



嘉新企業團
CHIA HSIN CEMENT GROUP

2022 SUSTAINABILITY REPORT

CHIA HSIN CEMENT CORPORATION



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Sustainable Development Vision Blueprint

CHC

Key Sustainable Performance and Achievements in 2022

E

- ▶ Received 2022 Taipei City Zero Carbon Benchmarking Award, **Superior Award** in the Industrial and Commercial A Category. (Chia Hsin Building)
- ▶ Joined the Climate Related Financial Disclosure Initiative. (TCFD Supporter)
- ▶ Completed greenhouse gas inventory and passed third-party verification. (2022 consolidated financial reporting scope)
- ▶ Third party certification of ISO 50001 Energy Management System and ISO 14001 Environmental Management System.

Stakeholder Communication Performance in 2022

Media

Media appearances and interviews: **411**

Public

Launch of new corporate website
Official social media posts: **29**

Employee

Labor-Management Meeting: **4** times
Employee Communication Meeting: **2** times
Employee Welfare Committee: **4** times
Employee Communication Survey: **1** times

Shareholder

General Meeting of Shareholders: **1** time
Board of Directors Meeting: **8** times
Investor Conference: **4** times

S

- ▶ Joined "TALENT, in Taiwan" Taiwan Talent Sustainability Action Alliance.
- ▶ Awarded the "Sports Enterprise Certification" by the Ministry of Education Sports Department again.
- ▶ Created a friendly workplace: implementing a flexible working hours system, Employee Assistance Program.
- ▶ Supported and participated in the "Sustainable Intelligence Innovation Hackathon" organized by Feng Chia University and Chinese Medicine University for the third consecutive year.

Chia Hsin Foundation Scholarship awarded in 2022

Chia Hsin Scholarship

Total **NT\$ 7,450,000**benefiting **454** underprivileged students.

Chia Hsin Sports Scholarship

Total **NT\$ 1,272,000**benefiting **107** underprivileged students

Chia Hsin Sustainability Scholarship

Total **NT\$ 600,000**benefiting **6** underprivileged students

Support for rural education

Total **NT\$ 2,686,000**benefiting **1,021**
underprivileged studentsTotal number of participating
college volunteers: **467**

Support for innovation

Continuing to assist domestic and international youth start-up teams through Garage+ Incubation Center

Total **NT\$ 7,500,000**Counseled **29** new domestic start-ups and **37** international teams in 2022.The cumulative number of teams served reached **469**.Support for
cultural initiatives

Sponsored the Confucius and Mencius Society Journal, monthly magazine and publication of Western Zhou gold texts

Total **NT\$ 1,300,000**

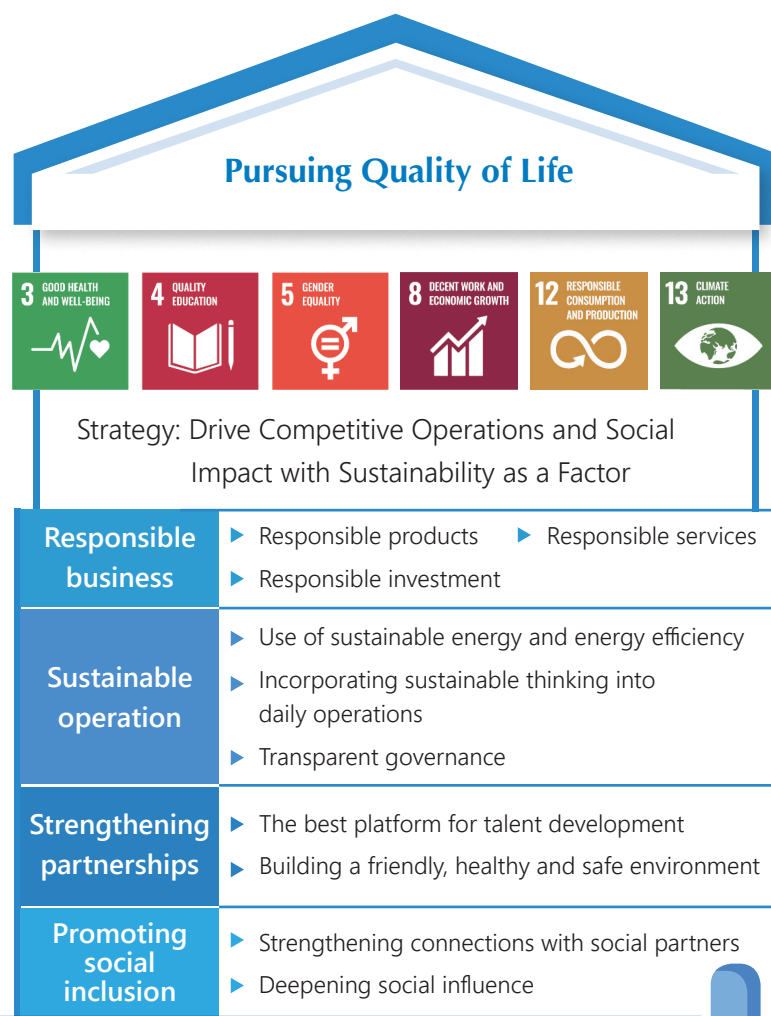
G

- ▶ Listed in the Little Giant Group of the "Excellence in Corporate Social Responsibility Citizenship Awards".
- ▶ Ranked in the top **6%-20%** of listed public companies in terms of governance for 3 consecutive years.
- ▶ Received a **62% improvement in S&P** Global's 2022 score over the previous year and higher than the average score of the companies benchmarked.



Sustainable Development Organization

From House to Home



Four major pillars of sustainable development blueprint



Members of the Sustainable Development Committee

Title	Name	Education	Experience
Chairperson	Jason K.L. Chang chairman	Master, Massachusetts Institute of Technology	<ul style="list-style-type: none"> • Director of Taiwan Cement Corp. • Chairman of Taiwan Cement Manufacturers' Association • Chairman of Chia Hsin Foundation • Vice Chairman of EPOCH Foundation
Director	Pan Howard Wei-Hao Committee member	Master of EE and MBA, Massachusetts Institute of Technology	<ul style="list-style-type: none"> • Director of Cheng Yeh Chemical Works Ltd. (also President) • Director of CFA Society of Taiwan • Vice Chairman of Chia Hsin Foundation
Independent Director	Robert K. Su Committee member	Ph. D., Accounting Louisiana State University	<ul style="list-style-type: none"> • Independent Director, DBS Bank (Taiwan) Ltd • Independent Director, Ta-Yuan Cogen Co., Ltd. • Fifth chairman of Chinese Association Of Business And Intangible Assets Valuation • Consultant, Chien Kuo Construction Co., Ltd.
Independent Director	Kevin Kuo-I Chen Committee member	BBA, University of Southern California	<ul style="list-style-type: none"> • Vice President of National University of Physical Education • Adjunct Professor, National Taiwan Sport University • Adjunct Professor, University of Taipei • Consultant, Chinese Taipei Olympic Committee

To keep pace with global trends and sustainability requirements, as well as address key stakeholders' concerns, Chia Hsin Cement Group established the Sustainable Development Committee at the 441st Board Meeting (2021/12/14). The Sustainable Development Committee took over the duties (e.g., risk management, CSR, and corporate governance) of the corporate governance unit that was established in 2019. A Chief Sustainability Officer was appointed to head the Sustainable Development Office, which is responsible for fulfilling and continuing all the functions of the corporate governance unit, planning sustainability-related tasks (environmental management, climate action, etc.), assisting the board with sustainability goals, and promoting and implementing sustainability-related work.

Sustainable Development Committee

1

Integrate the corporate culture and important sustainable development issues in the future, and formulate the mission, vision and development policy.

2

Review the implementation and effectiveness of the Company's sustainable development plan, and report to the board of directors on a regular basis.

3

Focus on issues of concern to various stakeholders' and supervise the communication plan.

4

Other matters resolved by the board of directors to be handled by the committee.

The Company's corporate governance organization (now renamed the Sustainable Development Office) has regularly reported to the board of directors the implementation of various sustainable development (including corporate social responsibility) projects since 2020.

The following information on sustainability-related operations is reported to the Board of Directors in fiscal 2022:

Date	Board of Directors	Report Content
2022 05/03	444 th	Board Meeting Report on Corporate Group Greenhouse Gas Inventory and Verification Schedule
2022 11/04	448 th	Board of Directors' Meeting Report on Intellectual Property Related Matters
2022 12/14	449 th	Report of the Board of Directors' Meeting <ul style="list-style-type: none"> a. Progress of Implementation of the Sustainable Development Plan (Divided into four main axes - responsible business, sustainable operation, strengthening partnership, promoting social inclusion and other implementation resul b. Progress of Greenhouse Gas Inventory c. Information security risk project d. Information security implementation status

Climate Risk: The Board of Directors resolved to approve the plan to join the Task Force on Climate-Related Financial Disclosures (TCFD) Supporter and adopt the Science Based Carbon Reduction Target (SBTi). The Company formally signed up as TCFD Supporter in December 2022.

1.1 Letter from the Chairman

The Board of Directors established a Sustainable Development Committee at the end of 2021. Following a comprehensive review and exploration since 2022, we have focused on the six United Nations Sustainability Development Goals (SDGs) to develop a sustainability blueprint. This blueprint aims to achieve long-term, comprehensive, and strategic sustainable actions, marking the beginning of our Group's sustainability journey.

However, this is not the first year of our commitment to sustainability. Since the very first day of our establishment, Chia Hsin has prioritized a people-centric approach, fostering a friendly workplace environment and striving to produce high-quality products that contribute to national development. Our founder, Mr. Min-Yu Chang, embraced the spirit of "taking from the community and giving back to the community." Once our business became stable, we initiated the Chia Hsin Scholarship in 1960, actively fulfilling our social responsibility by providing educational opportunities for underprivileged students. In 1963, Chia Hsin made significant donations to establish the Chia Hsin Foundation, which is dedicated to the three missions of "inspiring talent, caring for the underprivileged, and promoting humanity" through education and culture. Chia Hsin Group utilizes the foundation as a platform, consistently providing support in the form of resources, including personnel, finances, and materials, as needed. In recent years, we have increased our contributions to support new ventures, nurturing talents for the nation and exerting continuous social influence to promote the greater good of society.

Now, after nearly 70 years, the Chia Hsin Group has undergone operational transformations in response to the changing times. We actively address sustainable development issues that concern all stakeholders, such as climate change and the increasing fragility of the environment and ecology. ESG principles have been deeply integrated into our operations to enhance our competitiveness.

Starting from our first year of sustainability, we will systematically implement a comprehensive range of sustainable actions. We will persistently uphold the belief that "a trickle will become a river," just as demonstrated by the Chia Hsin Foundation.



Chairman
Chairman of Sustainability Committee

Jason K. L. Chang

1.2 Letter from the Chief Sustainability Officer

We are in an era of uncertainty and change, a new world post pandemic.

Today, we not only face serious issues such as climate change, regional instability, and greater wealth disparity, we also need to adapt to rapidly changing markets and competitive pressures, while putting an emphasis on sustainability.

ESG is no longer just a responsibility, but an integral and necessary part of corporate development. Werner von Siemens, founder of the 100 year-old Siemens Company said, "I won't sell the future for short-term profits." We also believe that a company's growth shouldn't be at the expense of the future. Therefore, we have adopted six of the United Nation's' Sustainable Development Goals (good health and well-being, gender equality, quality education, decent work and economic growth, responsible consumption and production, and climate action) into our corporate-wide business strategies.

On the environment front, we have started a comprehensive carbon inventory of our entire group, expected to be completed in June 2023, which is four years ahead of the government requirement. Following the results of our base year carbon footprint, we will adopt science-based targets and map out our carbon reduction roadmap for the future. The Company also joined the TCFD supporter initiative.

On the social front, as of 2022, the Chia Hsin Foundation has awarded more than 95,000 students a cumulative amount of NT\$250 million in scholarships. In addition to the Foundation, our other big focus is on our employees. Our goal is to help every employee



find their value in the Company. We believe that taking good care of our employees means taking good care of the families behind them. Therefore, we emphasize partnership with our employees and hope that by strengthening their care measures, we can enhance our employees' sense of self-value and develop their full potential.

On the governance front, we are committed to establishing a transparent, accountable, and effective management and communication system. We have a wide range of communication channels, such as our website, social media accounts, investor events, and hotlines, to allow stakeholders to know what the Company is doing and to hear our stakeholders' voices.

We will continue to train and educate ourselves on industry best practices and implement sustainability into our day-to-day operations. "It isn't what we say or think that defines us, but what we do." (Jane Austen). In the matters of sustainability, we can only aim big and continue to strive to be better each day.

Sincerely,

President of the Company | Chief Executive Officer | Chief Sustainability Officer

Elizabeth Wang

1.3 Stakeholder Communication

The Group makes use of multiple channels to disclose information, ensuring smooth and effective communication with key stakeholders.

Stakeholder Communication Process

Identify Key Stakeholders



In order to identify important stakeholders, 16 interviews with executives and managers were initiated in Q2 2022, and the interviews were conducted in accordance with the five major principles of Dependency, Responsibility, Tension, Influence, and Diverse perspectives as suggested by the international standard AA 1000 Stakeholder Engagement Standard (SES):2015, which focuses on the outcomes of stakeholder communication and the issues that are important to the stakeholder.

Engagement of Stakeholders



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.

Communicate Our 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

Implementation Status in 2022

16

interviews



with senior managers and executives conducted to identify key stakeholders.

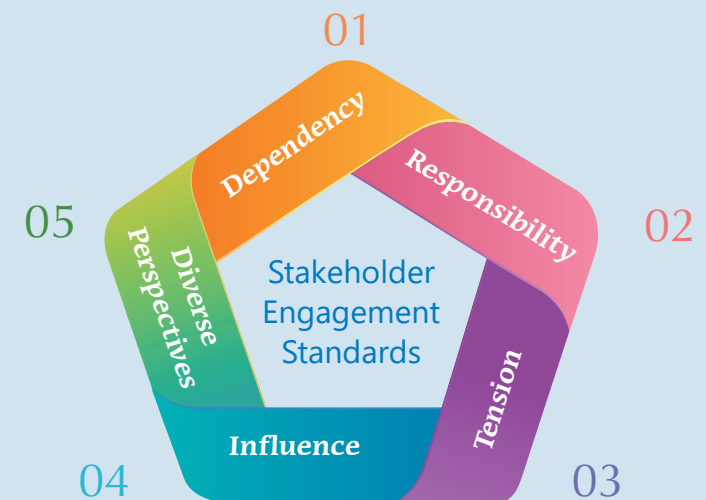
124

valid questionnaires



were collected and analyzed.

5 Stakeholder Engagement Standards



Primary communication channels and achievements with stakeholders.

