to avoid driving, to carpool, and to drive low-polluting, environmentally friendly vehicles.

### Awarded the WELL Building Platinum Certification



Gemcare Maternity Center (Zhongshan and Dunhua Branches), a strategic partner of Chia Hsin Cement Group, was awarded WELL building platinum certification in 2020. Through the management of 10 major internal building space indicators (i.e., air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community), Gemcare Maternity Center creates healthy and comfortable environments by way of elevating environmental quality from various aspects and practicing comprehensive indoor environmental management.

- Improves indoor air quality
- Manages drinking water quality; cleans and disinfects sinks
- Manages indoor lighting
- Adjusts thermal comfort
- Creates comfortable acoustic environments
- Implements environmental cleaning and management measures
- Builds healthy physical and mental environments

### Participating in the IHG Green Engage Program



After Hotel Collective in Kokusai Dori, Chia Hsin Cement Group is set to build its second premium hotel—the 5-star hotel “InterContinental Okinawa Chura SUN Resort,” in Toyosaki, Okinawa, with the total land area measuring approximately 36,364 m<sup>2</sup>. In 2019, CHC Ryukyu Development GK, a subsidiary of Chia Hsin Cement Group and IHG’s subsidiary company in Japan signed the Okinawa Toyosaki Hot Spring Resort Hotel Management Contract to introduce a five-star intercontinental hotel and resort. To realize sustainable environmental development, InterContinental Okinawa Chura SUN Resort will participate in the IHG Green Engage Program in the future.

<b>Reduces negative environmental impact</b>	Prioritizes the use of developed land; considers development density, connections with surrounding communities, and diversified service facilities to lower the negative impact of constructions on the environment; and protects sensitive land in and around construction sites, such as wetlands, water bodies, and biological habitats.
<b>Energy-saving and carbon-reducing practices</b>	Promotes the use of public transportation systems; installs bike lane networks and bicycle parking facilities; decreases the development area for parking lots; and plans to reserve 5% of parking spaces as special parking spaces for environmentally friendly vehicles and equip 2% of parking spaces with charging equipment to promote green travel. Diminishes the urban heat island effect: Uses building materials that reduce the heat island effect.
<b>Manages water resources</b>	Decreases outdoor water consumption by using recycled water or avoiding irrigation systems.
<b>Environmental governance</b>	Complies with local environmental protection laws and regulations to prevent pollution in construction sites, such as through introducing local construction site wastewater runoff reduction plans and terracotta outflow prevention plans
<b>Prevents extreme climate and/or weather</b>	Manages rainwater through building green infrastructure and installing rainwater runoff in low-impact construction management bases so that bases can hold a certain amount of runoff from torrential rain
<b>Regenerates and recycles materials</b>	Reduces the impact on buildings during their lifecycles, decreases the extraction of new resources, uses local, renewable building materials, obtains green energy certificates or engages in carbon offsets, manages and recycles construction waste, etc.
<b>Manages air quality</b>	Installs external air volume monitoring systems, manages indoor air quality during construction periods, enforces smoking bans or implements smoke control in buildings, performs indoor air quality assessments, etc.

# 4.2

## Environmental Management

### Environmental Management Policies

1. Companies of the Group establish appropriate environmental management systems based on industry characteristics, and appoint specialists to environmental safety departments to develop relevant safety, environmental protection, and occupational health systems.
2. The Group is committed to improving resource utilization efficiency and using recycled materials with low environmental impact. An example is that the restaurants managed by the Group do not use disposable tableware.
3. Relevant units monitor annual water consumption and the total weight of waste generated. Because the Company's main operations do not involve production, its greenhouse gas emissions are estimated based on the amount of water and electricity consumed. In order to save energy and reduce carbon, we set annual targets and implement water and electricity conservation guidelines.
4. When selecting suppliers, in addition to considering factors such as quality, prices, payment terms, willingness to cooperate, and delivery, we also pay attention to the social image and public perception of such suppliers. In 2020, we formulated the Supplier Management Policies, demanding that suppliers comply with environmental protection, labor rights, and occupational health and safety-related regulations. Those suppliers are also required to sign the Corporate Social Responsibility Commitment Form.

### Greenhouse Gas Inventories

In 2020, Chia Hsin Cement Corporation adopted greenhouse gas inventories (ISO14064-1:2018) for the first time. The scope of review was set as the activities of the Chia Hsin Building Headquarters, which also passed external reviews (\*2020 is used as the base year of calculation).

Old version scopes	Latest version categories	Total CO <sub>2</sub> -equivalent emissions (tCO <sub>2</sub> e)
Scope 1	Category 1: Direct GHG emissions (including: carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), and hydrofluorocarbons (HFCs) emissions)	30.5912
Scope 2	Category 2: Indirect GHG emissions and removals from imported energy	77.1415
Scope 3	Category 3: Indirect GHG emissions generated from transportation	5.2667
	Category 4: Indirect GHG emissions from products used by the organization	29.4578
	Category 5: Indirect GHG emissions associated with the use of products from the organization	(Non-significant according to the assessment)
	Category 6: Indirect GHG emissions from other sources	(Non-significant according to the assessment)

\* Chia Hsin Cement Corporation adopted ISO14064-1:2018, the latest version of ISO14064, as its greenhouse gas inventory guideline. The latest version has six categories that correspond to the original three scopes in the old version.

- Greenhouse gas quantification methods: Used the emission factor to calculate the greenhouse gas from various emission sources. Among which, activity data and emission factors were collected respectively by referencing the 2020 Chia Hsin Cement Corporation Greenhouse Gas Inventory and the Greenhouse Gas Emission Factor Management Table (version 6.0.4) released by the Environmental Protection Administration, Executive Yuan in 2020.
- Calculation of total greenhouse gas emissions (CO<sub>2</sub>e): Referenced the Fifth Assessment Report released by the IPCC in 2013 to select the applicable Global Warming Potential (GWP) values for various greenhouse gases.
- Calculation of indirect GHG emissions from products used by the organization: Referenced the Carbon Footprint Calculation Platform created by the Environmental Protection Administration, Executive Yuan and the electricity carbon emission factors announced by the Bureau of Energy, Ministry of Economic Affairs.



## Energy-saving and improvement measures

### Investments in pollution-prevention equipment and technology over the years

#### Expenditures in environmental protection endeavors

##### 1. Losses sustained due to environmental pollution in 2020: None.

2. **Specific actions:** Due to the emphasis on environmental protection, the Group has continued to invest in or improve pollution-prevention equipment and energy-saving technology. The specific actions taken over the past two years are as follows:

##### 3. Expected major capital expenditures for environmental protection over the next three years:

To execute the 2024 "InterContinental Okinawa Chura SUN Resort" project, we will adopt IHG's top international hotel standards and expect to make a substantial amount of environmental protection-related investments in energy, water, and electricity conservation over the next few years. The exact estimations will be determined once the building design drawings have been finalized.

Unit: NTD thousands

Company or unit of the Group	2020	2019	Remarks
CHC Ryukyu COLLECTIVE KK	2,370	1,040	Hotel Collective applied for the LEED (Leadership in Energy and Environmental Design) green building certification. An estimated NT\$5.12 million will be invested in related equipment improvement measures and certification application fees. Certification was officially awarded in June 2021.
Tong Yang Chia Hsin Int'l Corp.	320	630	Replaced the lighting fixtures of Taichung Port Cement Storage and Transportation Station with LED lights. Replaced a portion of electrical and mechanical equipment components with those of an energy-saving and high-efficiency model.
Chia Pei Int'l Corp.	1,230	460	Replaced the lighting fixtures of Taipei Port First Bulk Cargo Center plant areas with LED lights. Replaced a portion of electrical and mechanical equipment components with those of an energy-saving and high-efficiency model. Improved water sprinkler Equipment to mitigate dust pollution.
Chia Hsin Property Management & Development Corp.	-	220	Replaced the lighting fixtures in the public aisles of Chia Hsin Building.
	3,000	-	Replaced the main air-conditioning unit of the 2nd Chia Hsin Building with a new energy-saving model.
Jaho Life Plus+ Management Corp. & Gemcare Maternity Centers	5,600	-	To build a new model for high-quality postpartum care centers and to provide the mothers, newborns, and staff staying in postpartum homes with a healthier and better living and working environment, plans have been made to obtain the WELL (Note) healthy building certification since 2019. This certification has specific standard requirements for indoor air quality purification and monitoring, potable water quality and maintenance, soft light source provision, and sound environment construction, etc. The certification application was entrusted to a consultant for professional advice, and related improvement projects were gradually carried out to meet the requirements of the regulations. Both Zhongshan Center and Dunhua Center obtained the certification in the 3rd quarter of 2020. Note: The WELL Building Standard was published by the U.S. International WELL Building Institute (IWBI) in 2014 and the certification is awarded by the Green Business Certification Inc. (GBCI)

## Energy Consumption and Carbon Dioxide Emissions

In 2020, the Group's main power source was electricity.