9 categories of stakeholders

- ◆ shareholders / investors
- ◆ customers / consumers
- ◆ employees
- ◆ government agencies
- ◆ financial institutions
- ◆ partners
- ◆ vendors
- ◆ media
- ◆ communities / NPOs

Stakeholder

Target Audiences

Topics of Interest

Main Communication Channels and Frequency

Stakeholder Communication Achievements in 2022

Shareholders / Investors



General shareholders, corporate shareholders

- Dividend policy
- Corporate governance
- Financial performance
- New business development
- ESG, sustainability and risk response

- Spokesperson service hotline and email **real-time**
- Stock transfer agency service hotline **real-time**
- Annual general meetings (AGMs) and board meetings **quarterly**
- Investor conferences **quarterly**

- Convened 1 annual general meeting (with online participation option)
- 4 investor conferences
- 8 board meetings

Customers / Consumers



Distributors, retail customers, tenants, consumers

- Product price, quality, supply, and service
- Uninterrupted supply of storage and transportation services
- Property management responsibilities to tenants
- Customer complaint handling and follow-up
- Latest knowledge and practice on maternity and infant care
- Corporate image and product positioning

- Customer service email and hotline **real-time**
- Customer visits **every two months**
- Website mailbox **real-time**
- Line@ chat or SNS communication **real-time**
- Online courses for customers **as needed**
- Online courses for Maternity centers clients **from time to time**

- Conducted customer satisfaction surveys and telephone follow-ups
- Conducted survey on cement distributors
- Organized customer visits
- Have dedicated personnel are responsible for real-time or online customer feedback response

Employees



Employees and their families, consultants

- Labor relations
- Salary, job promotions, and related benefits
- Talent training and development
- Employee safety and health
- Workplace atmosphere and organizational culture
- Future career development and growth

- Labour-Management Meeting **once per quarter**
- Employee satisfaction and departmental evaluation questionnaire **once per quarter**
- Employee Welfare Committee Meeting **once per quarter**
- Labor Retirement Fund Oversight Committee **irregular**
- Employee Communication Assembly **irregular**
- CEO's afternoon tea **irregular**
- HR business partner **irregular**
- HR email newsletter **irregular**
- HR supervisor hotline **irregular**
- Employee Assistance Program **irregular**
- Official Line@ **irregular**
- Internal announcement **irregular**
- Regular employee meetings

- Employee satisfaction rate of 62.5%
- Annual performance appraisal and interview
- E-learning platform
- Revised "Retirement and Severance Pay Regulations"
- Employee communication conference with an overall satisfaction rating of 4 out of 5
- Held two CEO afternoon teas
- New employee education and training with an overall satisfaction rating of 4.62 out of 5
- Monthly birthday gifts and e-cards for employees
- Personal health interviews with workplace nurses.
- One mental health lecture
- Annual employee health check
- Monthly employee meetings

Government
Agencies

Governing authorities, the Financial Supervisory Commission (FSC), Securities and Futures Bureau, Taiwan Depository & Clearing Corporation (TDCC), Department of Environmental Protection, Ministry of Health and Welfare, Department of Labor, Tourism Bureau

- Regulatory compliance
 - Environmental protection
 - Labor management policies
 - Ethical management
 - Pandemic prevention measures
 - Tourism output value and employment opportunities
-
- Attend courses held by the FSC **as needed**
 - Attend meetings of Taiwan Stock Affairs Association (TWSAA; as needed)
 - Attend courses, conferences or seminars held by labor and environmental protection authorities **as needed**
 - Participate in environmental oversight and audits
-
- Attended seminars, exchanges, and courses (e.g., eXtensible Business Reporting, business conferences for public companies, adoption of International Financial Reporting Standards, etc.)
 - Hosted video-assisted shareholders' meeting with the TDCC
 - Received the "2022 Taipei City Zero Carbon Emission Benchmark Award" Excellent Award in the Commercial Industry A.

Financial
Institutions

Banks, securities firms, and Okinawa Development Finance Corporation

- Financial performance
 - Financial risk management
 - Corporate governance and operations
 - ESG development
-
- Liaisons and visits **as needed**
 - Announcements of annual financial statements and quarterly reports (real-time)
 - Project discussions or seminars **as needed**
-
- Participated in seminars and exchanges (10 project discussions; 8 seminars)

Partners



Taiwan International Ports Corporation, Ltd. (TIPC), LDC Group, construction developers or hotel peers, other industries (e.g., social enterprise, aviation/tourism), and medical institutions and hospitals (designated for emergency purposes)

- Guaranteed cargo quantity or contract rental fees
 - Business cooperation and future development
 - Occupational safety and environmental issues
 - Future ESG plans
-
- Visits or telephone communication **real-time**
 - Investment partners: meetings and board meetings **quarterly**
 - Weekly visits from partner medical institutions to the maternity centers.
-
- Participated in 6 board meetings of Smart Ageing Tech Co., Ltd. ("Jubo") and 1 extraordinary general meetings
 - 4 urban renewal conferences
 - Maternity center: Medical institution makes four rounds or more per week for immediate communication
 - Visits from aviation and tourism agencies: More than once a month (online meetings)
 - Written correspondence with TIPC and compliance with relevant measures: 6 times

Vendors



Suppliers, contractors

- Price comparison and negotiation process
 - Fair acceptance review process
 - Ethical management
 - Regulatory and risk compliance
 - Supply chain management policy
 - Financial status
 - New business development
-
- Meetings and discussions **as needed**
 - Exchange visits or telephone calls **as needed**
 - Annual internal audit by CPA **once a year**
 - CPA: Quarterly report audit **quarterly**, evaluation of the impact of major projects on financial statements **as needed**
 - Hotel suppliers **daily in real-time**
 - Exchanges with industry peers **as needed**
-
- Exchanged and communicated with all suppliers: Real-time or as needed
 - Project consultants or lawyers, CPAs: Realtime or as needed

Media



TV, print, and online media (Facebook, Blogs, etc.)

- New business development
 - Operational performance
 - Public image
 - Major public issues
 - Corporate Branding
-
- Media gatherings or interviews **as needed**
 - Media conferences and exchanges **as needed**
 - Media communication at quarterly investor conferences **quarterly**
 - Media gatherings at annual general meetings **yearly**
 - Blogs **as needed**
-
- Media communications and visits: 2 times (Chinese New Year and Mid-Autumn Festival)
 - Corporate official website: New Chinese version of the website launched
 - Media exposure and interviews: 411 times
 - Press conferences and releasing videos: 4 times
 - Corporate official fan page (FB): 29 posts

Communities / NPOs



Communities, non-profit organizations, and local shopping street and community associations

- Social welfare engagement
 - Local participation and giving back to the community
-
- Scholarships for disadvantaged students and sports scholarships via Chia Hsin Foundation **yearly**
 - Sponsorship of cultural & creative projects and rural educational activities **yearly**
 - Social welfare activities **as needed**
 - Neighborhood evening meetings **twice yearly**
 - Exchanges with/visiting community or local business associations **monthly**
-
- Benefited 567 scholarships schoolchildren in 2022
 - Supported startup and green investment
 - Collaborated with local revitalization groups
 - Attended monthly meetings held by Naha Kokusai Dori Shopping Street Association
 - Attended meetings held by local Okinawan business associations
 - Participated the Christmas Elf Village Letter Response Event

1.4 Identification of Sustainability Topics

Sustainability Issues Management Process

Identify and rank sustainability issues

- Summarize and consolidate key issues
- Gather the opinions of stakeholders from all sides
- Include ESG promotion issues.
- Refer to the GRI Standards
- Refer to regulations such as the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
- Perform statistical analyses such as materiality evaluation and weighted score calculation
- Draw a sustainability topic matrix diagram



Conduct boundary analysis on value chain impacts

Considering the main axes of the sustainability strategy and international sustainability trends, the Sustainability Development Office identified corresponding GRI Guidelines topics and examined their impact on the value chain and major sustainability issues.

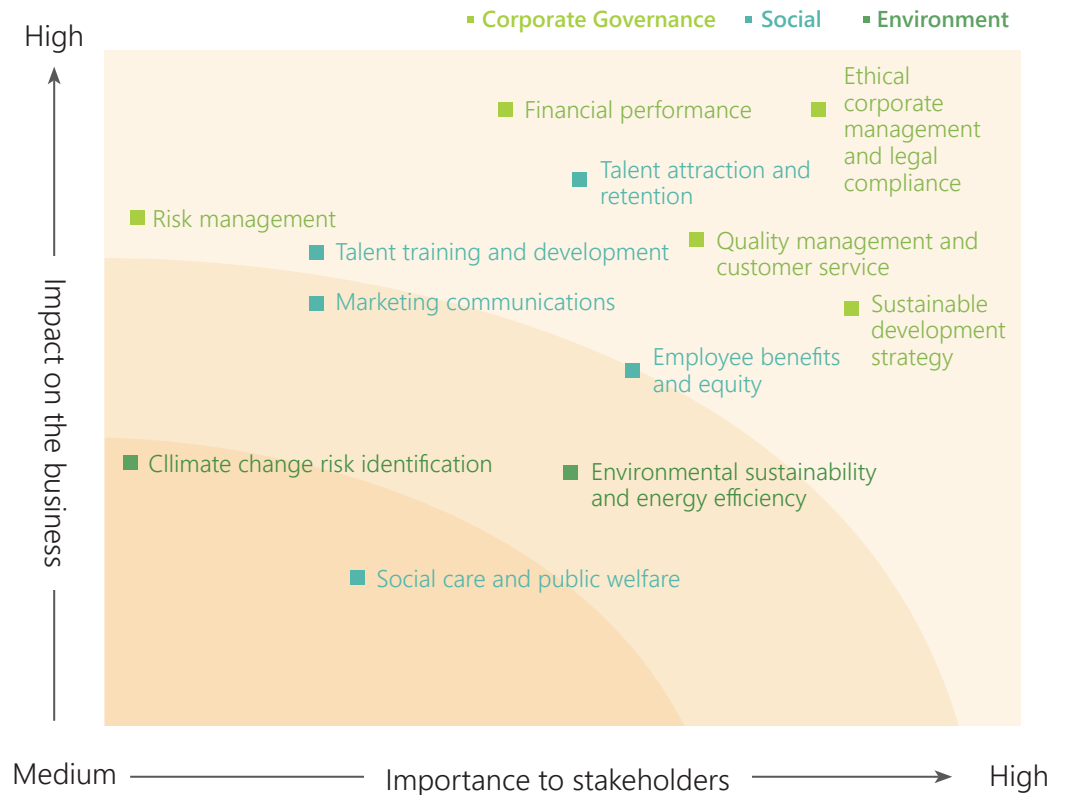


Designate management guidelines for material topics

Based on GRI standards, industry characteristics, and domestic and international sustainability guidelines, we defined topic boundaries to reveal management approaches and sustainability performance.



Sustainability Topic Matrix Diagram



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.

After the integration of the environmental material topics in 2022, total material topics decreased from 13 to 12.

Corporate Governance

- 1 Ethical corporate management and legal compliance
- 2 Financial performance
- 4 Quality management and customer service
- 5 Sustainable development strategy
- 7 Risk management

Social

- 3 Talent attraction and retention
- 6 Talent training and development
- 8 Marketing communications
- 9 Employee benefits and equity
- 12 Social care and public welfare

Environmental

- 10 Environmental sustainability and energy efficiency
- 11 Climate change risk identification

12 Topics

Material Topics and the Boundary of Value Chain Impacts

Materiality Ranking	Topic Category	Material Topic	Management Guidelines and Reason for Materiality	2022 Execution Performance	Assessment and Adjustment for Management Guidelines (ex. Short-term/ Mid-term/ Long-term Strategies)	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (● Direct ○ Indirect impacts)			Chapters
							Upstream	Chia Hsin Cement Group	Downstream	
1	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 to prevent potential integrity risks.	1. Conducted internal education and training on ethical corporate management, 100% of our employees based in Taiwan attended. 2. In 2022, environmental sustainability, labor/ human rights, and ethical management requirements were included in supplier assessments.	1. We will continue to implement education and training on corporate integrity in Q4 every year. 2. We will plan courses for overseas employees on ethical management, compliance with laws and regulations, and protection of human rights and labor rights. 3. We will continue to implement courses on ethical management for suppliers. 4. We will continue to review the implementation of ESG-related evaluation items such as ethical management in supplier evaluations.	Custom Topics	○	●	○	2.2.1 Ethical Corporate Management

Materiality Ranking	Topic Category	Material Topic	Management Guidelines and Reason for Materiality	2022 Execution Performance	Assessment and Adjustment for Management Guidelines (ex. Short-term/ Mid-term/ Long-term Strategies)	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (● Direct ○ Indirect impacts)			Chapters
							Upstream	Chia Hsin Cement Group	Downstream	
2	Corporate Governance	Financial performance	<p>1. The Group may be affected by the general economic environment, geopolitical risks, and changes in the operating market, which may have an impact on financial performance and operating cash flow.</p> <p>2. Newly amended or newly released securities regulations, IFRS standards, and tax regulations affect the presentation and framework of financial reporting. Regulations require more disclosure of financial and non-financial information as well as timely disclosure of financial information.</p>	<p>1. Structuring the most appropriate asset allocation and adjusting the use of stable operating cash flow in response to external market and environmental risks.</p> <p>2. Responding to changes in relevant laws and regulations in advance to minimize the impact of new amendments and releases on financial performance.</p> <p>3. Improving the transparency of financial performance by disclosing and announcing financial data in a timely manner.</p>	<p>1. Continuously and in advance assess internal and external risks and integrate corporate resources to manage them.</p> <p>2. Continuously track the changes in laws and regulations while assessing its impact on financial performance, and improving the efficiency of the financial report preparation process.</p>	GRI 201: Economic Performance 2016	○	●	○	<p>2.1.1 About our Business</p> <p>2.1.2 Business Model</p> <p>2.1.3 Financial Performance</p>
3	Social	Talent attraction and retention	<p>We expect low birth rates to affect the future labor market. In addition to maintaining competitive salaries to attract talent, we also prioritize employee care and strive to enhance their sense of belonging.</p>	<p>1. Two-day off for new hires.</p> <p>2. Adjust the minimum unit for special leave to "one hour".</p> <p>3. Birthday leave.</p> <p>4. Improve the rewards system.</p> <p>5. Implement HRBP (Human Resources Business Partner) system.</p> <p>6. New employee orientation and training program.</p>	<p>Enhance brand awareness and increase media exposure for the Group.</p>	GRI 401: Employment 2016 / GRI 404: Training and Education 2016		●		<p>4.1.1 Personnel Overview</p> <p>4.1.2 Talent Cultivation</p> <p>4.2.1 Diversified Workplace</p> <p>4.2.2 Employee Care</p>
4	Corporate Governance	Quality management and customer service	<p>In the face of the changing market and environment, we form close connections with customers and communicate our brand vision through our products and services, thereby establishing brand image and reputation, in order to increase the potential positive brand benefits.</p>	<p>Chia Hsin Cement Group's self-owned hotel, Hotel Collective in Okinawa, Japan, scored a 9.3 rating on Agoda and received "Customer Review Awards Winner 2022," as well as a 9.2 rating on Booking.com and received "Traveller Review Awards 2022" for providing high-quality hospitality services.</p>	<p>1. We will continue to improve our services' reputation and personal touch.</p> <p>2. We will continue to strengthen staff training and enhance their sense of belonging.</p>	Custom Topics	○	●	●	<p>2.1.2 Business Model</p> <p>2.2.2 Supply Chain Management</p>

Materiality Ranking	Topic Category	Material Topic	Management Guidelines and Reason for Materiality	2022 Execution Performance	Assessment and Adjustment for Management Guidelines (ex. Short-term/ Mid-term/ Long-term Strategies)	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (● Direct ○ Indirect impacts)			Chapters
							Upstream	Chia Hsin Cement Group	Downstream	
5	Corporate Governance	Sustainable development strategy	Through the implementation of the sustainable development strategy, we can achieve balanced and sustainable development in the three aspects of economy, environment and society, enhance market competitiveness and image, and attract more customers and investors. It will also help the company to reduce costs, improve efficiency and minimize waste, enhance innovation, etc., and further improve potential benefits such as competitiveness and economic efficiency.	<ol style="list-style-type: none"> 1. Established the Group's sustainability blueprint. 2. Joined and advocated "TALENT, in Taiwan". 3. Listed in the Small Giants Group of the 2022 CommonWealth Magazine Corporate Citizen Award. 4. Received the Taipei City Zero Carbon Benchmark Award for the headquarters of the Chia Hsin Building. 5. Received the "Sports Enterprise Certification" from the Department of Sports, Ministry of Education again in 2022. 	<ol style="list-style-type: none"> 1. Continuously promote the goal of sustainable development through the Group's four main axes of sustainable development. 2. Increase the Group's cooperation with peers and other industries to increase social influence. 	Custom Topics	○	●	○	Key Sustainable Performance and Achievements in 2022 Sustainable Development Organization
6	Social	Talent training and development	Define competencies and behaviors based on the organization's business objectives, industry characteristics, and corporate culture. Redefine talent standards, and conduct talent analysis and benchmarking.	<ol style="list-style-type: none"> 1. Introduced online learning platform 2. Established the Group's learning system 3. Structured the Department Talent Training Program 	Continuously promote corporate-wide learning and training, people value, and succession program.	GRI 404: Training and Education 2016		●	○	4.1.2 Talent Cultivation
7	Corporate Governance	Risk management	Conduct risk assessments on each business entity within Chia Hsin Cement Group. Measure these risks by their possibility of occurrence and impact levels. Develop respective response strategies for the material risks identified.	At the 449th board meeting (December 14, 2022), the "Risk Management Team" of the Sustainable Development Committee reported 2023 risk assessment's implementation status to the Board.	<p>Regularly execute and optimize the risk assessment process to formulate risk response strategies. Our risk management taskforce is responsible for executing risk responses, monitoring preventions, supervising the implementation of risk responses through the introduction of risk-oriented internal audits.</p> <p>Through repeated exercises of the risk management mechanism and continuous education and training, shape the risk management culture of the Corporation.</p>	Custom Topics	○	●	○	3.2.1 Risk Management

Materiality Ranking	Topic Category	Material Topic	Management Guidelines and Reason for Materiality	2022 Execution Performance	Assessment and Adjustment for Management Guidelines (ex. Short-term/ Mid-term/ Long-term Strategies)	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (• Direct ○ Indirect impacts)			Chapters
							Upstream	Chia Hsin Cement Group	Downstream	
8	Social	Marketing communications	We provide stable quality and professional services to establish brand image and build customer trust. For our customers, we build diverse communication channels, provide meticulous services, evaluate customer satisfaction, and grasp customer needs in a timely manner.	<ol style="list-style-type: none"> Strengthened communication in media and community, and set quantitative targets for PR team. Emphasized the importance of communicating the Group's philosophy in a more complete and clear manner. Completed revamping of the Group's Chinese new official website in 2022. 	<ol style="list-style-type: none"> Strengthen customer relationship and customer service in the future. Integrate the Group's PR resources to enhance the effectiveness of marketing communications. 	Custom Topics	○	●	●	1.3 Stakeholder Communication 2.1.2 Business Model
9	Social	Employee benefits and equity	In response to changes in the post-pandemic era, we have reformed our work patterns to provide well-being that meets the needs of our employees, emphasize their physical and mental health, enhance their work quality, and practice a diversified and inclusive workplace.	<ol style="list-style-type: none"> Leaves allowance exceeding legal requirements: <ul style="list-style-type: none"> Added full-pay general injury and illness leave and full-pay family care leave 10 days of funeral leave <ul style="list-style-type: none"> ★ That exceeds the legal requirements (8days) 10 days of paternity leave and accompanying prenatal check-ups and maternity leave <ul style="list-style-type: none"> ★ That exceeds the legal requirements (7 days). Three days remote work option per month. Flexible Work Schedule Policy Employee Assistance Program CEO afternoon tea 	Creating a Diverse, Equitable, Inclusive workplace	GRI 401: Employment 2016		●		4.2.1 Diversified Workplace 4.2.2 Employee Care

Materiality Ranking	Topic Category	Material Topic	Management Guidelines and Reason for Materiality	2022 Execution Performance	Assessment and Adjustment for Management Guidelines (ex. Short-term/ Mid-term/ Long-term Strategies)	Corresponding GRI Standards Topics	Boundary of Value Chain Impacts (• Direct ○ Indirect impacts)			Chapters
							Upstream	Chia Hsin Cement Group	Downstream	
10	Environmental	Environmental sustainability and energy efficiency	We actively introduced international certification standards related to environmental sustainability, promoted energy-savings, carbon reductions, green products and services, and enhanced energy efficiency to minimize potential negative environmental impacts.	<ol style="list-style-type: none"> Continuously expanding the boundaries for ISO50001 energy management system and ISO14001 environmental management system certification. Continuously reviewing the energy efficiency of each site and changing to more energy-efficient equipment. Completed the greenhouse gas inventory and third-party verification for the third consecutive year (extended to the scope of the consolidated financial statements). 	<ol style="list-style-type: none"> Planning to submit the commitment letter to join SBTi in 2023-2024 Establishing the Green Energy Creation and Power Storage Division to actively invest in the development of green power, which is expected to be commissioned within three years 	GRI 305: Emissions 2016	○	●	○	3.1.2 Improving Energy Efficiency
11	Environmental	Climate change risk identification	Climate risk is a global concern and action is needed to mitigate risks associated with climate change and identify potential opportunities arising from climate issues.	<p>TCFD:</p> <ol style="list-style-type: none"> We conducted climate change-related interviews with subsidiary executives. We further assessed the financial impacts of climate change. The Sustainability Development Committee approved joining the TCFD Initiative in December 2022. 	Our TCFD report is planned to be completed in 2024.	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	○	●	○	3.1.1 Climate Action
12	Social	Social care and public welfare	We provide scholarships for underprivileged students, support rural education plans, contribute to society, engage in public welfare, and promote humanities and arts.	<ol style="list-style-type: none"> Provided scholarships totaling NT\$8,720,000. Established new sustainability scholarships totaling NT\$600,000 in 2022, and supported new ventures totaling NT\$7.5 million. Established the Chia Hsin Foundation's official website to better communicate the mission and vision of the Foundation. 	<ol style="list-style-type: none"> Continuously organize joint activities with different external organizations to enhance the potential positive social impact and benefits brought by the Foundation 	GRI 413: Local communities 2016	○	●	○	5.1.1 Scholarships and charitable sponsorships 5.2.1 Youth Empowerment and Startup Support 5.2.2 Equity and Inclusion and Community Involvement

1.5 About the Report

 2-1, 2-2, 2-3, 2-4, 2-5

Chia Hsin Cement Corporation & Group (TWSE:1103; "Chia Hsin Cement Group") published the 2022 Sustainability Report to allow stakeholders to better understand our endeavors in building and perfecting the group's sustainability efforts. The report is built on the basis of transparency and honesty and incorporates the various operations of Chia Hsin Cement Group.

Reporting Period

Date of Publication: June 2023

Reporting Period: January 1 to December 31, 2022

First report: June 2016 (the current report is the 7th Sustainability Report)

Previous report: June 2022

Next report: June 2024

Reporting Standards

- GRI Standards: 2021 (Global Report Initiative, GRI)
- Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies Taiwan Stock Exchange Corporation
- Sustainability Accounting Standard (SASB)
- TCFD Framework (Task Force on Climate-related Financial Disclosures, TCFD)

Scope of the Report

Scope of the Report: The data of this report 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.

Key financial information: In accordance with the consolidated financial statements attested by certified accountants.

Financial information is based on the following criteria: "IFRSs (International Financial Reporting Standards approved by the Financial Supervisory Commission)"

"Regulations Governing the Preparation of Financial Reports by Securities Issuers"

Reporting Data: In this report, all currency units, unless specially annotated, are in NTD. In addition, a portion of the employee benefits mentioned in the employee care 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.



Contact Information

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



External Assurance

The report passed the British Standards Institution Pacific Limited Taiwan Branch's audit based on the AA1000AS v3 Type 1 Moderate Level.

Chief Sustainability Officer

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President of the Company

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Company Spokesperson & Manager of Sustainable Development Office

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Responsible Business Practices

2.1 Responsible Products

2.1.1 About Our Business

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.

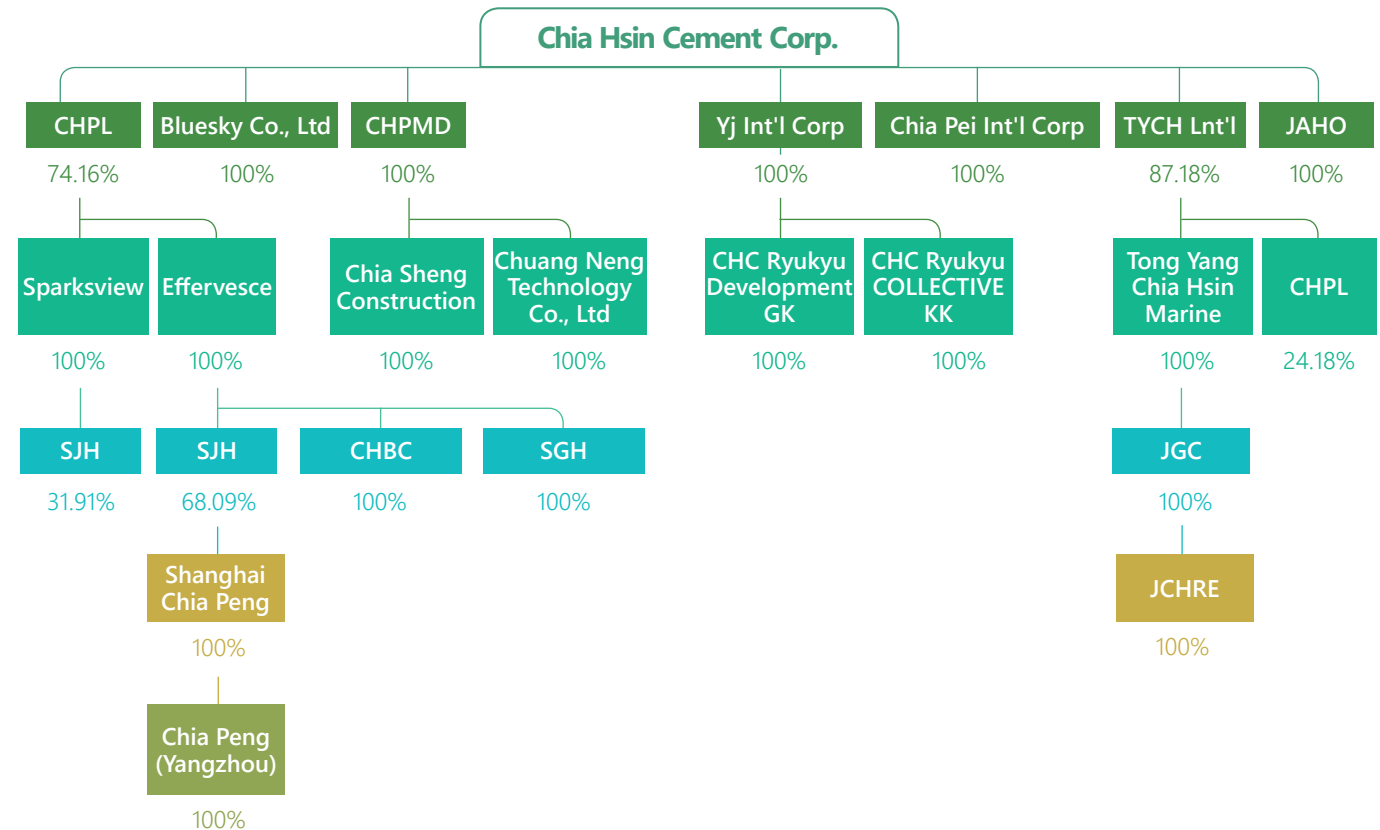
Our results after this transformation are as follows: the successful opening of the four-star A.Roma Lifestyle Hotel, a joint investment with LDC Hotels & Resorts Group in 2015; the operation of our sole proprietorship brand, Hotel Collective —located at Kokusai Dori Street at the heart of Okinawa City, in 2020; at the end of 2020, the Company made a strategic investment in LDC Hotels & Resorts and now owns 23.1%. The hotel development project in Toyosaki, Okinawa was hit by high cost of raw materials in

Japan. Most of the construction materials reached a new high point after the Russian-Ukrainian war, and management felt that it should be postponed to a later time to ensure the future competitiveness and good investment benefits of the project.

In regards to caring services, we collaborated with professional nursing teams and founded our top-class Gemcare Maternity Center. Zhongshan Center opened in 2016 and after receiving wide acclaim, additional operational bases were added, including our flagship Dunhua Center which opened in 2020. In terms of the healthcare market in China, a maternity center was established in Jiangsu Province which began operations in the fourth quarter of 2021.

In addition, in the third quarter of 2021, the Company made an investment into Jubo, a software service company using AI to assist long-term care. Future objective of Jubo is to “Expand into the overseas geriatric care market and strive towards smart

The Group's Businesses and Investment

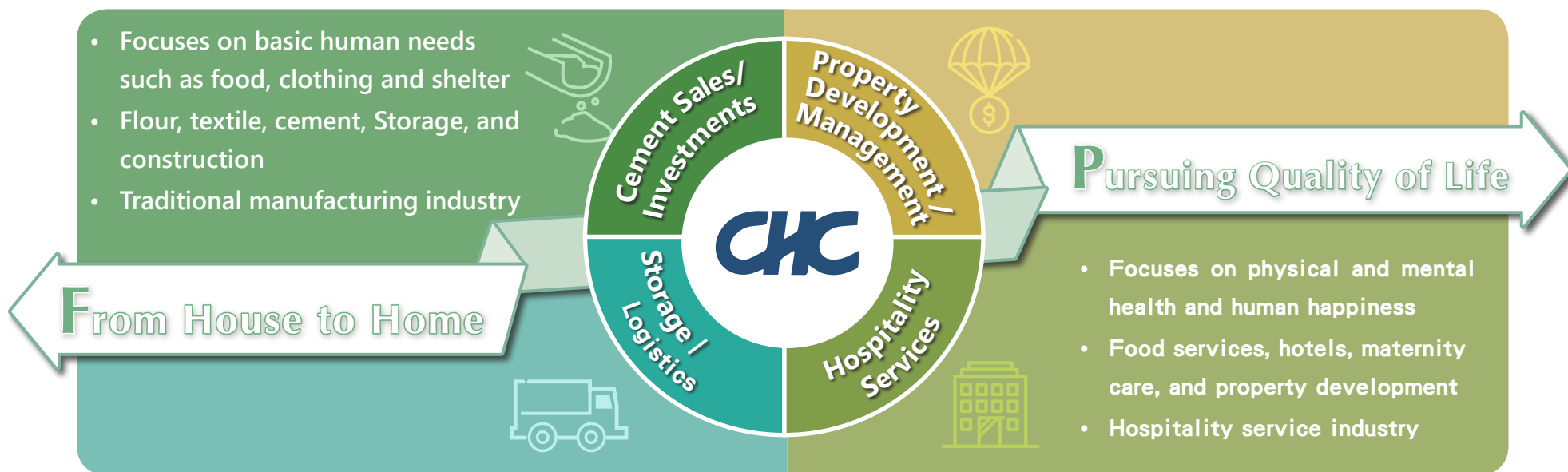


* For a list of full company names, please refer to p. 334 of the Company's 2022 Annual Report (English version).

homes." The investment in Jubo is Chia Hsin Cement Group's first step into the geriatric care business.

In response to sustainable development, we are evaluating our green energy strategy and have established Chuang Neng Technology in 2022 to develop clean energy. We will continue to strive towards a sustainable growth strategy across all our businesses.