Energy usage: electricity consumption	Electricity consumed (kWh/year)			Electricity consumed (million joules/year)			Electricity CO <sub>2</sub> emissions generated (metric tons/year) <sup>*Note 3</sup>		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Business location									
Chia Hsin Building <sup>*Note 1</sup>	3,750,000	3,809,800	3,885,400	13,500,000	13,715,280	13,987,440	1,909	1,939	1,978
Taipei Port First Bulk Cargo Center	3,808,400	3,768,400	3,797,600	13,710,240	13,566,240	13,671,360	1,938	1,918	1,933
Taichung Port Cement Storage and Transportation Station	2,640,000	2,869,800	2,970,000	9,504,000	10,331,280	10,692,000	1,344	1,461	1,512
Keelung Port Cement Storage and Transportation Station	964,000	960,600	994,200	3,470,400	3,458,160	3,579,120	491	489	506
Hotel Collective (Okinawa, Japan) <sup>*Note 2</sup>	N/A	N/A	2,866,777	N/A	N/A	10,320,397	N/A	N/A	1,459

Energy usage: thermal energy consumption (diesel fuel)	Diesel fuel consumed (unit: kiloliter)			Thermal energy consumed (million joules/year)			Thermal energy CO <sub>2</sub> emissions generated (metric tons/year)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Business location									
Chia Hsin Building <sup>*Note 1</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taipei Port First Bulk Cargo Center	4.91	2.86	2.92	17.27	10.06	10.27	12.80	7.45	7.61
Taichung Port Cement Storage and Transportation Station	0.43	0.42	0.40	1.51	1.48	1.41	1.12	1.09	1.04
Keelung Port Cement Storage and Transportation Station	1.66	1.67	1.64	5.84	5.87	5.77	4.33	4.35	4.27
Hotel Collective (Okinawa, Japan)	N/A	N/A	0.00	N/A	N/A	0.00	N/A	N/A	0.00

Annual water consumption	Water consumed (unit: 1,000 liters)			CO <sub>2</sub> emissions generated (converted from water consumed (unit: 1,000 liters)) <sup>*Note 4</sup>		
	2018	2019	2020	2018	2019	2020
Business location						
Chia Hsin Building <sup>*Note 1</sup>	26,220	26,060	26,033	4.195	4.170	4.165
Taipei Port First Bulk Cargo Center	46,167	37,596	44,677	7.387	6.015	7.148
Taichung Port Cement Storage and Transportation Station	1,001	1,149	1,141	0.160	0.184	0.183
Keelung Port Cement Storage and Transportation Station	747	817	757	0.120	0.131	0.121
Hotel Collective (Okinawa, Japan)	N/A	N/A	25,004	N/A	N/A	4.001

Amount of waste treated	General waste (unit: metric tons)			Business waste (unit: metric tons)		
	2018	2019	2020	2018	2019	2020
Business location						
Chia Hsin Building <sup>*Note 1</sup>	129.00	129.00	138.00	0.00	0.00	0.00
Taipei Port First Bulk Cargo Center	27.000	25.00	30.10	403.00	0.00	0.00
Taichung Port Cement Storage and Transportation Station	3.60	3.60	3.60	0.00	0.00	76.00
Keelung Port Cement Storage and Transportation Station	12.00	12.00	12.00	18.00	15.00	32.00
Hotel Collective (Okinawa, Japan)	N/A	N/A	62.70 <sup>*Note 5</sup>	N/A	N/A	3.07

\* Note 1:

The Chia Hsin Building statistics covers those of the entire building, including floors leased to others.

\* Note 2:

Hotel Collective (Okinawa, Japan) opened for operations in 2020.

\* Note 3:

Calculated according to the latest electricity carbon emission factor benchmark of 0.509 kg CO<sub>2</sub>e/kwh announced by the Bureau of Energy in 2019.

\* Note 4:

Water consumed (unit: 1,000 liters) was converted to calculate CO<sub>2</sub> emissions generated (unit: metric tons) to correspond to the carbon dioxide (CO<sub>2</sub>) equivalent emissions per 1,000 liters of water consumption figure published by the Taiwan Water Corporation in 2018. Total water consumed (unit: 1,000 liters) = 0.160 kg of CO<sub>2</sub>/1,000 liters

\* Note 5:

Hotel Collective has a general waste recycling and reuse rate of 45.1%

# 5.1

## Personnel Overview

### Employee Appointment and Manpower Structure

Since its founding, Chia Hsin Cement Group has made efforts to build a safe and healthy environment so as to provide employees with a quality workplace, which has been the core spirit of the Company. In addition to providing higher compensation than market rates, conducting regular performance evaluations, providing education and training, and maintaining a complete promotion system to attract and retain talents. The Company has also worked hard to build a safe work environment, improve health facilities, and develop comprehensive welfare systems to safeguard the mental and physical health of employees and their dependents. It is the goal of the Company to create a friendly workplace that promotes the work-life balance of employees, allowing them to steadily develop their careers and happily fulfill their duties, which in turn fosters the Company's sustainable management and development.

**434** The total number of Chia Hsin Cement Group employees in 2020

**174** The number of new employees in 2020

As the businesses of Chia Hsin Cement Group continue to grow, a multitude of job opportunities have been created in different regions. In response to the increase in business units and positions, we hire based on the professional capacity and competence of workers and try our best to employ in the area where each business unit is located. We do not discriminate based on age or against people seeking a second career.

**Regardless of ethnic background, religion, skin color, nationality, age, gender, sexual orientation, and disability, Chia Hsin Cement Group treats every person equally.**

Adhering to the principle of fairness, openness and equality, Chia Hsin Cement Group has established recruitment, employment, training, rewarding, promotion, termination, and retirement rules in line with government laws and regulations. We abide by the regulations set forth in the People with Disabilities Rights Protection Act, wherein the number of disabled people we employ is 100% compliant with the statutory percentage.

**“ Stable employment,  
average employee length of service: 5.32 years  
74.42% of employees with a  
bachelor's or master's degree**

**Creation of local job opportunities:**

**225 domestic and 209 overseas  
95.85% of employees hired locally**

**Percentage of full-time employees: 93.32% ”**

Chia Hsin Cement Group Manpower Structure in 2020

Item	Type	Male	Female	Sum	Percentage of Total Employees
Position Type	Full-time	205	200	405	93.32%
	Contract	21	8	29	6.68%
	Total	226	208	434	100%
Employee Working Location	Domestic	110	115	225	51.84%
	Overseas	116	93	209	48.16%
	Total	226	208	434	100%
Executive or Non-executive Position	Executive position	63	26	89	20.51%
	Non-executive position	163	182	345	79.49%
	Total	226	208	434	100%
Age Distribution	Under 30	29	65	94	21.66%
	30-50	127	93	220	50.69%
	Over 50	70	50	120	27.65%
	Total	226	208	434	100%
Educational Background	Master's or higher	10	17	27	6.22%
	University	153	143	296	68.20%
	Senior high (vocational senior high)	51	34	85	19.59%
	Below senior high	12	14	26	5.99%
	Total	226	208	434	100%

## Employee Turnover and Retention



Generous salaries and welfare systems



Smooth communication channels



Diverse education and training and career development opportunities



Emphasis placed on work-life balance

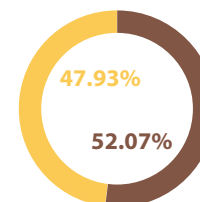
Age Group	Employee Working Location	New Employees		Departed Employees	
		Male	Female	Male	Female
Under 30	Under 30	19	53	6	31
	30-50	26	41	29	33
	Over 50	12	23	10	14
	Sum	57	117	45	78
Domestic	Domestic	19	70	18	56
	Overseas	38	47	27	22
	Sum	57	117	45	78
Total Number		<b>174</b>		<b>123</b>	

\* Employee Turnover Rate: 123/434=28.34% (Males 45/434=10.37%; females 78/434=17.97%)

\*\* Number of involuntarily departed employees in 2020: 3

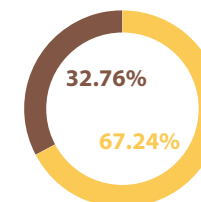
Gender ratio among all employees

● Male 226  
● Female 208



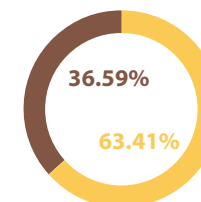
Gender ratio among new employees

● Male 57  
● Female 117



Gender ratio among departed employees

● Male 45  
● Female 78





# 5.2

## Employee Wellness

### Salaries and Performance

#### Salary Administration

Chia Hsin Cement Corporation has established a set of employee salary administration regulations. Salaries are determined according to employee educational background, experience, skills, expertise, and position value, while overall market rates are also taken into account. The salaries of new employees are determined based on the level of education needed for the job, related work experience, and professional skills, while gender, ethnic background, nationality, age, and other personal factors have no influence on the salary given. In order to attract and retain outstanding talents, the salaries for all positions are higher than the average in the industry. Salaries are reviewed or adjusted each year in accordance with the Company's operation results and financial situation, employees' individual performances, and consumer price index fluctuations.



The salaries of Chia Hsin Cement Group employees are uniformly higher than local statutory minimum wages.



Employee salaries and bonuses are given according to the Company's operation results and employee work performances.



Chia Hsin Cement Group has established a treasury share subscription plan to stimulate employee morale and retain outstanding talents.

### Salaries of non-executive full-time employees

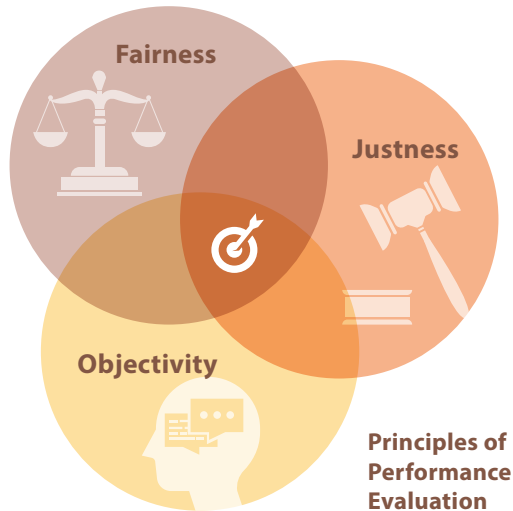
As set forth in Article 2 (announced on January 2, 2020) of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, listed companies are required to disclose the number of non-executive full-time employees as well as the average and median employee salaries. Therefore, the Company shall comply with the above regulation by disclosing such information below, for which the range of disclosure covers Chia Hsin Cement Corporation (TWSE: 1103). All of the information disclosed is compliant with the regulations of the competent authority, and will additionally be disclosed in the "Information relating to corporate social responsibility"/"Information relating to employee benefits and compensations" subsections under the Corporate Governance section on the Market Observation Post System (MOPS).