2.1.2 Business Model



Revenue of major business groups in the last 4 years

Unit: Millions (NTD)

Category	2019	2020	2021	2022
Cement sales	1,028	1,009	1,069	991
Property development and management	260	259	251	270
Storage and logistics	546	606	656	544
Hospitality services	50	184	244	449
Total	1,884	2,058	2,220	2,254

% of Total revenue of major business groups in the last 5 years

Category	2018	2019	2020	2021	2022
Cement sales	48%	54%	49%	48%	44%
Property development and management	30%	14%	13%	11%	12%
Storage and logistics	22%	29%	29%	30%	24%
Hospitality services	0%	3%	9%	11%	20%
Total	100%	100%	100%	100%	100%



Cement Sales/ Investments

Product	Operating Entity	Results in 2022
Cement trading	Chia Hsin Cement Corp.	Sold 360,000 metric tons of cement in the Taiwanese market
Investing in cement companies	Equity in TCC	Sold cement clinker in both Taiwan and China.



Storage / Logistics

Product	Operating Entity	Results in 2022
Cement storing and transporting	Tong Yang Chia Hsin International Corp.	Stored and transported a total of 1.398 million metric tons of cement using the storage silos at the Keelung Port and Taichung Port.
Loading and unloading of bulk cargo	Chia Pei International Corp.	Taipei Port unloaded 1.131 million metric tons of coal and 3.54 million metric tons of gravel and general bulk cargo, for a total of 4.671 million metric tons.



Property Development / Management

Product	Operating Entity	Results in 2022
Office building leasing	Chia Hsin Property Management and Development Corp.	The annual average occupancy rate of the Chia Hsin Building is 96%, and the rental income increased by 3.19%
Plant leasing	Chia Hsin Property Management and Development Corp.	Replanned and prepared the land from the old Gangshan Plant in Kaohsiung for business solicitations and lease. The average leasing rate is 62.91%, a 4.74% increase in leasing revenue.



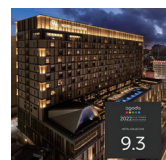
Hospitality Services

Product	Operating Entity	Results in 2022
	CHC Ryukyu COLLECTIVE KK	Hotel Collective's annual operating income of JPY 1509 million, an increase of 150% from the previous year.
Hotel development	CHC Ryukyu Development GK	The hotel development project in Toyosaki, Okinawa was hit by high cost of raw materials in Japan, and management felt that it should be postponed to a later time to ensure the future competitiveness and good investment benefits of the project.
Health services	Jaho Life Plus+ Development Corp. Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	The Company provides a total of 44 beds at the two Gemcare Maternity Centers in Taiwan. A maternity center was established in Jiangsu Province, which began operations in the fourth quarter of 2021.

Hotel Collective's customer service satisfaction hits new high.



Hotel Collective scored a high rating of **9.2** on **Booking.com** in 2022, and received **the Traveller Review Awards 2022**.



Hotel Collective scored a high rating of **9.3** on **agoda** in 2022, and received **the Customer Review Awards Winner 2022**.

2.1.3 Financial Performance GRI 201-1

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 information online, shareholders can updated and speak with the management team during shareholders' meetings, investor presentations, and the contact persons of our stock agent.

Profitability Analyses

Item	2018	2019	2020	2021	2022
Operating revenue (unit: NT\$ millions)	2,092	1,884	2,058	2,220	2,254
Net profit (unit: NT\$ millions)	769	1,409	1,838	748	-174
EPS (unit: NT\$)	1.09	2.02	2.74	1.02	-0.28
Debt ratio (%)	34.6	38.85	38.45	35.62	39.58
Ratio of long-term capital to property, plant, and equipment (%)	830.28	535.84	606.96	709.16	680.24
Return on assets (%)	2.78	4.27	4.96	2.16	-0.1
Return on equity (%)	3.83	6.32	7.55	2.94	-0.73

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

Dividend Policy

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. In principle, at least 50% of the distributable earnings of the fiscal year shall be distributed as shareholders' dividends.

Investor Services

The Company appointed Capital Securities Corporation to handle stock related operations to ensure information transparency. The Company also has a spokesperson and deputy spokesperson to answer investors' inquiries, if any.



Dividend Distribution over the Past Five Years

(Unit: NT\$/ share)

Year of Earnings	2018	2019	2020	2021	2022
Cash dividend	1	1	1.4	0.65	0.3
Stock dividend	0	0	0	0	0.2
Total	1	1	1.4	0.65	0.5

Direct Economic Value Generated and Distributed by the Organization

(Unit: NT\$/ thousands)

Item	2018	2019	2020	2021	2022
Operating revenue	2,092,406	1,884,002	2,058,417	2,220,254	2,253,659
Financial investment revenue	455,528	1,022,944	807,947	1,128,413	352,303
Operating costs	1,803,918	1,685,405	2,202,158	2,189,455	2,121,073
Employee salaries and benefits	292,956	344,096	508,346	527,431	487,049

2.2 Responsible Service

2.2.1 Ethical Corporate Management

Code of Integrity Management

The Company formulated the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct", in accordance with current laws and regulations, to establish an ethical corporate culture for the development of a sound business operation model. All formulations and revisions were approved by the board of directors.

The Company drafted the "Code of Ethical Conduct" and "Code of Integrity Management" in May, 2014, and continued to revise throughout the implementation period. The latest version was approved by the board of directors on November 11, 2020. The above regulations are published on both the company's internal and external websites and are updated immediately after each revision. The company also incorporated these conduct requirements into our contracts with vendors and suppliers.



At the 449th Board Meeting (December 14, 2022), the Board of Directors received a report on the status of integrity management education for the current year.



Training programs on Ethical Management and Anti-Corruption for our important suppliers were provided to ensure a clear understanding and compliance to our requirements.



On November 11, 2022, the company held 3 online training courses on "Corporate Governance Code of Integrity Management". A total of 221 people participated. (Our corporation's spread of training has reached 100% of our employees based in Taiwan)

Significant Implementation Results in 2022

Responsible party for the promotion of corporate code of ethics and business conduct

The Company's management department is responsible for the planning, promotion and supervision of corporate social responsibility, integrity management and other related issues. The department reports the implementation status to the board of directors at least once a year.

Annual work plans and duties of the unit in charge of promoting ethical management

- ① Assisting in incorporating ethics and moral values into our business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- ② Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to our operations and business.
- ③ Planning the internal organization, structure allocation of responsibilities, and setting up check-and-balance mechanisms for mutual supervision of high risk business activities.
- ④ Promoting and coordinating awareness and educational activities with respect to ethics policy.
- ⑤ Developing a whistle-blowing system and ensuring its operating effectiveness.
- ⑥ Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance in operating procedures.

Reporting the implementation status to the board of directors

In March 2021, all board of directors and executive managers signed the "Declaration of Compliance with the Integrity Management Policy", declaring to abide by the code of ethics and relevant business conduct. Furthermore, they committed to the implementation of the code of ethics policy. (signature ratio reached 100%).

The implementation progress was reported to the board on the 449th board meeting (December 14, 2022).

Specific Practices and Policies for Promoting Management Integrity

To prevent dishonest behavior and to implement the "Code of Integrity Management", the company has formulated the "Integrity Management Operating Procedures and Behavior Guidelines". The content has clear regulations on the integrity of all business behaviors, punishment for violations, and systems for appeal. In addition to the regulations, the company has also strengthened publicity and requirements for honest operation in the Company policy and related operating methods. Moreover, the Company promotes and enhances integrity management for all employees through internal communications, educational training, and strengthening operational standards.

Since 2020, to uphold and implement our Company's Ethical Corporate Management Best Practice Principles, we have requested our suppliers to sign and thereby adhere to the Commitment of Honest Cooperation and the Commitment of Supplier for Corporate Social Responsibility.

In 2022, we have provided training programs on Ethical Management and Anti-Corruption for our important suppliers to demonstrate and strengthen Chia Hsin Cement Corporation's Ethical Management and Code of Integrity Management.

Management Integrity Education and Training

In order to implement the integrity management policy and actively prevent dishonest behaviors, the Company has formulated relevant policies and promoted employee education and training for integrity management. The 2022 progress on the promotion of integrity management education and training include holding 3 online training courses on "Corporate Governance Code of Integrity Management" and taught by Deloitte Certified Public Accountants, Ethical Corporate Management Best Practice Principles, (United Nations Convention Against Corruption and Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies), workplace integrity and legal responsibility, case studies on violations of Ethical Corporate Management Best Practice Principles, insider trading prevention and practical case sharing, etc.

221 employees in Chia Hsin Cement Group attended, and a total of 2 hours was spent on the courses. In the future, the Company will continue to promote integrity management education and training in the corporation. Our corporation's spread of training has reached 100% of our employees based in Taiwan, including all the new recruits.

Education Promotion on Prevention of Insider Trading

- The Company established the "Management Procedures for Preventing Insider Transactions", advocating to current insiders about the precautionary measures related to the declaration of insider shareholdings at least once a quarter. The related procedures and regulations are also distributed electronically every month to provide the education and advocacy in a timely manner.
- The Company provides a complete orientation manual for new directors and independent directors after assuming office, and requests the signing of the acknowledgement of relevant laws and regulations within five days of assumption. This copy of the declaration from the directors and independent directors is sent to Taiwan Stock Exchange within ten days of assumption and kept for future reference.
- In order to ensure our shareholder's rights and interests and to fulfill equal treatment, our company formulated the Code of Practice for Corporate Governance. This code was approved by our board of directors in the 444th board meeting on May 3rd, 2022. The context requires all board members to suspend any trading of the Company's stocks or other equity securities during the closed period of 30 days before the announcement of the annual financial report and 15-days before the announcement of the quarterly financial report. In addition, to improve the immediacy, correctness, and integrity of company's material information of disclosure, we amended the "Disclosure Material of Inside Information and Management Procedures for Preventing Insider Transactions (內部重大資訊處理暨防範內線交易管理作業程序)". This management procedure was approved by our board of directors in the 449th board meeting on December 17th, 2022.

- The Company held the “Insider Trading Prevention Promotion Conference” on October 19th, 2022 and the “Ethical Corporate Management Best Practice Principles training course” on November 11 In order to enable employees and executives to have a deeper understanding of laws and regulations related to preventing insider trading. The topics covered: Violation of Integrity-Insider Trading Cases and Insider Trading Prevention Methods for employees. A total of 221 people participated. (Our corporation’s spread of training has reached 100% of our employees based in Taiwan)

Whistleblowing

* In 2022, Chia Hsin Cement Corporation had not received any internal or external report on violations of laws and regulations.

In order to establish good corporate governance and prevent fraud, bribery, violations of corporate policy and governmental regulations, the Company formulated the “Chia Hsin Cement Group Whistleblowing Policy. (檢舉作業要點)” in accordance with the “Corporate Management Best Practice Principles.” This is applicable to the company and its subsidiaries, including internal and external stakeholders.

Whistleblowing Channels and Methods



1. By Phone

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.

+886-2-2551-2317



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)

When reporting by email, please make sure that the attachments are encrypted to prevent the information from being tampered with.

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.**

2.2.2 Supply Chain Management



Supplier Management Policy

In 2020, Chia Hsin Cement Group promulgated its Supplier Management Policy and asked each subsidiary to adopt the policy. The policy places emphasis on energy conservation, environmental protection, and other green procurement principles. It also states that suppliers shall protect human rights and labor rights, and shall not use child labor. It also emphasizes suppliers' commitment to ethical management and corporate social responsibility, and requires suppliers to sign a Letter of Undertaking of Integrity and Corporate Social Responsibility Commitment Form. Supplier assessments, supplier guidance/education, and supplier performance evaluations are regularly conducted to classify suppliers. Since 2022, we have started to provide training programs on Ethical Management and Anti-Corruption for our important suppliers to demonstrate and strengthen Chia Hsin Cement Corporation's Ethical Management and Code of Integrity Management. We will continue to pay attention to the sustainability actions of our suppliers. Our supplier contracts will continue to include clauses that state that suppliers shall abide by labor rights, human rights, ethical management, and green procurement principles.

Implementation Status of Supplier Management Policy and Relevant Regulations

Supplier Assessments / Performance Evaluations

- In 2022, environmental sustainability, labor/human rights, and ethical management were included in supplier assessments.
- In 2022, 100% of our suppliers of products related to cement and paper packaging products were assessed on quality, delivery, cooperativeness, price, labor/human rights, ethical management, and green procurement principles. All of which met the evaluation requirements.
- In 2022, assessments of 21 central kitchen suppliers were carried out. The completion rate is 100%.

Supplier Guidance and Education

- In 2022, we arranged 9 suppliers to join our ethical management courses on 11/11 and 12/8
- In 2022, 2 energy management class sessions were arranged for staff members of energy management vendors.

Supplier Contracts

- In 2022, we continued to include clauses in our supplier contract stating that suppliers must abide by labor rights, human rights, ethical management, and green procurement principles. 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", "Non-Disclosure Agreement", "Corporate Social Responsibility Commitment Form".



Cement sector

As a retailer in Taiwan, the Company mainly purchases cement from domestic companies and abroad to be transported by sea to 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 bulk 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 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, such as by purchasing organic foods from the Yonglin Farm and purchasing from other small local farms.

Responsible Procurement

2.3 Responsible Investment

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, knowing 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) 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.

Following the privatization of TCC International Holdings Limited, Chia Hsin Cement Group exchanged its shares in TCC International Holdings Limited for ordinary shares of TCC. Chia Hsin Cement Group currently owns 4.85% of TCC's ordinary shares (approximately 357 million shares). The Company continues to engage in the cement business through strategic investment.

The Company's cement sector has transformed from cement manufacturer to retailer. In terms of strategic investment, the Company targets investments in circular economy. For instance, Taiwan Cement Corporation (TCC) received BS 8001 circular economy certification in 2018 after devoting years of effort to circular economy and science-based reduction targets. TCC has generated 288 million kWh of renewable electricity (estimated by the end of 2023).



Key Warehousing and Logistics Facilities

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. Besides First Bulk Cargo Center at the Taipei Port, the Company also operates large cement silos of 38,000 metric tons and 45,000 metric tons at the Keelung and Taichung Ports respectively. These silos 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 handles goods on behalf of other business partners in the industry. In 2022, the throughput of First Bulk Cargo Center amounted to 4.671 million metric tons of gravel and general bulk cargo. A total of 1.398 million metric tons of cement was handled at the Keelung Port and Taichung Port silo.

Taipei Port's First Bulk Cargo Center, owned by Chia Hsin Cement Group, constructed a closed storage and transport facility to achieve environmental sustainability by keeping the port environment clean and free of coal, sand, and gravel (which are otherwise washed into the port by rainwater and would affect the marine ecosystem). Taipei Port, the Keelung Port, and Taichung Port, all partners of Chia Hsin Cement Group, have obtained the European EcoPort certification.



Innovation and Change

Through the years, 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 lifestyle services 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.

Gangshan Cement Plant in Kaohsiung ceased production in 1997. Since then, afforestation has been carried out in the area to comply with the group's business policy and facilitate ecological conservation. Over the years, more than 560,000 trees of over 45 species have been planted and have flourished into forests. The road which was originally used to transport materials and supplies was transformed into a pedestrian walkway surrounded by greenery. Through soil and water conservation, the natural landscape near the Gangshan plant was restored.



In 2021, the Chia Hsin Headquarters building passed the ISO 14064- 1 and ISO 50001 certifications. In 2022, we continued to expand these certifications to other business locations.



Integrating Sustainability Concepts into New Business Development

In 2013, Chia Hsin Cement Group transitioned its business to include the hospitality and healthcare sectors, with " Pursuing Quality of Life" as a fundamental part of our sustainability vision.

Gemcare Maternity Center represents Chia Hsin Cement Group's first venture into the health care industry. Gemcare operates three branches, one in Dunhua (a standalone building), the other in Zhongshan (located in the Chia Hsin Building), and one in Yangzhou, China (established in 2021). All three branches have received the WELL building certification, which is a testament to our use of 10 major environmental indicators (air, water quality, light, etc.) in building management.



Chia Hsin Cement Group's first wholly owned hotel, Hotel Collective, carried out work on approximately 4,805 m² of land to prevent soil erosion and protect marine and river ecosystems. The entire hotel uses energy-saving LED lights and a rainwater recycling system to save energy and water resources. Hotel Collective is the first hotel in Okinawa to obtain the LEED green building certification.



The postpartum meal catering Jaho central kitchen was completed in 2019 Q3 and received the HACCP and ISO 22000 national safety accreditations in the same year. Since its official launch, the kitchen has provided top-quality postpartum meals for Gemcare Maternity Center.



Sustainable Operations

3.1 Use of Sustainable Energy and Energy Efficiency

3.1.1 Climate Action

Management Structure for Climate Change Issues

The highest organization for climate change management of Chia Hsin Cement Group is the Sustainable Development Committee, which is headed by Mr. Jason K.L. Chang, Chairman of the Board of Directors, and Ms. Li-Hsin Wang, President and Chief Sustainability Officer of the Company. The Sustainability Office was established under the Committee, with the Manager of the Sustainability Office as the Executive Secretary, to report to the Committee and the Board of Directors on the progress of the greenhouse gas inventory (quarterly), the climate change strategy and objectives of the Chia Hsin Cement Group, and to oversee the progress of the implementation of the Climate Taskforce.

2022 Board Key Resolutions on Climate Issues

The Board of Directors approved to join the "Task Force on Climate-related Financial Disclosures" (TCFD Supporter) and the "Science-Based Targets initiative" (SBTi), and in December 2022 officially signed on as a TCFD Supporter.

The Company's Sustainable Development Office is responsible for promoting sustainable development-related planning and issues, and the Chief Sustainability Officer coordinates the management of the Office, which is composed of the several taskforces including Governance, Social Responsibility, Environmental Management, Climate and Risk Management with participation from the operating units of the Group and staff from various departments. The Office holds regular meetings for implementing and monitoring the Group's sustainability goals and progress, and in 2022, the Office held 6 meetings.



Sustainability Development Office and the Taskforce

Social Responsibility Taskforce

Integrate corporate social responsibility into our business strategy through developing suitable links to social welfare issues, fulfilling our commitment and responsibility to human rights, strengthening the human rights awareness of our employees and partners, and complying with relevant labor laws and regulations to ensure that the Company complies with international human rights principles. We implement employee training and care, and aim to provide a corporate system that is suitable for employee career development. Moreover, assist in the operation of social welfare activities of the Chia Hsin Foundation.

Governance Taskforce

Assure alignment with important trends in corporate governance at both the domestic and international levels by developing appropriate corporate governance systems, facilitating the functioning of the board of directors, enhancing the transparency of corporate information disclosure, strengthening communication channels with stakeholders, enforcing compliance with laws and regulations, and emphasizing shareholders' rights and interests.

Sustainability Development Office

Coordinates the management of sustainability issues and the goals and progress of the various teams in accordance with the vision and development policies set by the Sustainable Development Committee.

Environmental Management Taskforce

Act on key environmental sustainability issues, promote environmental protection, energy conservation and carbon reduction, ecological sustainability, and biodiversity, and utilize corporate influence to make a difference.

Risk Management Taskforce

Develop risk management system by establishing effective methods to measure risks, monitor and analyze risks, and report and alert important risks in a timely manner.

Climate Taskforce

Identify and assess the risks and opportunities of climate change, assist in the internal development of relevant quantitative methods and indicators, further develop relevant management measures. Moreover, strive to mitigate or adapt to the impacts of climate change, and plan for TCFD (Task Force on Climate-related Financial Disclosures).

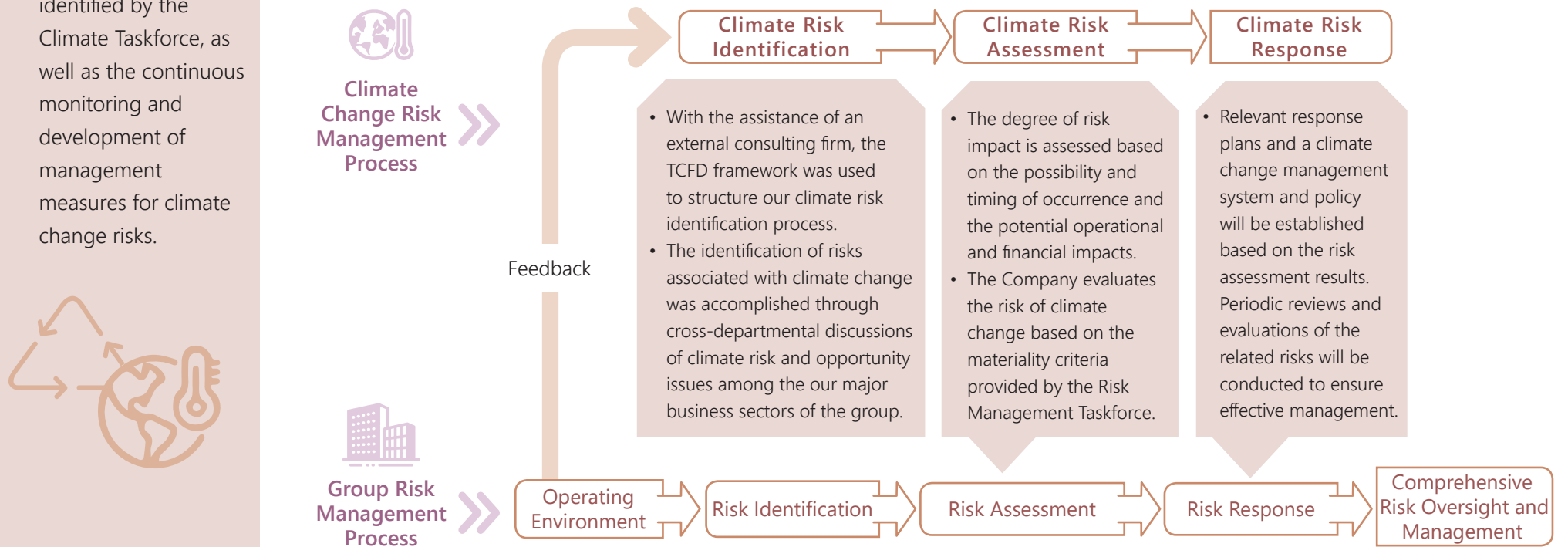
Climate Issues

Climate issues are incorporated into three taskforces: The Climate Taskforce is responsible for the identification of climate change risks and opportunities and the assessment of risks and impacts. The Environmental Management Taskforce is responsible for energy savings, and carbon reduction, and energy management. In the future, we will introduce the Science-based Carbon Reduction (SBTi) and a clear carbon reduction roadmap.

Climate Risk Management Structure and Mechanism

The Risk Management Taskforce is responsible for the internal and external risk management of the Group, including addressing climate change related risks identified by the Climate Taskforce, as well as the continuous monitoring and development of management measures for climate change risks.

In accordance with the diversified development of the Group, the Company has initiated the identification of climate change risks and opportunities. The Climate Taskforce identifies the risks and opportunities related to climate change for different business units and evaluates the related financial impacts and response management. In accordance with the risk control materiality standard of the Group, the identified risks are included in the overall risk ranking by the Risk Management Taskforce. The groups overall risk assessment, response and supervision are accomplished through communication integration of various Taskforce within the Sustainability Development Office.



Strategy-Opportunity and Risk Identification Results



Real Estate Business

Climate Risk and Opportunity Matrix



Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
R1 Transition Risks-Policy and Legal Risks	Policy changes	The government strengthening must require of green buildings, or will tighten the requirements for building energy consumption control specifications.	Replacement of related equipment resulting in increased capital expenditures and operating costs.	<ul style="list-style-type: none"> Use of energy-saving and environmentally friendly labeled products. Actively promote energy saving and carbon reduction programs to enhance the energy efficiency. Evaluating the construction of solar panel equipment. Evaluate the development of assets to meet changing consumer preferences and introduce green building labels. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.
R2 Transition Risks-Market Risk	Change in customer preferences	Consumers demanding green buildings and equipment such as charging stations.	Increased asset construction costs.	<ul style="list-style-type: none"> Insurance to transfer risk and cover losses. Regular testing of assets and equipment to enhance emergency measures. 	<ul style="list-style-type: none"> Sustainable Operations.
R3 Physical Risks-Acute Risk (Short Term)	Increase in frequency of extreme weather	Due to the increased frequency of extreme weather events, assets and equipment are more likely to be impacted by disasters, may require extensive repairs or re-profiling of property insurance.	Increase in capital expenditure and operating costs.	<ul style="list-style-type: none"> Reference various domestic and international monitoring data and research reports; monitoring changes in rainfall and water level. Enhance damage prevention measures with emphasis on coastal locations. 	<ul style="list-style-type: none"> Sustainable Operations.
R4 Physical Risks-Chronic Risk (Long Term)	Rising sea levels	Rising sea levels and the risk that waterfront assets and equipment may be inundated, affecting the Company's inability to operate or the need to relocate plants.	Asset impairment and decrease in revenue.	<ul style="list-style-type: none"> Evaluate the introduction of green building label when developing assets. Prioritize the purchase of equipment with high energy efficiency and energy-saving design, and actively promote various environmental protection and energy-saving measures. Improve energy efficiency and develop a high-efficiency equipment purchase program. Maintenance and efficiency adjustment of energy-consuming equipment. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
O1 Products and Services	Developing Green Building Certified Products	LEED green building certification increases tenants' willingness to rent.	Certification increases operating costs and revenue.	<ul style="list-style-type: none"> Evaluate the introduction of green building label when developing assets. Prioritize the purchase of equipment with high energy efficiency and energy-saving design, and actively promote various environmental protection and energy-saving measures. Improve energy efficiency and develop a high-efficiency equipment purchase program. Maintenance and efficiency adjustment of energy-consuming equipment. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.
O2 Resource Efficiency	Investment in carbon reduction and power saving equipment	Replacement of carbon-reducing and power-saving equipment or evaluate the installation of solar panels to reduce future operating expenses.	Reduction in operating costs. Possible future revenue increase from solar panels.	<ul style="list-style-type: none"> Evaluate the introduction of green building label when developing assets. Prioritize the purchase of equipment with high energy efficiency and energy-saving design, and actively promote various environmental protection and energy-saving measures. Improve energy efficiency and develop a high-efficiency equipment purchase program. Maintenance and efficiency adjustment of energy-consuming equipment. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.



Cement and Storage Entities

Climate Risk and Opportunity Matrix



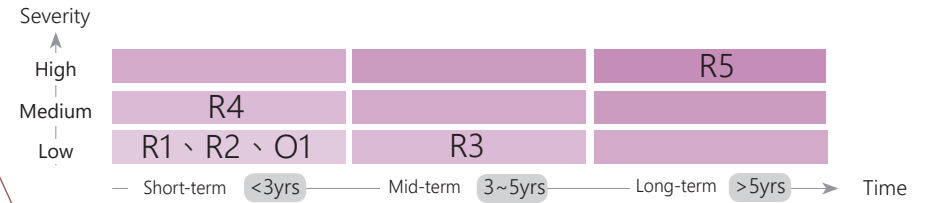
Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
R1 Transition Risks-Policy and Legal Risks	Policy changes	Transformation of low carbon and low energy consumption warehousing and unloading services in line with the national net-zero carbon target.	Increase in capital expenditures and operating costs due to equipment purchases and replacement.	<ul style="list-style-type: none"> Use low carbon and low energy consumption products and promote various energy saving and carbon reduction programs. 	<ul style="list-style-type: none"> Responsible Business Practices Sustainable Operations
R2 Transition Risks-Policy and Legal Risks	Industry and regulatory changes, reduced customer demand	In response to the trend of carbon reduction, the Government may set restrictions on the use of coal, resulting in a decrease in overall coal demand and a decline in the volume of coal handling operations.	Decrease in revenue	<ul style="list-style-type: none"> Expand customer base and products. 	<ul style="list-style-type: none"> Responsible Business Practices
R3 Transition Risks--Reputation Risk	Stigma associated with the cement industry (Corporate image impact)	Cement sales may be affected by the stigmatization of the industry (financial institutions will assess the ESG performance of their customers when evaluating investments and lending).	More restrictive conditions on interest rate and bank borrowings terms.	<ul style="list-style-type: none"> Establish of the Sustainable Development Committee and the Sustainable Development Office to supervise and implement the relevant sustainability policies. Actively transitioning to low carbon energy. Communicate the results of implementation to stakeholders through investor conferences, annual general meetings, the company's website, annual reports, and sustainability reports. 	<ul style="list-style-type: none"> Sustainable Operations
R4 Physical Risks-Acute Risk (Short Term)	Increase in frequency of extreme weather (Equipment damage)	Due to the increased frequency of extreme weather events, assets and equipment are more likely to be affected by disasters, requiring significant maintenance and higher insurance fees.	Increase in capital expenditure and operating costs.	<ul style="list-style-type: none"> To refer to various monitoring data and research reports from home and abroad; to observe changes in rainfall and water level. Transferring risks and covering losses through insurance. Adoption of optimized inventory and transportation flexibility. Focusing on the protection of coastal areas, and strengthening loss prevention measures at production sites. 	<ul style="list-style-type: none"> Sustainable Operations
R5 Physical Risks-Acute Risk (Short Term)	Increase in frequency of extreme weather (Impact on incoming goods scheduling)	Transportation interruptions due to increased frequency of extreme weather events, which may affect the scheduling of shipments and the availability of suppliers.	Decrease in revenue		<ul style="list-style-type: none"> Sustainable Operations
R6 Physical Risks-Chronic Risk (Long Term)	Rising sea levels	Rising sea levels affect quay and operating equipment, which may result in the Company being unable to operate or having to relocate facilities.	Asset impairment and decrease in revenue.		
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
O1 Products and Services	Low carbon and environmentally friendly warehousing equipment	Providing low-carbon and environmentally friendly storage equipment and services will increase our competitiveness in the market. In the future, the distribution of low carbon cement will meet the demand for green products in the market.	Increased revenues and capital expenditures.	<ul style="list-style-type: none"> Introduction of alternative fuels or development of renewable energy sources. 	<ul style="list-style-type: none"> Responsible Business Practices Sustainable Operations