	Numbers of Employees	Number of Non-executive Full-time Employees	Total Salary of Non-executive Full-time Employees	Average Salary of Non-executive Full-time Employees	Median Salary of Non-executive Full-time Employees
2018	Total number of employees: 77 (69 people gainfully employed for over six months; 8 people employed for less than six months)	63	75,334 (thousand NT dollars)	1,196 (thousand NT dollars)	N/A (the median salary statistic was not reported for this year)
2019	Total number of employees: 85 (74 people gainfully employed for over six months; 11 people employed for less than six months)	67	87,900 (thousand NT dollars)	1,312 (thousand NT dollars)	1,132 (thousand NT dollars)
2020	Total number of employees: 89 (83 people gainfully employed for over six months; 6 people employed for less than six months)	75	95,466 (thousand NT dollars)	1,273 (thousand NT dollars)	1,061 (thousand NT dollars)

- \* "Employees holding executive positions" refers to persons holding the position of manager, which includes the following as specified by the competent authority: general manager, vice general manager, associate manager, financial department director, accounting department director, those holding positions of equivalent levels, and those given the authority to manage company affairs or provide their signatures. The executives included in the annual report are consistent with this range.
- \* Full-time employees are those whose work hours achieved the work hour standard established by the company or the statutory work hour standard.
- \* Non-executive full-time employees do not include those holding executive positions, employees at overseas branches, or part-time employees.
- \* The average non-executive full-time employee salary is the mean value acquired by dividing the total salary by the total number of such employees.
- \* The total salary figure is a combination of salaries, duty allowances, bonuses, incentives, special allowances and severance pay (retirement pension not included).

## Performance Evaluation and Development

Once a new employee has worked in the Company for three months, they will begin to undertake official performance evaluations, which include regular performance and career development reviews that are conducted annually. The implementation rate of performance evaluations in 2020 was 100% (\*this statistic applies to Chia Hsin Cement Corporation only and does not include the employees of affiliates). The results of performance evaluations serve as a reference for employees' career development and as a basis for the issuance of rewards. It also helps employees improve their competencies and work performance so as to achieve work targets and strengthens interaction and communication between executives and their staff members, thus facilitating the future career development of employees.



## Occupational Safety and Health

### Health and Safety and Care Measures



Electronic sphygmomanometers in offices for employees to conduct blood pressure and pulse measurements.



The Company provides employees with regular physical examinations which contain a greater number of items than those of statutory examinations. Once an employee is found to have any abnormal health condition, medical personnel of the collaborating medical institution will provide prompt health guidance. For instance, employees assessed as being unfit for their original work will heed the advice of medical personnel and take accompanying actions, such as changing their work venues or jobs, reducing their work hours, or adopting health management measures. Physical examinations are conducted annually for all employees.



For employees engaging in hazardous operations, the Company arranges special physical examinations.



The Company promotes workplace safety and employee health by urging related personnel to take occupational safety and health training and acquire licenses.

Occupational safety and health licenses: One Class 1 Occupational safety and health affairs manager, one Class 2 Occupational safety and health affairs manager, one firefighting management personnel, two paramedics, and two AED operators.



The Company has established an employee sports center and a variety of exercise facilities, including a gym and yoga room, for employees to exercise and ease their stress from work.



The Company provides AEDs (automated external defibrillators) and conducts irregular basic life support courses for employees to learn CPR and practice AED operations, so that emergencies can be handled at the earliest time and the rate of sudden death caused by heart attack can be reduced.

July 16, 2020  
**AED+CPR**  
**Basic Life Support Training**  
 ⌚ 2 hours



Health lectures are held irregularly to urge employees to pay attention to their mental and physical health conditions and adopt health management measures.



Fire drills and lifesaving lectures are held irregularly on a yearly basis. Specialists are invited to lecture on fire prevention knowledge and conduct fire drills to simulate emergency protection and evacuation scenarios during disasters.

### Fire Drill Training Activity

Conducted on November 12, 2020

🕒 2.5 hours

1. Fire Prevention Knowledge Lessons
2. CPR and Heimlich Maneuver Teaching
3. Fire Extinguisher Operation
4. Evacuation Drill



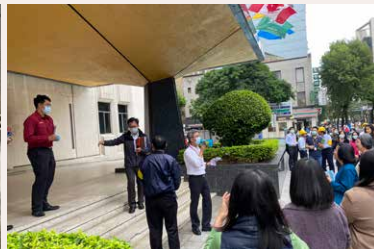
Fire Drill Activities – Fire Prevention Knowledge Lessons



Fire Drill Activities – CPR Coaching



Fire Drill Activities – Actual Fire Extinguisher Operation



Fire Drill Activities – Evacuation Drill

### In 2020, Chia Hsin Cement Corporation was awarded the Accreditation Badge for a Preliminary Healthy Workplace.

Since 2007, The Ministry of Health and Welfare has promoted the “Healthy Workplace Accreditation System”, which issues badges of various designations to workplaces with outstanding performances in health promotion work, thereby encouraging more organizations and institutions to engage in health promotion work.



In 2020, Chia Hsin Cement Corporation was awarded the Accreditation Badge for a Preliminary Healthy Workplace for its efforts in developing a smoke-free environment. As workplace health promotion is a long-term effort, the Company will next apply for the “Accreditation Badge for a Healthy Workplace” of the “Badges of Accredited Healthy Workplace” in 2021 as it continues to promote occupational health in the workplace

### Occupational Accident Pensions

- If an employee dies in an occupational disaster, besides issuing five-month average wages to cover funeral expenses, Chia Hsin Cement Group will also give survivors a pension of 40-month average wages. For those rendered crippled, injured, or ill as a result of occupational accidents, the Company will provide various compensations according to law.
- If an employee dies while employed for reasons other than an occupational accident, in addition to issuing three-month average wages to cover funeral expenses, Chia Hsin Cement Group will also give a lump sum pension equivalent to either the retirement pension or the severance pay for employees assessed as meeting retirement qualifications.
- In the event that an employee dies in the line of duty, his or her survivors may, in accordance with regulations, apply for the group insurance death benefit.
- In 2020, the number of employees on leave for six months or longer due to occupational injuries is one.

## Labor-Management Relations

### Labor-Management Relations

#### The quarterly-convened Labor-Management Meeting and Employee Welfare Committee Meeting

- Employee representatives are able to report coworkers' suggestions and opinions with regard to specific issues and have discussions with company representatives to achieve a consensus.

#### Diverse internal communication channels

- Regular communication meetings are held by the head and staff members of each department.
- Inter-departmental meetings are held for discussion on various issues and establishing friendly interactive relations between labor and management.
- Employees are able to offer suggestions to the Company through different channels, such as email or service hotlines.

#### Intranet platforms set up by the Group

- Provides employees access to the Company's charter and regulations as well as internal announcements and information.

## Employee Welfare and Care

Building a safe workplace

Planning various welfare systems and comprehensive care

Shaping a inclusive corporate culture

“ Participation in *staff social club activities* totaled **234** hours in 2020.

The Chia Hsin Building passed the **Safe Venue Certification.**

Over **80%** of the employees in the Chia Hsin Building have completed the **CPR+AED** training.

Chia Hsin Cement Corporation was awarded the **Accreditation Badge for a Preliminary Healthy Workplace** of the **Badges of Accredited Healthy Workplaces.** ”



## Insurance benefits

In addition to providing various insurance benefits and retirement pension reserve funds in accordance with local regulations or standard practice, Chia Hsin Cement Group also provides group insurance with better coverage than statutorily regulated policies in order to protect employees' work and life safety. Taking Taiwan as an example, apart from insuring employees with Labor Insurance and National Health Insurance, the Company also provides employees with term life insurance, accident insurance, medical insurance, and annuity insurance, as well as accident insurance with additional coverage and supplemental medical insurance for those going on business trips or stationed overseas.

## Living benefits

To promote employees' work-life balance, Chia Hsin Cement Group exercises appropriate oversight over employees in the aspects of food, clothing, housing, transportation, education, and recreation and also attends to the needs of their dependents to assure that employees are free of worries in their personal lives. The Company also organizes a variety of activities to build a happy workplace, from regular company trips to family day and group recreation events. Gifts and rewards issued by the Company include gift certificates for the Chinese New Year, Dragon Boat Festival, Moon Festival, and Labor Day; birthday gift certificates; scholarships for employees and their children; Double Ninth Festival gift certificates; consolation money for hospitalized employees; consolation money for the funerals of employee dependents; group insurance for employees and their dependents; shopping discounts for designated stores; discounts for eating at company restaurants; and subsidies for fitness courses.

## Retirement benefits

In accordance with the Labor Pension Act and the Labor Standards Act, the Company contributes labor pension funds and labor retirement reserve funds each month to ensure that employees that meet statutory retirement requirements will receive their pensions. In addition, the Company also provides retirement consolation money or souvenirs. In Taiwan, the Company has commissioned professional business management consultants to conduct annual actuarial calculations of the retirement pension reserve to ensure that sufficient funds are set aside in the labor pension reserve fund account, thereby protecting the rights of employees to apply for retirement pensions in the future.

## Improvement of employee relations

- Each year, Chia Hsin Cement Group holds an end-of-year party and a raffle. Although in 2020 the end-of-year meal and company trip were suspended due to the COVID-19 pandemic, end-of year dining allowances and hotel accommodation vouchers were issued as compensation.
- The Company holds team-building training activities on an irregular basis to enhance employees' sense of corporate cohesion.
- Chia Hsin Cement Group organizes exercise programs for yoga, aerobics, ice skating, badminton, boxing, etc. as well as cultural activities and clubs such as Japanese and ukulele classes to help improve the mental and physical health of employees.
- Holding employee physical fitness competitions to increase opportunities for employees to interact.



(Left) Chia Hsin Cement Group chartered a movie theater on August 22, treating employees to "The Road Less Traveled".



(Right) Employee activity held on November 26: "I'm Grateful to Have You; the Thanksgiving Turkey Meal and Thank You Card Event".



The First **Chia Hsin Badminton Friendship Tournament** was held in 2020, which was participated by **14 doubles teams.**

The **Employee Welfare Committee** plans to hold the second **Chia Hsin Badminton Friendship Tournament** in 2021.

## Employee Wellness

To enhance the mental and physical health of employees and induce a friendly workplace atmosphere, Chia Hsin Cement Group began to promote employee wellness initiatives in 2018.

### 2021 Implementation of the Employee Wellness Promotion Task Force in 2021

The inter-departmental Employee Wellness Promotion Task Force plans and promotes employee Wellness activities, referencing the healthy citizen indicators to organize employee health promotion activities in the aspects of knowledge, mobility, food, and assistance. In the first half year, the task force had already consolidated the internal resources of the Group to launch the “Happy Cafeteria” and the “Eating Vegetables to Reduce Carbon Emissions” activities to promote the work-life balance of employees.

### 2020 Advancement of the Employee Wellness Indicators in 2020

The Employee Wellness Promotion Task Force, comprised of the Human Resources Division, labor representatives, Employee Welfare Committee representatives, and the Headquarters Office—which is responsible for CSR promotion, conducted first-time horizontal discussions on the action plans and improvement directions for employee Wellness.

### 2019 Employee Relations and Integration Activities in 2019

Departments took turns on a monthly basis to come up with creative ideas and organize recreative activities or competitions. The activities organized included the Laser Survival Game and Chia Hsin 65 – Happy to Be with You.

### 2018 Employee Relations and Integration Activities in 2018

Departments took turns on a monthly basis to come up with ideas and organize activities. The activities organized included the Moon Festival Afternoon Flea Market and Barbeque Sandwich Party, Physical Fitness Competitions, Charity Auction, Fun Basketball Shooting, and “Concentration Test – Dart Shooting and Knocking down Building Blocks”.

## iSports Enterprise Certification



The iSports Enterprise Certification: Chia Hsin Cement Group values employees' health, providing top-notch fitness facilities and taking measures to encourage employees to exercise, with its efforts earning it the iSports Enterprise Certificate by the Sports Administration in 2019. In 2020, the Company continued to organize popular exercise lectures for employees, holding the “Exercise Lecture & Afternoon Tea” on July 31 and inviting professional workout coaches to talk about correct exercise habits and training approaches.

#### Exercise Lecture

**"Should you believe everything you see on the Internet? Things you should know about 'slimming down based on your body constitution'"**

given by social media celebrity Muscle Mom



#### Exercise Lecture

**"Is weight training suitable for me?"**

given by physical therapist Ms. Min-Li Ciou (Esther) from Jaho Life Plus+ Management Corporation



### The Healthy Year Promotion Plan

The “Healthy Year” promotion plan for enhancing employee health and workplace safety

#### Enhancement

##### 2020 Health Promotion Year

- Adopt classification to improve physical examinations
- Optimize group insurance to increase protection
- Reinforce occupational safety personnel deployment
- Expand CPR+AED training courses
- Acquire the Worry-free Venue Certificate and Badge of Accredited Healthy Workplace (the Accreditation Badge for a Preliminary Healthy Workplace) from the Ministry of Health and Welfare

#### Prevention

##### 2021 Health Management Year

- Promote mental health management measures to improve physical health from a psychological basis
- Establish across-the-board employee assistance projects
- Enhance executive sensitivity
- Take the initiative to care for employees with abnormal attendance
- Hire workplace registered nurses to manage employee health records and interview employees
- Continue to conduct CPR+AED courses and acquire the Badge of Accredited Healthy Workplace (the Accreditation Badge for a Healthy Workplace)

#### Reinforcement

##### 2022 Self Health Management Year

- Attract outstanding talents
- Cultivate existing talents
- Improve personal health awareness
- Exhibit a healthy corporation image to the public

# 5.3

## Diversified Workplace

### Numbers of People Resuming Work After Taking Unpaid Parental Leave

	2018		2019		2020	
	♂	♀	♂	♀	♂	♀
The number of people that qualified for unpaid parental leave that year (A)	4	6	6	6	5	7
The number of people that applied for unpaid parental leave that year (B)	1	2	0	0	0	2
The number of people scheduled to resume work that year (C)	1	0	0	0	0	2
The number of people actually resuming work (D)	1	0	0	0	0	1
The number of people that remained with the company 12 months after resuming work (E)	1	0	1	0	0	-
The rate of reinstatement after unpaid parental leave that year (D/C)	100%	-	-	-	-	50%
The rate of retention after unpaid parental leave that year (E/D in the previous year)	100%	-	100%	-	-	-

\*Note 1: As set forth in Article 16 of the Act of Gender Equality in Employment, employees whose service time has reached six months may apply for parental leave without pay before any of their children reach the age of three years old.

\*Note 2: The number of employees qualified for unpaid parental leave is calculated based on the applications filed for maternity leave, paternity leave, prenatal care checkup leave, and childcare subsidies.

## Friendly Workplace

In regard to encouraging employees to get married and have children, besides giving wedding cash gifts, Chia Hsin Cement Group also provides marriage leave, prenatal care checkup leave, tocolysis leave, paternity leave, family care leave, and unpaid parental leave according to the local regulations of each region. Taking Taiwan as an example, employees that have served in the company for six months are eligible for unpaid childcare leave for up to two years before their children turn three years old. After the parental leave has expired, the company will, in principle, make arrangements for the employees to resume work at their original unit, or transfer them to units in need of manpower.



### Leave benefits

Chia Hsin Cement Group provides employees with special leave, marriage leave, funeral leave, business leave, occupational injury leave, prenatal care checkup leave, tocolysis leave, parental leave, maternity leave (including miscarriage leave), sick leave, menstruation leave, personal leave, and family care leave, as well as family visit leave for personnel stationed overseas. Employees are also able to apply for unpaid childcare leave according to the Act of Gender Equality in Employment.



### Employee accommodations

The Company provides dormitories at overseas operating locations to accommodate employees.



### Employee childcare service subsidies

To encourage employees to balance between work duties and family care responsibility, Chia Hsin Cement Group established the Regulations Governing Employee Childcare Service Subsidization in 2019, giving subsidies to employees with children under 12 years old to reduce their burden and build a friendly workplace environment conducive to childcare. As of the end of 2020, the actual implementation rate was 100% (the number of actual applicants over that of eligible employees).



### Breastfeeding rooms

Breastfeeding rooms have been installed to provide a more comfortable environment for mothers returning to the workplace after giving birth, allowing them to work and take care of their families at the same time.



### Sexual harassment prevention clauses

The Company established the Chia Hsin Cement Group Regulations on Sexual Harassment Prevention Measures, Appeals, and Discipline and regularly held related lectures to convey psychological health knowledge and the Company's policy of zero tolerance for sexual harassment at the workplace.

“ Installing *breastfeeding rooms*. Domestic employees with children *under 12 years old* are eligible to apply for *childcare service subsidies* every half year.

Employees are also eligible for *parental leave without pay* for up to two years before their children turn *three years old*.

Forbidding employment of child labor and requiring suppliers *not to employ child labor*. ”



## Human Rights Protection

In addition to strictly following labor and human rights regulations in the country and fairly treating and respecting all employees, Chia Hsin Cement Group also fully abides by the local laws and regulations in the foreign regions where its affiliates operate. The measures taken include:

Following government labor regulations, systems, and procedures to establish and maintain working conditions. In order to protect the rights and interests of employees, contracts between each laborer and the company must all be signed in accordance with local regulations

Establishing personal information protection and management regulations to handle and safeguard the personal information of employees, customers, and job applicants

Establishing diverse appealing channels (hotlines and email) for employees to file appeals when they believe their rights and interests have been jeopardized or they have been treated inappropriately

Forbidding employment of child labor and requiring suppliers not to employ child labor; abiding by international regulations on human rights, labor, and gender equality in employment

Forbidding harassment or inhumane treatment in any form, including sexual harassment, abuse, enslavement, corporal punishment, threat, exploitation, spiritual or physical suppression, or verbal abuse; establishing specific appealing channels and publicly disclosing related information; and adopting proper measures for prevention, correction, discipline, and disposal to protect the rights and interests of employees

Abiding by the Employment Service Act to provide open, fair, and just work opportunities to all job seekers

Providing employees with equipment and work environments that comply with safety and health standards; conducting employee physical examinations, and safety and health education and training in accordance with the Occupational Safety and Health Act

Making decisions through discussions held by a number of high-ranking executives on cases involving major rewards or punishments

## Human rights policy

Identifying with and supporting the United Nations Global Compact, the United Nation's Universal Declaration of Human Rights, and the International Labor Organization Declaration of Fundamental Principles and Rights at Work, Chia Hsin Cement Group spares no effort in protecting the basic human rights of employees. The company takes concrete actions to fulfill its responsibility to respect and protect human rights, follows local regulations regarding labor and gender equality in the regions where the company operates, and categorically rejects any conduct that infringes on human rights.



Diversity and inclusion and assurance of equal job opportunities



Provision of safe and healthy work environments



Provision of smooth communication channels



Regular review and evaluation of human rights protection systems and practices



Protection of personal information

## Policy and plans for prevention of workplace harassment

### The Regulations on Sexual Harassment Prevention Measures, Appeals, and Discipline

These regulations were established by Chia Hsin Cement Group to provide employees, job applicants, visitors, suppliers, and parties receiving service with sexual harassment free work and service environments. Appropriate measures for prevention, correction, discipline, and disposal are taken to safeguard the interests and privacy of concerned parties and to protect the reputation and image of the Group.

1. These regulations apply to all employees, job applicants, visitors, suppliers, and parties receiving service.
2. Chia Hsin Cement Group holds courses on gender equality and sexual harassment prevention and regularly conducts education and training programs on sexual harassment prevention at the workplace. Related information and training plans are also posted on bulletin boards and the intranet.

The sexual harassment appeal channels are listed as follows:

☎ (02)2521-2094

✉ hr@chcgroup.com.tw

👤 Manager of the Human Resources Division

# 5.4

## Talent Cultivation

### Talent Training and Development

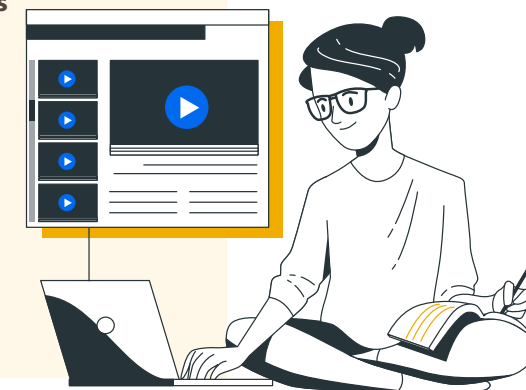
Numbers of advanced study and training hours in 2020

	♂ Total hours	♀ Total hours	♂ Average hours	♀ Average hours
Executive position	290	266	19.33	29.56
Non-executive position	231	626.5	11.55	15.66
Total hours	521	892.5	14.89	18.21

\* These statistics only cover the employees of Chia Hsin Cement Corporation but exclude the training hours of the employees of affiliates.