Hospitality Service Business

Climate Risk and Opportunity Matrix



Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
R1 Transition Risks-Policy and Legal Risks	Policy changes	Low-carbon related policy requirements require the use of low-carbon materials, green power, etc., resulting in higher operating costs and capital expenditures.	Increase in capital expenditures and operating costs due to equipment purchases and replacements.	<ul style="list-style-type: none"> Use of full heat exchanger to reduce the electrical load of the air conditioner. Using VRV inverter air-conditioning system, which can be adjusted automatically according to the indoor temperature to reduce the output power consumption. Using heat pumps to produce hot water to replace boilers. Installation of rainwater recycling system for watering plants to reduce the use of tap water. The lighting fixtures in the whole building are LED lamps, which can be adjusted according to the usage conditions on site to achieve energy saving. Adoption of water-saving sanitary equipment to effectively reduce daily water consumption. Actively promote energy conservation internally. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.
R2 Transition Risks-Market Risk	Change in customer preferences	Consumers may prefer low-carbon lodging services and LEED-certified buildings.	Increase in capital expenditure and operating costs.	<ul style="list-style-type: none"> Actively promote environmentally friendly energy conservation measures. Use of local ingredients. Introduction of LEED green building certification. 	<ul style="list-style-type: none"> Responsible Business Practices. Sustainable Operations.
R3 Transition Risks--Reputation Risk	Increase in stakeholder concerns and negative feedback	Stakeholders are concerned about the performance of a company's climate change action plan and measure the company's brand and value.	Decrease in revenue	<ul style="list-style-type: none"> Providing timely external communications on the status of ESG implementation, e.g., investor conferences, AGMs, etc. Publicize LEED certification on the homepage of the official website to show the hotel brand's commitment to promoting low-carbon lodging services. Implement sustainable management and environmental and social responsibility efforts to strengthen the connection between our brand and sustainability. 	<ul style="list-style-type: none"> Sustainable Operations.
R4 Physical Risks-Acute Risk (Short Term)	Increase in frequency of extreme weather	Due to the increased frequency of extreme weather conditions, assets and equipment are more likely to be affected by disasters, flights are unable to take off, the number of arrivals decreases, and travel intentions decline.	Decrease in revenue and increase in asset maintenance costs.	<ul style="list-style-type: none"> Establishing of emergency handling procedures and contingency measures for disasters, such as typhoons, to minimize damage to assets. Taking out a corporate indemnity insurance policy to transfer the risk of accidents and to cover disaster losses. 	<ul style="list-style-type: none"> Sustainable Operations.
R5 Physical Risks-Chronic Risk (Long Term)	Rising sea levels	Rising sea levels and the risk that waterfront assets and equipment may be flooded, affecting the Company's ability to operate or the need to relocate facilities.	Decrease in revenue and asset impairment.	<ul style="list-style-type: none"> Monitoring changes in wind speed, rainfall and water level with reference to various weather data for immediate response. 	
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
O1 Markets	Low carbon footprint hotels	Consumers may be inclined to choose low-carbon lodging services and LEED-certified buildings.	Increase in revenue.	<ul style="list-style-type: none"> Reduced use of consumables by not offering disposable amenities and replacing bath products with larger bottles. Use environmentally friendly and recycled materials. Electronic notices in guest rooms to reduce paper use. Offer reduced linen changes for long stay guests. 	<ul style="list-style-type: none"> Responsible Business Practices Sustainable Operations

Metrics & Targets

3.1.2 Improving Energy Efficiency

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 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 developing new business projects, we actively incorporate sustainability-related international quality certification standards and implement relevant environmental and ecological protection measures to in our design, construction, and operational methods, to promotes health and quality of life and fulfill our social responsibilities in environmental management and ecological protection.

1. For details of the Company's greenhouse gas emissions inventory and energy conservation improvement measures, please refer to Appendix 8: Operational Environmental Energy Efficiency and 3.1.2 Improving Energy Efficiency.
2. Please refer to 3.1.2 Improving Energy Efficiency for the Company's management policies related to the enhancement of energy efficiency.

Environment and Energy Policy

- Complying with environment protection and energy regulations, and minimizing environmental impacts
- Continuing to improve environment performance and resource utilization efficiency
- Reviewing the purchasing process and prioritizing the purchase of green lable energy-saving products
- Raising the awareness of environmental sustainability of all employees through education and training
- Incorporating environmental sustainability-related international standards when introducing new business projects
- Implementing group-level best practices for biodiversity conservation and no deforestation

Scope of parties and application: This policy applies to all of Chia Hsin Cement Group's employees and its subsidiaries, suppliers, contractors, and other key partners, including joint venture partners and outsourced partners, while covering operations, procurement, logistics, product research and development. We conduct due diligence in accordance with this policy before any merger and acquisition.

Environment Management Approaches

- ① Reduce carbon emissions
- ② Continuously expand environment management certifications
- ③ Planning for the use of renewable energy

Key implementation results for 2022

1. Chia Hsin Building won the 2022 Taipei City Zero Carbon Benchmarking Award in the Industrial and Commercial **A** Category (with a contracted capacity of more than 800kWh).
2. Due to the continuous improvement of our energy efficiency, energy saving amounted to **NT\$1,720,000**.

1. Continuously expanded the boundaries of ISO14064-1 for GHG inventories.
2. Introduced the Energy Management System ISO50001 and Environmental Management System ISO14001 to all our locations.

Planning for the development of energy storage and solar panel projects in line with the corporation's green energy objectives (In progress)

Reducing carbon emissions

In 2022, the Group's revenue increased by 1.51%. However, electricity consumption at each sites was reduced through various conservation measures, such as the replacement of energy-saving equipment, lighting reduction, replacement of LED light bulbs, and reduction of the capacity of the electricity contract. For details of energy consumption, please refer to Appendix 8: Operational Environmental Energy Efficiency.

2022 / the electricity consumption of the Chia Hsin Building decreased by

75,400 kWh 2.07% reduction in electricity consumption

occupancy rate **96%** 1.35% growth



2021 / the electricity consumption of the Chia Hsin Building decreased by

237,800 kWh 6.12% reduction in electricity consumption

occupancy rate **94.65%** 0.16% growth

Carbon Risk Management

Short-term goals

1. To achieve an annual reduction of 1% at all major sites.
2. Completion of greenhouse gas inventories at all sites.
3. To implement energy and environmental management system at all major sites.
4. Completing energy-saving diagnostics for each major site, and reviewing first-class energy-consuming equipment and equipment procurement processes.
5. Conduct equipment replacement and process review to reduce carbon emissions in Categories 1 and 2.

Long-term goals

1. With the goal of carbon neutrality in office locations by 2030, we plan to internalize energy saving and carbon reduction into our employees' daily operations.
2. To adopt SBTi (Science Based Targets initiative) as the target, e.g. to quantify the carbon footprint of employee commuting and upstream and downstream of the supply chain in category 3 to 6.



Environment Expenditures

2022
NT\$ 1,720,000 spent on environment protection and energy conservation

2021
NT\$ 6,601,000 spent on environment protection and energy conservation

Unit: NTD thousands

Company/Unit	2022	2021	Remarks
Chia Hsin Ryukyu Collective KK	-	4,094	Hotel Collective applied for the LEED (Leadership in Energy and Environmental Design) green building certification and invested in related improvement measures and certification application fees. The hotel obtained certification in June 2021, becoming the first LEED-certified hotel in Okinawa.
Tong Yang Chia Hsin Int'l Corp	115	504	To save energy consumption, Taichung Storage Center will be continuously replacing the transporting equipment, updating 2 carriers with high efficiency motor and purchase 2 new air compressors.
Chia Pei Int'l Corp.	1,063	424	Replaced the lighting fixtures of Taipei Port First Bulk Cargo Center plant areas with LED lights; Replaced the air pressure equipment with high-efficiency model; Improved the water sprinkler equipment to prevent dust pollution.
Chia Hsin Property Management & Development Corp.	-	420	Replaced the A/C cooling tower and changed the size of the water pipe from 6 inches to 8 inches. Changed to inverter motor for purpose energy saving and carbon reduction.
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	542	1,159	To build a high-quality postpartum care center in aim to offer mothers and their newborns as well as the staff a healthier life and working environment. Since 2019, the Center has been working on WELL certification. WELL building 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. The certification application was entrusted to consultant to provide professional advice, and the related improvement projects were gradually carried out to meet the requirements of the regulations. WELL certification was awarded to the Center in Q1 2022.
Total	1,720	6,601	

Major environment protection expenditures in the next three years

Company/Unit	Item	□ □
Chia Hsin Property Management & Development Corp.	The front and rear elevators of Chia Hsin Building have been in use for 27 years, and the frequency of failure of some parts has increased since 2021. Considering safety, service life of the equipment and the benefits of energy savings, it is proposed to replace the elevator. It is expected that the installation will start in the fourth quarter of 2023.	16,500,000 NTD
Chia Hsin Cement Corporation	In response to climate change and global warming, and as part of the commitment to environmental sustainability, the company has taken measures to practice energy and carbon reduction, as well as water conservation. One of the steps that have been taken is adopting environmentally friendly and energy-saving water dispensers to reduce the use of bottled water. These water dispensers are capable of producing 18.8 liters of weak alkaline drinking water with a pH range of 7.8-8.0 per day, operating at an energy consumption of 350 watts per liter of drinking water (approximately NT\$1 for electricity). Moreover, under specific environmental conditions, they can produce up to 30 liters of drinking water per day. To implement this initiative, in the second quarter of 2023, the company procured five units of Watergen-GENNY atmospheric drinking water extraction equipment from Israel, amounting to approximately NT\$760,000. These units were installed at various locations within the Group to further contribute to their efforts in sustainability and responsible resource management.	760,000 NTD

* Significant loss due to environmental pollution in FY2022: **None** (Definition of significant environmental loss: > NT\$300,000)

Greenhouse Gas Inventory

Starting from 2021, Chia Hsin Cement Group conducts annual greenhouse gas inventories in accordance with ISO14064-1:2018 standards and undergoes third-party verification every year, and expands the scope of operational sites for the inventories year by year, in order to accurately grasp the status of greenhouse gas emissions.

For details of the GHG inventory data, please refer to Appendix 8: Operational Environmental Energy Efficiency.

Implementation of GHG inventory	Scope of inventory	Verification through third party	Coverage of inventory
April 2021	Corporate headquarters floors	✓	48%
April 2022	All locations in Taiwan	✓	92%
April 2023	All locations in Taiwan and globally	✓	100%

* Scope of consolidated financial statements

Energy Management and Environmental Management System

With the Chief Sustainability Officer leading and Colleagues from the Office of Sustainability and each site participating in the working group, in 2021, Chia Hsin Cement Group's headquarters adopted the ISO 50001 energy management system, followed by the adoption of the ISO 14001 environmental management system in 2022. Subsequently, the company merged the environmental and energy management systems. The company has made efforts to expand the integrated system to all of the Group's sites in Taiwan and expect that third-party certification for each site in Taiwan will be completed in Q4 of 2023.

Implementing various energy-saving and carbon reduction measures and continuously upgrading energy-saving equipment

Since the Group no longer produces cement and focuses on cement sales and investment, most of the greenhouse gases generated is from electricity. The Group adopted measures to promote energy saving and carbon reduction within the organization through energy conservation, upgrading of energy efficiency, replacement of energy-saving products with first-class ones, reduction of lamps for lighting, and reduction of the capacity of the electric power contract.

Year	Introduction of Energy Management System ISO50001	Introduction of Environmental Management System ISO14001	Scope	Verified by a third party	Coverage
November 2021	✓	-	Corporate headquarters floors	✓	48%
November 2022	✓	✓	All Corporate Floors in Headquarters Building	✓	59%
November 2023	✓	✓	All Corporate Locations in Taiwan	Third party certification is expected to be completed by Q4 2023	-

Sustainable Building Certifications

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.



2022 **4** sites have **passed** international sustainable building certification.

Revenue coverage: about 20%

International Green Building LEED Certification

LEED (Leadership in Energy and Environmental Design)

- ▶ Hotel Collective (Okinawa, Japan)

WELL Healthy Building Certification

The WELL Healthy 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>

- ▶ Gemcare Maternity Center's Zhongshan Center
- ▶ Gemcare Maternity Center's Dunhua Center
- ▶ Gemcare Maternity Center's Jiangsu Center

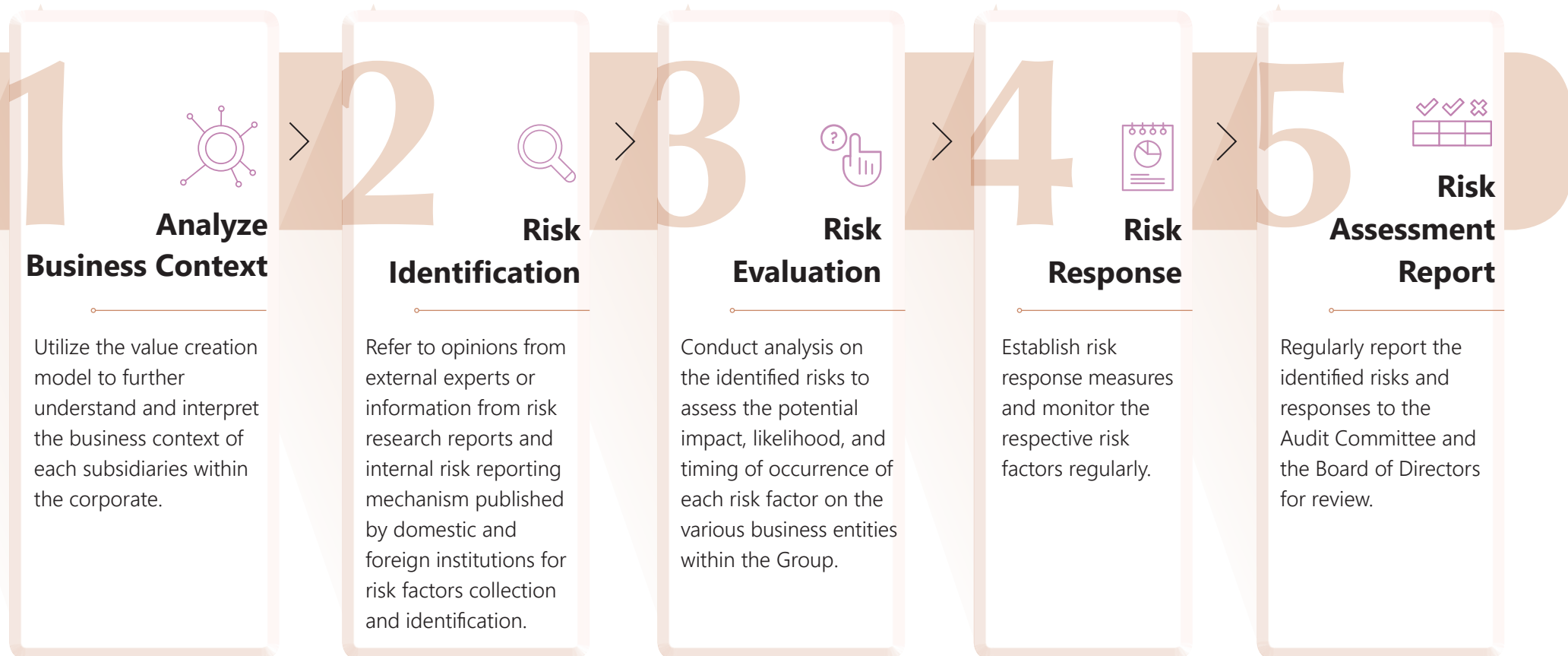
Planning Renewable Energy

In 2022, the Sustainable Development Commission resolved to join the TCFD (Task Force on Climate-related Financial Disclosures) supporter and the Science Based Targets initiative (SBTi) and officially signed on to being a TCFD Supporter in December 2022. The Group has assessed climate change and related carbon risks, and aims to achieve carbon neutrality at its office locations by 2030 as our first milestone to 2050 net zero. In addition to continuing to implement energy and environmental management systems at each location, as well as, keep track of electricity consumption and implement equipment replacement to enhance electricity efficiency, the Group is actively evaluating various renewable energy options and planning for the development of energy storage or solar panels in accordance with the Group's green energy goals (in progress). From 2025 onwards, it is expected that the solar panels to be constructed will produce approximately 1.2 million kWh/year.

3.2 Incorporating Sustainable Thinking into Daily Operations

3.2.1 Risk Management

Report risk assessment results to the Board: At the 449th board meeting (December 14, 2022), the “Risk Management Taskforce” of the Sustainable Development Committee reported 2023 risk assessment’s implementation status to the Board.