### Online courses for employees' advanced studies

One example is the "industry-academia exchange series of special topic lectures", which are designed for staff members without financial backgrounds and are given by professors from the Department of Finance and Institute of Finance, National Kaohsiung University of Science and Technology. Employees can access the lectures on the company intranet to conduct advanced studies at their own pace.



Talent is the greatest asset of a company. For this reason, Chia Hsin Cement Group has spared no effort in the cultivation and development of talents by conducting education and training for employees to improve the knowledge, skills, and abilities that they need to carry out their duties, thereby achieving the management goals of the company and effectively developing human resources.



#### Orientation training

New employees and transferred personnel are given training and guidance to help them understand the company's organization, operations, environmental safety and health standards, and regulations.



#### Competency training

Competency training is conducted to upgrade the basic and professional competencies of employees of different positions to strengthen their capabilities.



#### External training

Certain employees are selected to undergo external training to develop and upgrade their work competencies.



#### Overseas workshops and training

In line with the development of the company and future work requirements, the company selects appropriate personnel to attend professional training overseas.



#### Establishment of regulations and systems

To accommodate the operations and safety requirements of each unit, the Company encourages employees to pursue advanced studies related to their duties and also makes arrangements for and assists employees in acquiring professional licenses and certificates. At the same time, the Company conducts courses on the topics of occupational safety and health, the Labor Standards Act, sexual harassment prevention, and the Act of Gender Equality in Employment.

## Managers attending advanced study and training programs on corporate governance

Concerned personnel are required to attend corporate governance workshops such as practical training workshops for directors and supervisors, seminars or courses on the International Financial Reporting Standards (IFRS), and courses on the creation and operation of the remuneration committee. In addition, Chia Hsin Cement Group has joined the Institute of Internal Auditors, R.O.C., the Accounting Research and Development Foundation, and the Information Management Association, respectively, as group members and sends representatives to attend monthly meetings, where accounting executives continue to take advanced study courses on malpractice prevention, corporate governance, and forensic accounting to improve the Company's corporate governance and reduce risks.

“ Task analysis inventories are conducted with a **focus on talents and professionalism**. Although classroom trainings have been reduced as a result of the pandemic, **online courses** have been launched for employees to pursue advanced studies.

In 2020, 17 **general training classes** recorded **350** person-times for a total of **35.5** training hours.

**530** total hours of external training were conducted for **108** person-times

Over **85%** of employees have completed the **AED+CPR training**. ”

# 6.1

## Social Participation and Contribution

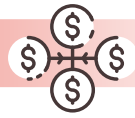
### Chia Hsin Foundation

Chairman Min-Yu Chang, founder of Chia Hsin Cement Corporation, established the Chia Hsin Cement Scholarships in early 1960 to motivate students from military, civil servant, educational backgrounds and underprivileged families. Chia Hsin Cement Corporation Foundation was established on June 10, 1963 to continue these scholarship services in a spirit of taking and then giving back to society. The foundation also promotes various cultural endeavors. The foundation was later renamed to Chia Hsin Foundation in 1994 to honor Chairman Chang and his wife, Mrs. Fu-Ming Gong.

### Scholarships

Over the years, Chia Hsin Foundation has focused on educational and cultural development by giving grants to individuals with outstanding academic achievements and improving educational opportunities for impoverished children. Since its creation, the Foundation has given financial support to over one hundred thousand individuals, and was respectively commended by the Executive Yuan and the Ministry of Education in 2010 and 2011. In 2020, the Scholarship Awards Ceremonies for the 61st Chia Hsin Scholarships for students from underprivileged families and the 56th Chia Hsin Sports Awards were held on September 13 at Gala de Chine Hotel in Xinzhuang, extending the vision and effort of the founder of Chia Hsin Cement Corporation to provide underprivileged students with financial assistance.

#### 61st (2020) Chia Hsin Scholarship Awards



**Benefiting 261 students**  
**Awarded NT\$ 3.59 million in scholarships**

<b>Tertiary education</b>	98 students NT\$ 20,000 per student
Including 78 from low-income families and 20 with disabilities	
<b>High school and junior college</b>	163 students NT\$ 10,000 per student
Including 126 from low-income families and 37 with disabilities	

#### 56th (2020) Chia Hsin Sports Awards



**Benefiting 91 students**  
**Awarded NT\$ 1.145 million in scholarships**

<b>Elementary school</b>	20 students / NT\$ 6,000 per student		
Athletics: 10	Swimming: 10	Parasports: Vacant	
<b>Junior high</b>	25 students / NT\$ 7,000 per student		
Athletics: 11	Swimming: 11	Para swimming: 3	
<b>Senior high</b>	23 students / NT\$ 10,000 per student		
Athletics: 8	Swimming: 9	Parasports: 3 each	
<b>Tertiary education</b>	5 students / NT\$ 20,000 per student		
Athletics: 5	Swimming: Vacant	Parasports: Vacant	
<b>Professional athletes</b>	12 students / NT\$ 20,000 per student		
Athletics: 5	Swimming: 5	Parasports: 2	
<b>Outstanding Coach Award</b>	5 recipients / NT\$ 40,000 per recipient		
<b>Special Award</b>	1 recipient / NT\$ 80,000		



## Compensating for inadequate educational and learning resources in rural areas Improving the learning results of students

### Rural Education

2020 Taiwan University of Education System Programs that provided after-class assistance to underprivileged students

total funding of NT\$1.878 million

Funding was given to the Taiwan University of Education System to propose and supervise after-class programs for underprivileged students in rural areas. A total of 10 programs were held at 7 universities.

**220 university students participated in the programs  
and helped approximately 1,405 schoolchildren.**

#### University of Taipei

Mingduo Educational Service Corps: Life Aesthetics Exploration and Learning Camp 8/24-8/27

Dowmung Elementary School, Hualien County **Benefiting 50 schoolchildren**

Prospective Teachers Supporting Underprivileged Students After-class Program

(1) The P/okemon Adventure – Potential and Character Development Camp 7/19-7/23

Shumei Elementary School, Kinmen **Benefiting 40 schoolchildren**

(2) 2020 Mickey Fun House Summer Science Camp 7/19-8/01

Yuying Elementary School, Nantou **Benefiting 73 schoolchildren**

#### National Taichung University of Education

2020 After-class Program for Underprivileged Schoolchildren

Winter Recess Rural After-class Camp 1/25-1/29

Longquan Elementary School **Benefiting 90 schoolchildren**

#### National Chiayi University

“Believe You Can” program **Benefiting 388 schoolchildren**

(1) Lantan Elementary School After-class Program 2020/09-2021/01

(2) Lantan Elementary School Rainbow Life Education for third and fourth graders 2020/10–

(3) Chia Hwa Senior High School, A Course on Solutions to Winners’ Challenges –  
A 10-session Character Education Course 2020/10-2020/12

(4) Baosang Elementary School, Taitung, Summer and Winter Recess Camp 2020/7/26-2020/8/01

Liming Elementary School, Chiayi, Summer and Winter Recess Camp 2020/01/20–2020/01/22

#### National University of Tainan

Cultivation in Rural Areas: The Hope Taking Root After-class Program –  
Having Fun Learning at Shulin and Jiagong 2020/08/31-2021/01/15

Shulin Elementary School and Jiagong Elementary School, Qigu District **Benefiting 60 schoolchildren**

2020 After-class Program for Elementary School Students –  
Reading Class and Calligraphy Class 2020/09/09-2021/01/13

Fuhsing Elementary School, Tainan City **Benefiting 62 schoolchildren**

#### National Pingtung University

Across-the-board After-class Program for Rural Schoolchildren 2020/10/17-2020/12/19

Jiazuo Elementary School, Wanluan Township (174 person-times) **Benefiting 26 schoolchildren**

2020 After-class Program for Underprivileged Students 2020/09/03-2021/01/22

Chifen Elementary School, Laiyi Elementary School, Wenlo Elementary School,  
Wutan Elementary School, Jiayi Elementary School, Timur Elementary School,  
Evergreen Lily Elementary School and Sai Jia Elementary School in the indigenous  
land and rural areas in the North Paiwan region (the program conducted at a  
number of schools each month) **Benefiting 528 schoolchildren**

#### National Dong Hwa University

“A Hundred Dancing Beasts@Provincial Highway No. 9”,  
An Educational Service Program in Line with the Spirit of Schweitzer 2020/07/19–2020/08/07  
136 hours in total

Dongli Junior High School and Dongli Elementary School **Benefiting 58 schoolchildren**

#### National Taitung University

The Learning Program Using Digital Technologies to Help Underprivileged  
Students in the Eastern Region 400 hours

Jhong Siao Elementary School, National Taitung Senior High School and National  
Taitung Girls’ Senior High School **Benefiting 30 schoolchildren**

Dong Hwa University's  
"A Hundred Dancing  
Beasts@Provincial Highway No.9  
– Strandbeest Competition"



Underprivileged students  
participating in after-class learning  
guided by teachers-in-training from  
the University of Taipei



The After-class Program for  
Elementary School Students –  
Lantern Painting Demonstration,  
conducted by the Department of  
Chinese Language and Literature,  
National University of Tainan



**Weekend After-class Programs for Children**      **annual funding of NT\$1.03 million**

Funding was continued in 2020 for the team from National Taipei University of Technology organized by Mr. Jiao (Tunux · Pisuy)—The Weekend After-class Program and Children Camp for Indigenous First to Sixth Graders of Houcuo Elementary School.

**194 university students and volunteers participated and helped 154 schoolchildren.**

Happy Winter Camp for Indigenous Schoolchildren 2020/1/30-2/10

Mudan Township, Pingtung County

16 university students and 7 volunteers participated, aiding 46 schoolchildren.

Remote Indigenous Settlement Distance Learning Computer Center: A Program for Distance Learning and Helping Students to Study

The first half year **Benefiting 28 schoolchildren**

27 university students from National Taipei University of Technology and University of Taipei participated.

The second half year **Benefiting 80 schoolchildren**

144 university students from National Taipei University of Technology, University of Taipei, National Taiwan University, Chengchi University, Central University, Tamkang University, and students studying overseas participated.

**Weekend After-class Programs for Children**

The purpose of Weekend After-class Programs for Children was to give schoolchildren from underprivileged families, especially indigenous ones, in remote areas the opportunity to participate in after-class learning or acquire extracurricular knowledge and various life skills. For the university students serving as instructors, it provided an opportunity to extend their social participation and gain teaching experience before formally becoming teachers. The activity also has a positive effect on the families of the children who have participated, and is designed to create a virtuous cycle that produces win-win or multiple-win situations. The after-class programs and related activities funded in 2020 covered Taoyuan, Miaoli, Taichung, Nantou, Chiayi, Tainan, Pingtung, Taitung, Hualien, and Kinmen, more than half of the counties and cities in Taiwan.

The After-class Program conducted by National Taichung University of Education at Longquan Elementary School



The Life Aesthetics Exploration and Learning Camp conducted by University of Taipei

Nanotech and Scientific Teaching Aids Experience Camp at Jiayi Elementary School, conducted by the Department of Applied Chemistry, University of Pingtung



“Cultivation in Rural Areas: The Hope Taking Root After-class Program – After-class program at Jiangong Elementary School,” conducted by University of Tainan



After-class program conducted at Jiazuo Elementary School by the Department of Educational Psychology and Counseling, University of Pingtung



The “Learning Program Using Digital Technologies to Help Underprivileged Students in the Eastern Region,” conducted by University of Taitung

## Support for Startups

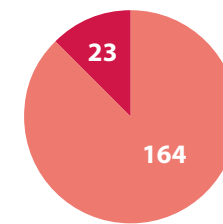
### Cultural and Creative Project Funding Program (Garage+ Chia Hsin Campus)

To promote cultural and economic development, Chia Hsin Foundation provided support to startups and innovation education and continued to execute the Garage+ Chia Hsin Campus project in cooperation with the Epoch Foundation in 2020, through which NT\$5.62 million was appropriated to sponsor young startup and incubation teams.

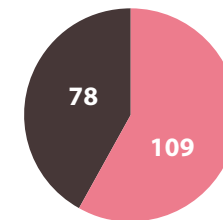
**In 2020, the Foundation gave support to 187 startup teams.**

The startups included 23 teams in actual residency and 164 in virtual incubation.

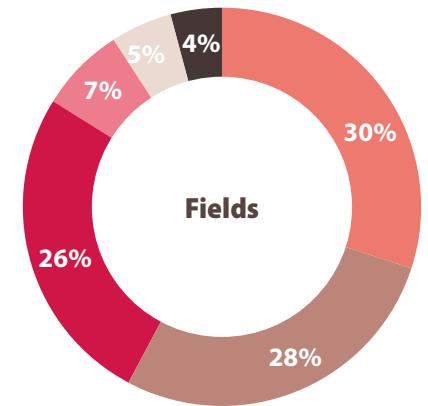
The number of domestic teams was 109 (including 19 new teams), while the remaining 78 teams were foreign (including 23 new teams).



○ Virtual incubation  
● Actual residency



○ Domestic teams  
● Foreign teams



○ AI / Big Data / Computing  
○ IoT / Smart Device / AR & VR / Robotics  
● Healthcare / Medical Device / Digital Health  
○ Lifestyle  
○ Green tech / Agriculture / Social Enterprise  
● Fintech

# 6.2

## Equity and Inclusion and Community Involvement

**Thanking Medical Personnel and Joining the Fight against the Pandemic**

**Caring for Underprivileged Families and Joining the Fight against the Pandemic**

2020/05

**Donation of Healthy Boxed Meals to Medical Personnel in May 2020 to Thank Them for Their Efforts**

2020/05

**Healthy Boxed Meal Delivery in May 2020**

To show gratitude to the medical personnel fighting the pandemic on the frontline, Chia Hsin Cement Group organized the “donation of healthy boxed meals to thank medical personnel” activity on International Nurses Day in May 2020, with assistance provided by Ruidian Co., Ltd., the Beitou-Shipai Branch of Yuloong Food Supplies Co., Ltd., Jilin Teppanyaki, Yaoshao Wood-fueled Stone Kiln Bakery, Piccolo Angolo Coffee shop, Yidinghao Daqian Florist Co., Ltd., and Haokang Group-buy Mother Groups in the Zhongshan, Neihu Xinyi, and Donghu areas. Healthy boxed meals were delivered to the nurses at Taipei Mackay Hospital and Neihu Tri-Service General Hospital as a token of the gratitude for their hard work on the frontline for fighting the pandemic.



Simultaneously, exquisitely prepared boxed meals from Hotel Collective in Okinawa were also delivered to underprivileged families in Naha, providing them with the strength and nutrition to join the fight against the pandemic.





Protecting the Ocean

2020/8/15

Joining the Discovery Channel's "One Good Thing to Save the Ocean" beach cleanups



Sponsoring Discovery's "One Good Thing to Save Earth"

to Help the Planet



On August 15, 2020, Chia Hsin Cement Group participated in the beach cleanups organized by the Discovery Channel to remove plastics. Within one hour, the Group's team picked up nearly 10 kg of marine debris, while according to the statistics from Discovery, the total volume of marine debris gathered that day totaled 920 kg. The purpose of the beach cleanups was not just to pick up garbage, but also to learn how to effectively reduce garbage. Through actions such as sorting out garbage, carrying environmental dining utensils, and using self-prepared shopping bags, every tiny effort can help become part of the collective energy for improving the environment and changing the world.

“Every little thing in everyday life can be a big step towards protecting our planet.”

Besides sponsoring Discovery's "One Good Thing to Save Earth" to Help the Planet activity, Chia Hsin Cement Group also carried out a series of green actions, including weekly vegetarian days, turning off the lights for one hour at noon each day, encouraging employees to take public transportation between home and work, and urging employees to save water and electricity. In addition, Chia Hsin Cement Group was also invited to attend Discovery's



Earth Day media conference on April 22, 2021 to join efforts in advocating and showing support for Earth Day activities. The Group also organized internal lectures for employees' in-depth understanding of issues associated with climate change and promoting green living.



"Big Changes Can Start with Me"

a Talent Cultivation Project



2020/11

"Sustainable Wisdom Innovative Hackathon Workshop"

Industry-Academia Cooperation

Sustainable Youth Empowerment

*"It is really touching to be able to complete a project alongside the partners around me and together witness the results of our efforts. This is not my work. It is our work."*

*"Using smart technologies to subvert imagination about nursing."*

For the STP Seed Talent Cultivation Project, 9 university students who were film and media enthusiasts were invited to make a microfilm for Gemcare Maternity Center. From script writing, framing, filming, editing to copywriting, the students came up with and executed all of the ideas on their own. Using the resources available to them, they incorporated diverse possibilities and perspectives, with the final production presenting the warm and touching services provided by Chia Hsin Cement Group.



In November 2020, Chia Hsin Cement Group participated for the first time in the Sustainable Wisdom Innovative Hackathon competition jointly organized by Feng Chia University, Asia University, and China Medical University, Taiwan. After two months of consolidation and exchange of ideas, 56 student teams entered the competition finals. Based on the core concept of user experience, each team used data analysis to develop sustainable products for six major smart technology topics. The topic put forth by Chia Hsin Cement Group was smart health care service, with the students from the Department of Business Administration of Ming Chuan University ultimately winning the title of Smart Health Care Service Champions. It is hoped that in the future, youth empowerment can be further cultivated through holding industry-academia cooperations and that the effectiveness of smart nursing can be improved so as to help more people.



**Youth Empowerment**



2020/12/29

**“Influence Life with Life” Corporation Visits**

*“Facing a rapidly changing world, how should future generations enter the job market and create their own value?”*



On December 29, 2020, Deloitte Taiwan led the students of the Department of Accounting of Soochow University to visit Chia Hsin Cement Group. The Group’s Chief Executive Officer, Planning Division Director, General Finance Division Manager, and Accountant in Charge spoke to the visitors about their firsthand experiences in the topics of the corporate transformation process

and the applicable methods used in financial accounting.

The Garage+Team of Epoch Foundation gave the students a tour to help them learn about impact of modern careers and encouraged them to use a more comprehensive perspective to examine and find themselves in a suitable career niche.



2020/10/17

**Sponsoring the Jieh Huey Social Welfare and Charity Foundation’s Hiking Activity on October 17, 2020 —Jieh Huey Taking Root in the Indigenous Land Passing Love Series 20**

Jieh Huey just celebrated its 20th anniversary of serving the indigenous land. Accordingly, in 2020 the Foundation launched the Jieh Huey Taking Root in the Indigenous Land Passing Love Series 20 Activities to gather energy from the community for long-term care, inviting the public, organizations, schools, and private groups to hike with cognitively-impaired elderly people, and along the way, overcome obstacle games and get closer to nature. The Foundation hoped that by making continued efforts to accompany the elderly staying at nursing homes and create for them healthier and more meaningful living environments, a warm sentiment



for elderly care will be inspired in the indigenous group. In this activity series, besides taking a walk with cognitively-impaired senior citizens, participants were also able to experience the indigenous market, attend concerts, and participate in indigenous obstacle games.