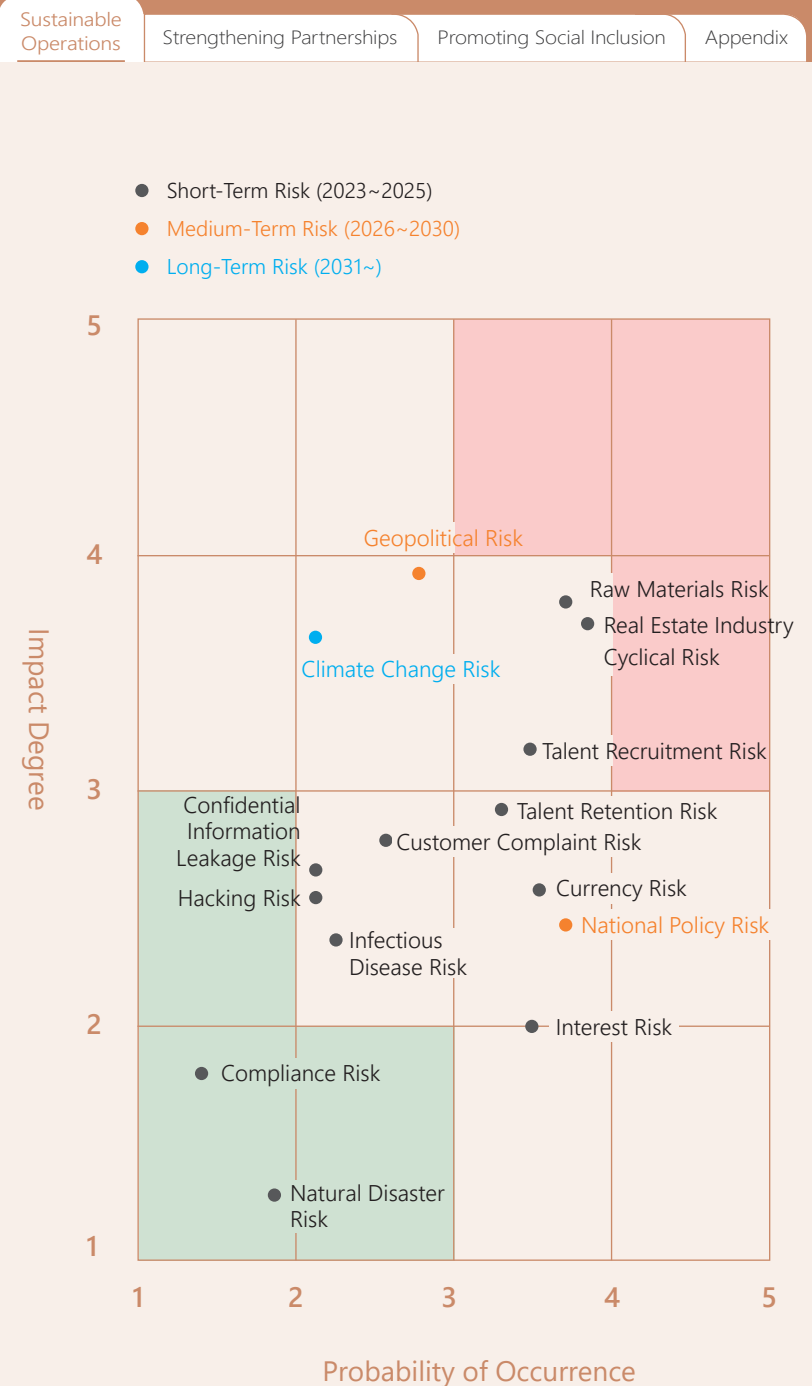


2023 Chia Hsin Cement Group Risk Map and Response Strategy

Short-Term Risks	Main Impacted Area	Response Strategy
Raw Materials and Real Estate Industry Cyclical Risks	Investment positions, Warehousing and Logistics, and Cement Business.	Continuously monitor invested company's operations, relevant markets, and investment performance.
Talent Recruitment & Retention Risks	The business development of the Healthcare and Hospitality sector.	Emphasize employee relations and talent cultivation, finding people with similar values, and creating a friendly workplace environment.
Currency Risk	Foreign currency asset position.	Regularly monitor assets positions affected by exchange rates and adjust appropriately.
Customer Complaint Risk	The business development of the Healthcare and Hospitality sector.	Establish complete SOP and enhance employee training to reduce customer complaints.
Cyber Security risk (including hacking and confidential information leakage risk)	Core Businesses	<ol style="list-style-type: none"> 1. Continuously conduct information security trainings to enhance employee's awareness of cybersecurity. 2. Develop cybersecurity policy, plan security measures, and execute respective operations. For more details on the current execution status, please refer to the information security page of official website of Chia Hsin Cement Group.

Medium-Term Risks	Main Impacted Area	Response Strategy
National Policy Risk (Policies related to electricity and carbon emissions)	Warehousing and Logistics, carbon emission and electricity usage by each business entity and Investment positions.	Expand the scope of carbon inventory, achieve a coverage rate of over 90% by the end of 2023, introduce SBTi, and set carbon reduction targets and pathways.
Geopolitical Risks	Regional business and asset values.	Regularly monitor and assess political risks and continue to establish a Business Continuity Plan.

Long-Term Risks	Main Impacted Area	Response Strategy
Climate Change Risk	Port business and some of the Group's asset value	<ol style="list-style-type: none"> 1. Establish a database for monitoring the sea level height of existing assets 2. Consider Climate Change Risks when evaluating investments.



3.2.2 Information Security Management

1. Information Security Risk Management Framework

The IT division, which has one supervisor and 2 professional engineers, is responsible for formulating the policy, measures, and implementing related information security operations.

The Audit Department is responsible for information security supervision. If defects are found in the annual audit, IT division will be immediately requested to put forward relevant improvement plans and report to the Board of Directors. The improvement results will be checked regularly to reduce internal information security risks.



The accountant conducts information operations review annually. If deficiencies are found, improvement measures will be requested and improvement results will be tracked.



Based on the importance of information security, the responsible unit reports the Company's information security governance and implementation status to the Board of Directors annually. The latest report date was December 14, 2022.

2. Information Security Policy

The Company administers the following measures to prevent risk and strengthen information security management ensure the availability, integrity and confidentiality of information, and avoid intentional and accidental threats internally and externally. The goals of cyber security management are:

- (1) Maintain continuous operation of various information systems
- (2) Prevent damages from hackers, viruses
- (3) Prevent improper and illegal use of systems
- (4) Prevent leakage of sensitive information
- (5) Avoid human errors and accidents
- (6) Maintain physical environment security

Information security management include the following 6 items

- Computer equipment security management
- Network Security Management
- End Point Protection and Prevention
- System Access Control
- Operation continuity
- Training and awareness promotion

3. Implementation Plan

Computer Equipment Security Management

1. The Company's various application servers and equipment are all set up and located in a dedicated computer room with security access system installed. Access records are kept for 12 months.
2. An independent HVAC system is installed inside the server room to maintain a constant environment (22°C to 27°C and humidity of 50% to 60%); a pharmaceutical-type NAF fire extinguisher is also installed in case of fires.
3. The server room is designed with uninterruptible power supply and voltage stabilization equipment connecting to the building's generator power supply system to avoid sudden power failure. Uninterruptible power system can support emergency power supply for more than 30 minutes.
4. We assigned a service life for desktops to be 8 years and 5 years for notebooks. When the service life is up, the computer can be replaced.

Network Security Management

1. Install enterprise-level firewalls for network control external network access control to prevent hacking.
2. Install site to site encrypted VPN connection between Taichung Port and Keelung Port Cement Storage Center and Transportation Stations and Taipei Headquarters' Office to avoid illegal data capture during transmission.
3. Employees who need to work remotely by accessing the ERP system must apply for a VPN account. They can log in and use in a secure way through VPN certification control and account password verification. Login records are kept for inspection.
4. Install internet behavior management hardware and filtering equipment to control internet access, block access to harmful or banned sites to ensure network security and prevent bandwidth resources from being improperly occupied.
5. Regularly use external network risk assessment tools to check the company's external network services and make reinforcements for the weaknesses found. Review the results of the Security Score Card rating tool twice a month.
6. Implement social engineering drills annually, and improve employees' awareness of information security through education and training. The last social engineering exercise was held on December 28, 2022.

End Point Protection and Management

1. Install endpoint protection software system both in the server and the terminal computers for virus and hacking protection. The virus pattern is automatically updated to ensure that the latest virus can be blocked and at the same time, it can detect and prevent the installation of files from threatening systems.

2. The email server is equipped with email anti-virus and spam filtering mechanism to prevent viruses or spam entering users' PC.
3. The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but also will proactively issue a risk report on the computer that is exposed so that managers can take corresponding actions.

End Point Protection and Management

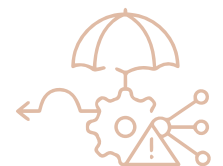
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2. The email server is equipped with email anti-virus and spam filtering mechanism to prevent viruses or spam entering users' PC.
3. The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but also will proactively issue a risk report on the computer that is exposed so that managers can take corresponding actions.

System Access Control

1. Employees should use each application system in accordance with internal requirements. After approval granted by the responsibility supervisor, IT Division will setup an account and each system administrator will be authorized in accordance with the authorized access granted.
2. Password used to sign into the account is required to have a certain number of characters and must be a combination of alphanumeric characters and special symbols.
3. A process is in place to notify IT Division to deactivate or delete all accounts when an employee leaves the company.

Operation Continuity

1. System backup: Build in a cloud backup system and adopt a daily backup mechanism. In addition to uploading one back up copy of the system and database to the international cloud, there are also physical backups kept in safe box server.
2. Disaster recovery drill (e.g., ERP System Recovery Test Exercise completed on April 13, 2022): is conducted once a year. After the base date of restoration is decided, the backup data will be restored to the main system and all users will confirm in writing if the correct data is restored to ensure the accuracy and effectiveness of the backup process.
3. Network Redundancy: Two data lines from the telecommunications company. Through the bandwidth management equipment, the two lines are used in parallel as each other's backup to ensure the network communication will not be interrupted.



Training and Awareness

1. Request employees to change their passwords every quarter to maintain account security.
2. Regularly conduct seminars or training courses on cyber security-related topics. In 2022, Information Security Seminar was held on October 20th, 2022 and a cybersecurity awareness session during the Employee Communication Conference on November 21st, 2022.
3. Join membership of "Taiwan Computer Network Crisis Handling and Coordination Center TWCERT/CC" which provides channels to cyber security incident consultation and access on cyber security information data as materials for training courses
4. Based on the results of social engineering drills, strengthen education and training for employees to improve information security awareness. Following the social engineering drill conducted in 2022, four employees were identified as needing additional cybersecurity education.

4.Resources Invested in the Information Security Management

In order to implement the six major information security policies, we have invested in the following:

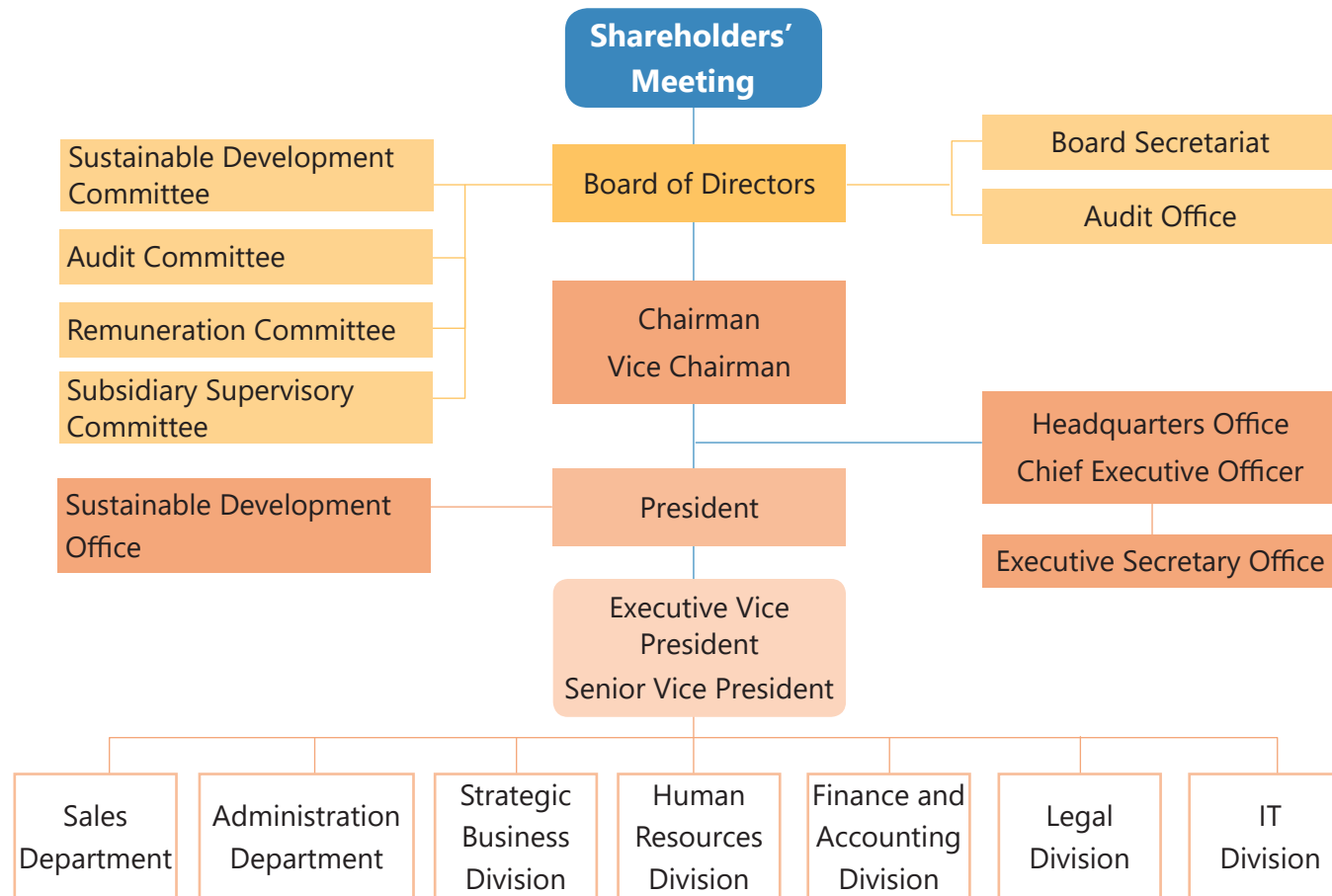
- (1) Network hardware devices such as firewall, email antivirus, spam filtering, online behavior analysis, switching hub with network management, etc. Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
- (2) Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
- (3) Telecom services such as multiple lines, cloud backup services, intrusion prevention services, etc. An intrusion prevention system was implemented, and on average, successfully blocked 2883 attacks per week in 2022.
- (4) Daily system status check and backup, weekly implementation of backup media offsite, information security courses at least twice a year, annual system disaster recovery drills, annual internal audit of information circulation, accountant audit, etc.
- (5) Information security manning: One supervisor and two information security engineers, responsible for information security architecture design, information security maintenance and monitoring, information security incident response and investigation, and information security policy review and revision. The information security director annually report to the board of directors at least once. The most recent report was given on December 14th, 2022.
- (6) Social engineering drills and network vulnerability scans, conducted annually. The most recent social engineering drill was conducted on December 28th, 2022.

*** No significant information security events occurred this year.**

Definition of a significant information security event includes, but is not limited to, an 8-hour interruption of ERP system services, sensitive data leakage, personal data leakage, etc.

3.3 Transparent Governance

3.3.1 Corporate Governance



The new organization chart of the company was approved at the Board meeting on March 9th, 2023, and became effective on April 1st, 2023.