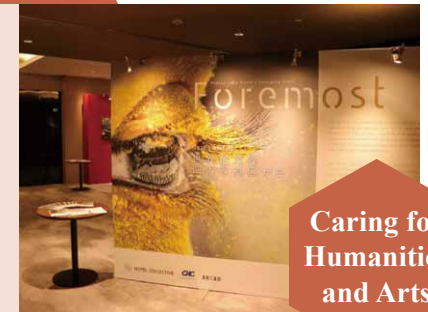
**Caring for Senior Citizens and Bringing the Community Together**



**The Japan Premiere of the ForeMost Exhibition —Presenting Works from the Top Four Photography Exhibitions in the World**

2020/01

In January 2020, Chia Hsin Cement Group held the Japan Premiere of the ForeMost Exhibition to present works from the top four photography exhibitions in the world at its wholly owned Hotel Collective in Okinawa. The Group decorated the venue with artwork from the oldest Bingata dyeing workshop in Okinawa, thus using local culture to excide the five senses of tourists and local residents and bringing them experiences that are beyond their imagination (See **6.3 Humanities and Arts** in the 2019 Chia Hsin Cement Corporation CSR Report for more details).



**Caring for Humanities and Arts**

2021/1/21

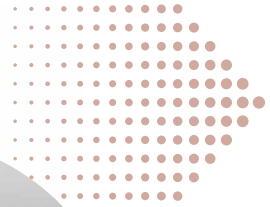
**“300 Care packages” on January 21, 2021**

**Small Good Deeds to Care for the Under-privileged**

*“ We weren’t there at your birth, but we can keep you company as you grow up. ”*

At the invitation of Holy World Children’s Home and Little Kind Cloud, Chia Hsin Cement Group was given the opportunity to take love and fortune from internally and contribute it to the greater society to benefit others. The director of Holy World Children’s Home said, “The lucky bag activity is intended to gather the strength of the public to help the kids at the Holy World Children’s Home as well as other families and children that need assistance.” As opposed to donations, spending time with and caring for children is able to give them

greater warmth and support, and is closer to Chia Hsin Cement Group’s ideology of “bringing people a better life.” Besides daily commodities and stationery, each of the 300 bags also contained delicacies that are loved by both adults and children. The Group hoped by sharing a little joy and warmth, each family and child can be encouraged to discover their own value and create a bright future for themselves.



2020/9/4

**Sponsoring the Second “Hard Talk, Soft Power, Bold Future” Forum Held by the Taiwan Women on Boards Association on September 4, 2020**



**Women’s Empowerment**

Taiwan Women on Boards Association (WOB.tw), the most influential group of female corporate leaders in the country, held the Second “Hard Talk, Soft Power, Bold Future” Forum on September 4, 2020. 250 female entrepreneurs attended to discuss how female leaders can best exercise their characteristic of being hard and soft at the same time in the post-pandemic era, so as to lead domestic businesses to make breakthroughs and create pinnacles. Chia Hsin Cement Group Chief Executive Officer, Ms. Li-Hsin Wang represented the group and attended the forum for the second year, while WOB.tw released Taiwan’s first White Paper on Female Governance and announced that it established Taiwan’s first and only WOB Academy to cultivate a new generation of female CEOs. The goal was to continue to promote female involvement in the core of corporations, allowing women to exercise their hard and soft power to lead enterprises out of predicaments, thus jointly creating a new dimension in the changing world.

## Appendix 1: GRI Content Index

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
<b>GRI 102 : General Disclosures 2016</b>			
<b>Organizational profile</b>			
102-1	Name of the organization	2.1 Chia Hsin Cement Group	14
102-2	Activities, brands, products, and services	2.2 Business Model and Products and Services 2.3 Development of Each Business Group	17 18
102-3	Location of headquarters	2.1 Chia Hsin Cement Group	14
102-4	Location of operations	2.2 Business Model and Products and Services 2.3 Development of Each Business Group	17 18
102-5	Ownership and legal form	2.3 Development of Each Business Group	18
102-6	Markets served	2.2 Business Model and Products and Services 2.3 Development of Each Business Group	17 18
102-7	Scale of the organization	2.2 Business Model and Products and Services 3.4 Financial Performance	17 36
102-8	Information on employees and other workers	5.1 Personnel Overview	46
102-9	Supply chain	2.4 Supply Chain Management	23
102-10	Significant changes to the organization and its supply chain	N/A, No significant changes	-
102-11	Precautionary principle or approach	3.3 Risk Management	33
102-12	External initiatives	1.4 Identification of Sustainability Topics	8
102-13	Membership of associations	3.1 Corporate Governance	25

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
<b>Strategy</b>			
102-14	Statement from senior decision-maker	1.1 Letter from the Chairman	3
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	3.2 Sustainable Business Management 3.5 Ethical Corporate Management and Code of Ethical Conduct	31 37
<b>Governance</b>			
102-18	Governance structure	3.1 Corporate Governance 3.2 Sustainable Business Management	25 31
<b>Stakeholder engagement</b>			
102-42	Identifying and selecting stakeholders	1.3 Stakeholder Identification and Communication	5
102-43	Approach to stakeholder engagement	1.3 Stakeholder Identification and Communication	5
102-44	Key topics and concerns raised	1.4 Identification of Sustainability Topics	8
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	2.2 Business Model and Products and Services 3.4 Financial Performance	17 36
102-46	Defining report content and topic boundaries	1.4 Identification of Sustainability Topics	8
102-47	List of material topics	1.4 Identification of Sustainability Topics	8
102-48	Restatements of information	No information restatements	-

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
102-49	Changes in reporting	No significant changes	-
102-50	Reporting period	1.2 About the Report	4
102-51	Date of most recent report	1.2 About the Report	4
102-52	Reporting cycle	1.2 About the Report	4
102-53	Contact point for questions regarding the report	1.2 About the Report	4
102-54	Claims of reporting in accordance with the GRI Standards	1.2 About the Report	4
102-55	GRI content index	Appendix 1: GRI Content Index	68
102-56	External assurance	Appendix 4: External Assurance Statement	73
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.3 Stakeholder Identification and Communication	5
		1.4 Identification of Sustainability Topics	8
103-2	The management approach and its components	1.3 Stakeholder Identification and Communication	5
		1.4 Identification of Sustainability Topics	8
		3.2 Sustainable Business Management	31
103-3	Evaluation of the management approach	3.3 Risk Management	33
		1.3 Stakeholder Identification and Communication	5
		1.4 Identification of Sustainability Topics	8
		3.2 Sustainable Business Management	31
		3.3 Risk Management	33

## GRI 200: Economic topics

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
<b>GRI 201: Economic Performance 2016</b>			
201-1	Direct economic value generated and distributed	2.2 Business Model and Products and Services	17
		3.4 Financial Performance	36
		5.2 Employee Wellness	48
201-3	Defined benefit plan obligations and other retirement plans	5.2 Employee Wellness	48
201-4	Financial assistance received from government	No government funding in 2020	-

## GRI 300: Environmental topics

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organization	4.2 Environmental Management	43
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	4.2 Environmental Management	43
305-2	Energy indirect (Scope 2) GHG emissions	4.2 Environmental Management	43
305-3	Other indirect (Scope 3) GHG emissions	4.2 Environmental Management	43
<b>GRI 307: Environmental Compliance 2016</b>			
307-1	Non-compliance with environmental laws and regulations	4.2 Environmental Management	43

**GRI 400: Social topics**

No.	Disclosed Item	Corresponding Section/Explanation	Page No.
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	5.1 Personnel Overview	46
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Wellness	48
401-3	Parental leave	5.3 Diversified Workplace	54
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	5.4 Talent Cultivation	57
404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent Cultivation	57
404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent Cultivation	57
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	5.3 Diversified Workplace	54
<b>GRI 406: Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	5.3 Diversified Workplace	54
<b>GRI 413: Local Communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	6.1 Social Participation and Contribution	59
		6.2 Equity and Inclusion and Community Involvement	63

**Appendix 2: The Reference Table for Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies**

Regulation	Explanation	Corresponding Section in Report	Page No.
Paragraph 2, Article 3	The corporate social responsibility report shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified.	3.3 Risk Management	33
(1), Paragraph 4, Article 4	The number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year.	5.2 Employee Wellness	48
(2), Paragraph 4, Article 4	The company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues.	1.4 Identification of Sustainability Topics	8

## Appendix 3: Sustainability Accounting Standard (SASB)

### SASB CONSTRUCTION MATERIALS 2018

Construction Materials					
Topic	Code	Category	Accounting metric	Corresponding Section/Explanation	Page No.
Greenhouse Gas Emissions	EM-CM-110a.1	Quantitative	(1) Gross global Scope 1 emissions; (2) Percentage covered under emissions-limiting regulations.	4.2 Environmental Management	43
Energy Management	EM-CM-130a.1	Quantitative	(1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage alternative; (4) Percentage renewable.	4.2 Environmental Management *At present, no alternative or renewable energies are used.	43
Water Management	EM-CM-140a.1	Quantitative	(1) Total fresh water withdrawn; (2) Percentage recycled; (3) Percentage in regions with High or Extremely High Baseline Water Stress.	4.2 Environmental Management *None of Chia Hsin Cement Group's operating locations are in a high water resource pressure area.	43
Waste Management	EM-CM-150a.1	Quantitative	(1) Amount of waste generated; (2) Percentage hazardous; (3) Percentage recycled.	4.2 Environmental Management	43
Biodiversity Impacts	EM-CM-160a.1	Discussion and Analysis	Description of environmental management policies and practices for active sites.	4.1 Environmental Sustainability	40
Biodiversity Impacts	EM-CM-160a.2	Quantitative	(1) Terrestrial acreage disturbed; (2) Percentage of impacted area restored.	4.1 Environmental Sustainability	40
Workforce Health & Safety	EM-CM-320a.1	Quantitative	(1) Total recordable incident rate (TRIR); (2) Near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees.	5.2 Employee Wellness	48
Pricing Integrity & Transparency	EM-CM-520a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	N/A, No related circumstances	-





## SASB Hotels and Lodging 2018

Hotels and Lodging					
Topic	Code	Category	Accounting metric	Corresponding Section/Explanation	Page No.
Energy Management	SV-HL-130a.1	Quantitative	(1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage renewable	4.2 Environmental Management	43
Water Management	SV-HL-140a.1	Quantitative	(1) Total water withdrawn; (2) Total water consumed; (3) Percentage of each in regions with High or Extremely High Baseline Water Stress.	4.2 Environmental Management	43
Ecological Impacts	SV-HL-160a.1	Quantitative	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat.	4.1 Environmental Sustainability	40
Ecological Impacts	SV-HL-160a.2	Discussion and Analysis	Description of environmental management policies and practices to preserve ecosystem services.	4.1 Environmental Sustainability	40
Labor Practices	SV-HL-310a.1	Quantitative	(1) Voluntary turnover rate; (2) Involuntary turnover rate for lodging facility employees.	5.1 Personnel Overview	46
Labor Practices	SV-HL-310a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with labor law violations.	N/A, No related circumstances	-
Labor Practices	SV-HL-310a.3	Quantitative	(1) Average hourly wage; (2) Percentage of lodging facility employees earning minimum wage, by region.	5.2 Employee Wellness	48
Labor Practices	SV-HL-310a.4	Discussion and Analysis	Description of policies and programs to prevent worker harassment.	5.3 Diversified Workplace	54
Climate Change Adaptation	SV-HL-450a.1	Quantitative	Number of lodging facilities located in 100-year flood zones.	*The hotel is not located in a 100-year flood zone.	-

## Appendix 4: External Assurance Statement

### BSI Greenhouse Gas Inventory Verification Statement

# Opinion Statement

**Greenhouse Gas Emissions**  
Verification Opinion Statement

This is to verify that: Chia Hsin Cement Corporation  
No.96, Sec. 2, Zhongshan N. Rd.  
Zhongshan Dist.  
Taipei City, 10449  
Taiwan


嘉新水泥股份有限公司  
臺灣  
台北市  
中山區  
中山北路二段 96 號  
10449

Holds Statement No: GHGEV 1900

**Verification opinion statement**  
As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with Reasonable assurance that:

- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation for the period from 2020-01-01 to 2020-12-31 was verified, including direct greenhouse gas emissions 30,591.2 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy emissions 77,141.5 tonnes of CO<sub>2</sub> equivalent.
- No material misstatements for the period from 2020-01-01 to 2020-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2020 is not published by Taiwan government so far, the emission factor used for electricity is 0.509 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.



Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2021-04-28      Latest Issue: 2021-04-28

Page: 1 of 3

...making excellence a habit.™

The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above named client only.  
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BSI Taiwan is a subsidiary of British Standards Institution.

Statement No: GHGEV 1900

Location: Verification Information

The greenhouse gas emissions information reported by the organization for the period from 2020-01-01 to 2020-12-31 is as follows:

EMISSIONS	Notes	tonnes CO <sub>2</sub> e
<b>Category 1: Direct GHG emissions and removals</b>		
1.1 Stationary combustion		30,591.2
1.2 Mobile combustion		0.0372
1.3 Industrial processes (anthropogenic systems)		25,719.0
1.4 Fugitive (anthropogenic systems)		0.000
1.5 Land use, land use change and forestry		4,835.0
		0.000
<b>Direct emissions in tonnes of CO<sub>2</sub>e from biomass</b>		
<b>Category 2: Indirect GHG emissions from imported energy</b>		
<b>77,141.5</b>		
2.1 Indirect emissions from imported electricity	location-based approach	77,141.5
2.2 Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.000
<b>Category 3: Indirect GHG emissions from transportation</b>		
<b>5,266.7</b>		
3.5 Emissions from Business travels	Take Taiwan High Speed Rail, Airplane	5,266.7
<b>Category 4: Indirect GHG emissions from products used by organization</b>		
<b>29,457.8</b>		
4.1 Emissions from Purchased goods	Upstream related to water, electricity production, and gasoline production	27,372.8
4.2 Emissions from Capital goods	Clean up waste	2,085.0

The total emissions were verified in selected branches and representative offices, including but not limited to the following:

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Page: 2 of 3

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Statement No: GHGEV 1900

Location: Verification Information

The Greenhouse Gas Emissions with Chia Hsin Cement Corporation for the period from 2020-01-01 to 2020-12-31 were verified, including the direct greenhouse gas emissions 30,591.2 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy emissions 77,141.5 tonnes of CO<sub>2</sub> equivalent.

Chia Hsin Cement Corporation  
No.96, Sec. 2, Zhongshan N. Rd.  
Zhongshan Dist., Taipei City, 10449  
Taiwan

嘉新水泥股份有限公司  
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10449

Originally Issue: 2021-04-28      Latest Issue: 2021-04-28

Page: 3 of 3

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## BSI CSR Report Independent Third Party Verification Statement




### 獨立保證意見聲明書

#### 嘉新水泥股份有限公司 2020 年企業社會責任報告書

英國標準協會與嘉新水泥股份有限公司(簡稱嘉新水泥)為相互獨立的公司,英國標準協會除了針對嘉新水泥股份有限公司 2020 年企業社會責任報告書進行評估和查證外,與嘉新水泥並無任何財務上的關係。

本獨立保證意見聲明書之目的,僅作為對嘉新水泥股份有限公司 2020 年企業社會責任報告書所界定範圍內之相關事項進行保證之結論,而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外,對於其他目的之使用,或閱讀此獨立保證意見聲明書的任何人,英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查嘉新水泥提供之相關資訊所作之結論,因此查證範圍乃基於並限於在這些提供的資訊內容之內,英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問,將由嘉新水泥一併回覆。

#### 查證範圍

嘉新水泥與英國標準協會協議的查證範圍包括:

1. 本查證作業範圍與嘉新水泥股份有限公司 2020 年企業社會責任報告書揭露之報告範圍一致。
  2. 依照 AA1000 保證標準 V3 的第 1 應用類型評估嘉新水泥遵循 AA1000 當責性原則(2018)的本質和程度,不包括對於報告書揭露的資訊/數據之可信賴度的查證。
- 本聲明書以英文作成並已翻譯為中文以供參考。

#### 意見聲明

我們總結嘉新水泥股份有限公司 2020 年企業社會責任報告書內容,對於嘉新水泥之相關運作與績效則提供了一個公平的觀點。基於保證範圍限制事項,嘉新水泥所提供資訊與數據以及抽樣之測試,此報告書並無重大之不實陳述。我們相信有關嘉新水泥 2020 年度的經濟、社會及環境等績效資訊是被正確無誤地呈現。報告書所揭露之績效資訊展現了嘉新水泥對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 V3 查證能力之團隊執行,以及策劃和執行這部分的工作,以獲得必要之訊息資料及說明。我們認為就嘉新水泥所提供之足夠證據,表明其依據 AA1000 保證標準 V3 的報告方法與自我聲明符合 GRI 永續性報導準則核心選項係屬公允的。

#### 查證方法

為了收集與作成結論有關的證據,我們執行了以下工作:

- 對來自外部團體的議題相關於嘉新水泥政策進行切談,以確認本報告書中聲明書的合適性
- 與管理者討論有關利害關係人參與的方式,然而,我們並未直接接觸外部利害關係人
- 訪談 3 位與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作空告的支持性證據
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查

#### 結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導準則的詳細審查結果如下:

#### 包容性

2020 年報告書反映出嘉新水泥已持續尋求利害關係人的參與,並建立重大永續主題,以發展及達成對企業社會責任具有責任且策略性的回應。報告書中已公正地報告與揭露經濟、社會及環境的訊息,足以支持適當的計畫與目標設定。以我們的專業意見而言,這份報告書涵蓋了嘉新水泥之包容性議題。

#### 重大性

嘉新水泥公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題,永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言,這份報告書適切地涵蓋了嘉新水泥之重大性議題。

#### 回應性

嘉新水泥執行來自利害關係人的期待與看法之回應。嘉新水泥已發展相關道德政策,作為提供進一步回應利害關係人的機會,並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言,這份報告書涵蓋了嘉新水泥之回應性議題。

#### 衝擊性

嘉新水泥已繼別並以平衡和有效之量測及揭露方式公正展現其衝擊。嘉新水泥已建立監督、量測、評估和管理衝擊之流程,從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言,這份報告書涵蓋了嘉新水泥之衝擊性議題。

#### GRI 永續性報導準則

嘉新水泥提供有關依循 GRI 永續性報導準則之自我宣告,與相當於「核心選項」(每個涵蓋特定主題 GRI 準則之重大主題,至少一個特定主題的揭露項目依據其全部的報導要求)的相關資料。基於審查的結果,我們確認報告書中參照 GRI 永續性報導準則的社會責任與永續發展之相關揭露項目已被報告,部分報告或省略。以我們的專業意見而言,此自我宣告涵蓋了嘉新水泥的社會責任與永續性主題。

#### 保證等級

依據 AA1000 保證標準 V3 我們審查本聲明書為中度保證等級,如同本聲明書中所描述之範圍與方法。

#### 責任

這份企業社會責任報告書所屬責任,如同責任信中所宣稱,為嘉新水泥負責人所有。我們的責任為基於所描述之範圍與方法,提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

#### 能力與獨立性

英國標準協會於 1901 年成立,為全球標準與驗證的領導者。本查證團隊係由其專業背景,且接受過 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練,具有主事稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2020037  
2021-05-07

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## INDEPENDENT ASSURANCE OPINION STATEMENT

### Chia Hsin Cement Corporation 2020 Corporate Social Responsibility Report

The British Standards Institution is independent to Chia Hsin Cement Corporation (hereafter referred to as CHC in this statement) and has no financial interest in the operation of CHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of CHC only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by CHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to CHC only.

#### Scope

The scope of engagement agreed upon with CHC includes the followings:

1. The assurance scope is consistent with the description of Chia Hsin Cement Corporation 2020 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the CHC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process. This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Chia Hsin Cement Corporation 2020 Corporate Social Responsibility Report provides a fair view of the CHC CSR programmes and performances during 2020. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the CHC and the sample taken. We believe that the 2020 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate CHC's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that CHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to CHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 3 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that CHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the CHC's inclusivity issues.

#### Materiality

CHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of CHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the CHC's management and performance. In our professional opinion the report covers the CHC's material issues.

#### Responsiveness

CHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for CHC is developed and continually provides the opportunity to further enhance CHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the CHC's responsiveness issues.

#### Impact

CHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. CHC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the CHC's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

CHC provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the CHC's social responsibility and sustainability topics.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.


#### Responsibility

The CSR report is the responsibility of the CHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



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