Board of Directors

The Company's Board consists of seven directors, including three independent directors. Director election method is in accordance with Article 192-1 of the Company Act in which directors are elected by the shareholders in the Annual General Meeting of the Shareholders from a nominee list. Board meetings are held at least once every quarter. In case of emergency, a Board meeting may be convened at any time. At present, the Board of Directors comprises of six male directors and one female director. The composition of the Board is diverse with different professional experiences and backgrounds enhancing the decision-making process.

See the 2022 Annual Report for the operating status of the Board of Directors and directors' education and experience.



8 meetings convened this year

Tenure of the Board members expired and re-elected on June 14, 2022. Total meetings of the Board of Directors held in 2022: 8 times (3 times before the re-election and 5 times after the re-election).

Average attendance rate: **96.43%**



7 Board members

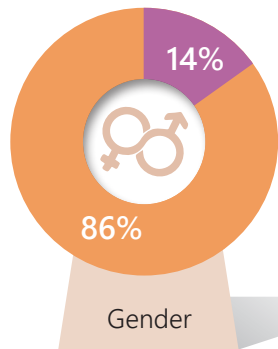
3 Independent Directors

percentage of Independent Directors:

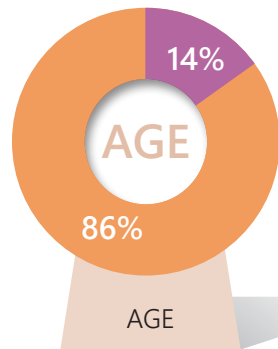
42.8%

Diverse Experience

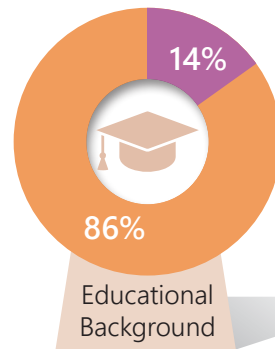
Title	Name	Experience							
		Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Services	Information Technology	Sustainability Management
Chairman	Jason K. L. Chang	✓	✓	✓	✓	✓	✓	✓	✓
	Chi-Te Chen	✓	✓	✓	✓	✓			✓
Director	Pan Howard Wei-Hao	✓	✓	✓	✓	✓		✓	✓
	I-Cheng Liu	✓	✓	✓	✓	✓		✓	✓
Independent Director	Robert K. Su	✓	✓	✓	✓	✓			✓
	Pao-Chu Lin	✓	✓	✓	✓	✓			✓
	Kevin Kuo-I Chen	✓	✓	✓	✓	✓			✓



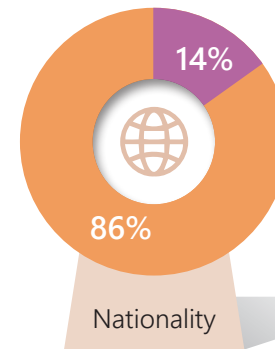
● female
● male



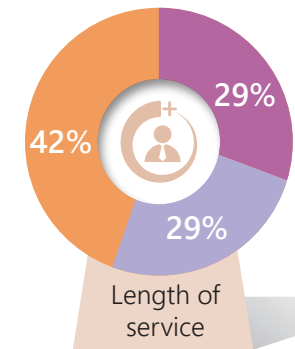
● 40-50 years-old
● >51 years-old



● PhD degree
● Master's degree



● United States
● Taiwan



● >20 years
● 5-10 years
● 1-5 years

Board Members Continuing Education

Each Director completed **13.71** hours of continuing education training in 2022.

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 variety of courses and lectures. This will continuously strengthen their professionalism, maintain excellent communication, and exchange valuable information and experiences with management teams.



Please refer to the Company's 2022 Annual Report for details on the continuing education of Directors.

Board Diversity Policy

The Management Goals

The Company's Board is comprised of a diverse group of professionals from different backgrounds in industries, academic expertise and aims to strengthen women's participation in decision-making:

- ① Directors shall possess at least one member with professional qualifications in accounting or law, respectively.
- ② Directors shall include at least one single gender (female) director.
- ③ Directors shall have at least two in each of the diversified fields including but not limited to financial accounting, legal affairs, investment and mergers and acquisitions, risk management, human resource and operational management, health living and lodging services, information technology, sustainable development, and global market perspective, etc.

Implementation

- The Company's Board consists of seven directors, including three independent directors, director election method is in accordance with Article 192-1 of the Company Act in which directors are elected by the shareholders in the Annual General Meeting of the Shareholders from a nominee list. Board meetings are held at least once every quarter. In the case of emergency, a Board meeting may be convened at any time.
- At present, the Board of Directors comprises six male directors and one female director, with one director in the 41-50 age group and six directors in the 51 years-old or above, with 1 member holding a doctorate degree and 6 members holding master's degree. The composition of the board is diversified with different professional experiences and backgrounds enhancing the decision-making process.
- Professions of these seven directors include commerce, cement industry, construction industry, hotels & lodging services, financial business, auditing, risk management, law, health industry and information technology. The Board as a whole possesses various knowledge, skills and literacy to perform duties. Chairman of the Board has ample experience in business management and operational judgments and the ability to lead the Company to obtain the largest interest for the shareholders.

Board Performance Evaluation

To implement corporate governance and improve the operational performance of the Board of Directors, the Company established the Board of Directors Performance Evaluation Regulations at the 422nd meeting of the Board of Directors on May 9, 2019. An internal board performance evaluation covering the Board, committees, and individual directors is conducted once every before the end of the first quarter of the following year.

Result of 2022 Performance Evaluation of the Board of Directors

Board of Directors Self-evaluation: more than **98 %** of the evaluation items in the above mentioned five aspects are evaluated **Excellent**

Functional Committee Self-evaluation: more than **96 %** of the evaluation items in the above mentioned five aspects are evaluated **Excellent**

The previous external evaluation was conducted in 2021, and this evaluation is conducted once every three years.



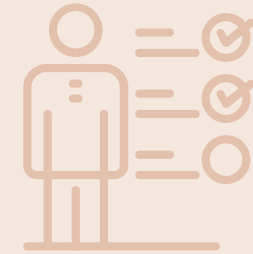
The "Board Performance Evaluation Regulation" includes the following five aspects:

1. Participation in the operation of the Company
2. Improvement of the quality of the Board of Directors' decision making
3. Composition and structure of the Board of Directors
4. Election and continuing education of the directors
5. Internal control

The 2022 performance evaluation has been approved at the Board of Directors' Meeting on March 9, 2023; overall performance is better than 2021.

Conflict of Interest Principles

Through meetings of the Board of Directors, important decisions are made in regard to business plans, key management selections, budget approval, financial statements, 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 meetings, and when necessary, invite legal and financial professionals to participate thereby strengthening the Company's corporate governance. In each meeting, directors are reminded that, according to the company's board meeting regulations, if there are agenda items related to specific directors themselves or legal entities represented by them, the director should abstain from participating in the discussion and voting.



Implementation Status of Board Evaluations in 2022

Evaluation Cycle	Once a Year
Evaluation Period	January 1, 2022 to December 31, 2022
Evaluation Scope	Board of directors and functional committees (including Audit Committees, Remuneration Committee and Sustainable Development Committee) and its individual members
Evaluation Method	Internal self-assessment of the Board of Directors, functional committees (including Audit Committees, Remuneration Committee and Sustainable Development Committee), and its individual members
Contents of Evaluation	<p>The Company has established following regulations governing the performance assessment:</p> <ul style="list-style-type: none"> 1 Performance assessment of the Board of Directors <ul style="list-style-type: none"> 1.1 The participation in the operation of the Company 1.2 Improvement of the quality of the decision making 1.3 Composition and structure 1.4 Election and continuing education 1.5 Internal control 2 Performance assessment of Individual Directors <ul style="list-style-type: none"> 2.1 Alignment of the goals and missions of the Company 2.2 Awareness of the duties of a director 2.3 Participation in the operation of the Company 2.4 Management of internal relationship and communication 2.5 Director’s professionalism and continuing education 2.6 Internal control. 3 Performance assessment of the Functional committees of the individual members of the Functional committees <ul style="list-style-type: none"> 3.1 Participation in the operation of the Company 3.2 Awareness of the duties of the functional committee 3.3 Improvement of quality of decisions made 3.4 Makeup of the functional committee and election of its members 3.5 Internal control 4 Performance assessment of the functional committee <ul style="list-style-type: none"> 4.1 Functions of the functional committee 4.2 Awareness of the duties of the functional committee 4.3 Participation in the operation of the functional committees; 4.4 Relationship operation and communication within the functional committee

Note: At least once every three years, the Company will engage external professional institutions on performance evaluation of the Board and its functional committees. In 2022 EY Advisory Services was engaged and conducted a performance evaluation by exploring three aspects, "Structure", "members", and "Procedure and Information"; and through the methods such as documentation review, director self-assessment questionnaire, and an onsite interview conducted by experts from EY Advisory Services.

Functional Committees

Functional committees assist the Board to improve decision-making.



Audit Committee

6 meetings convened this year

Average attendance rate **88.88%**

3 committee members **3 independent directors**



Remuneration Committee

4 meetings convened this year

Average attendance rate **100%**

3 committee members **2 independent directors**



Sustainable Development Committee

3 meetings convened this year

Average attendance rate **100%**

4 committee members **2 independent directors**



Subsidiary Oversight Committee

Monthly review of the business operations via reports

Average attendance rate **100%**

3 committee members **2 directors, 1 senior management**

Operation Supervision and Risk Control

The accounting of the Company's subsidiaries 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 chair of the committee is selected by the committee members. The committee can leverage various divisions within the company to assist in reviewing the reports and proposals regularly or irregularly submitted by the Company subsidiaries.

By monitoring subsidiaries and affiliated companies' business activities, potential risks involved, amending its risk control mechanisms in a timely manner, the Company is able to avoid risks caused by malpractices of its affiliated companies.

Strengthening Partnerships

4.1 The Best Platform for Talent Development

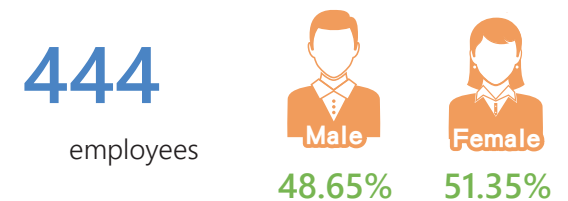
4.1.1 Personnel Overview

Employee Appointment and Manpower Structure

Since its founding, Chia Hsin Cement Group's core spirit includes helping each employee find their value. Therefore, we have made efforts to build a safe and healthy environment to provide employees with a quality workplace, provide higher compensation than market rates, conducting regular performance evaluations, provide a variety of education and training, and maintain a comprehensive promotion system to attract and retain talents. The Company has also worked hard to develop comprehensive welfare system 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 work-life balance allowing them to steadily develop their careers, fulfill their aspirations, fostering sustainable growth.

As the businesses of Chia Hsin Cement Group continue to grow, a multitude of job opportunities have been created in different regions. We commit to hire based on professional capacity and competency and try our best to employ locally. We do not discriminate based on gender, age, ethnicity, disabilities, or seniors seeking a second career.

Total number of Chia Hsin Cement Group employees in 2022



In 2022, **92** employees or **20.72%** of total employees were new hires.

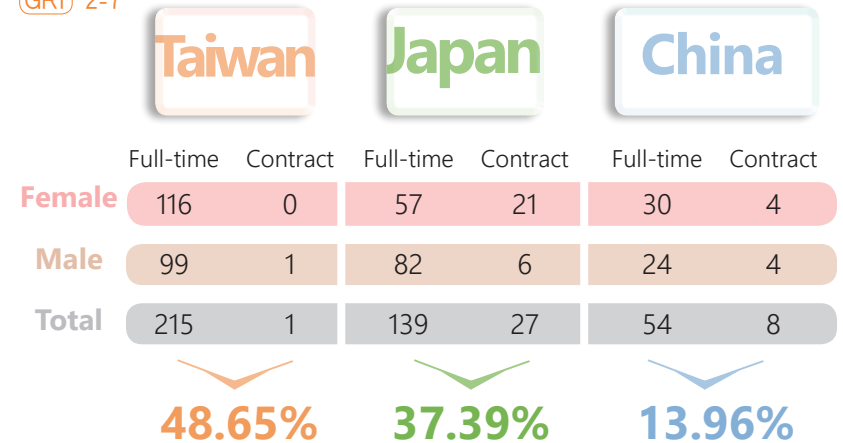
Stable Employment

Percentage of full-time employees **91.89%**
74.77% of employees have a bachelor's or master's degree

Chia Hsin Cement Group Manpower Structure in 2022

Item	Type	Male	Female	Sum	Percentage of Total Employees
Position Type	Full-time	205	203	408	91.89%
	Contract	11	25	36	8.11%
	Total	216	228	444	100%
Managerial Positions or Non-managerial Positions	Managerial positions	84	40	124	27.93%
	Non-managerial positions	132	188	320	72.07%
	Total	216	228	444	100%
Age Distribution	Under 30	29	55	84	18.91%
	31-50	114	111	225	50.68%
	Over 50	73	62	135	30.41%
	Total	216	228	444	100%
Educational Background	Master's or higher	8	20	28	6.30%
	University	151	153	304	68.47%
	Senior High (vocational senior high)	47	42	89	20.05%
	Below Senior High	10	13	23	5.18%
	Total	216	228	444	100%

GRI 2-7



GRI 2-7

Non-guaranteed hours employee: 0

Part-time employee: 0

GRI 2-8

Non-employee workers: 14

(Such as: security guards, cleaners, HVAC technicians)

Employee Distribution (By Gender and Executive Position)









Gender	Male			Female		
	Under 30	31-50	Over 51	Under 30	31-50	Over 51
Executive Management Position	0	0	9	0	3	4
Mid-Level Management Position	1	8	15	0	7	8
Supervising Position	0	28	23	0	12	6
Non-managerial position	28	78	26	55	89	44
Sum	29	114	73	55	111	62
Percentage of Total Employees	6.53%	25.68%	16.44%	12.39%	25.00%	13.96%
Total		216			228	

* Executive management positions include associate level and above. Mid-level management positions include manager level and above. Supervising positions include section chief and above.

Female Employees in Executive Positions

Position	Number of Employees	As a Percentage of all Employees in the Executive Position
Senior Management	7	5.65%
Mid-Level Management	15	12.10%
Junior Management	18	14.52%
Revenue-Related Management	20	16.13%

Employee Distribution (By Nationality)

Nationality	Number of Employees	Percentage	Number of Employees in Executive Positions	Percentage of Employees in Executive Positions
 China	61	13.74%	22	17.74%
 Japan	145	32.66%	40	32.26%
 Canada	1	0.23%	1	0.81%
 Taiwan	222	50.00%	60	48.39%
 Nepal	8	1.80%	0	-
 Other	4	0.90%	0	-
 United States	1	0.23%	1	0.81%
 South Korea	2	0.45%	0	-

Workplace Diversity Policy

Chia Hsin Cement Group employs a total of 444 employees in Taiwan and overseas, including mainland China and Japan. Given the diversity of our employees, we strive to create an open and inclusive workplace environment that emphasizes equity and enables employees to embrace cultural differences, respect each other, learn together, and form stronger bonds with others in the workplace.

Employment of Persons with Disabilities

In accordance with Article 38 of the People with Disabilities Rights Protection Act, private businesses/ organizations/institutions shall employ people with disabilities who are able to work, and the number of employees with disabilities shall be no less than one percent of the total number of employees, and no less than one person. Chia Hsin Cement Group (87 employees) employed one person with moderate disability.

Talent Attraction and Retention

Salaries and Performance

Remuneration Policies GRI 2-19

Remuneration policies for members of the top management level and senior executives

1. Fixed pay and variable pay

Fixed pay: In accordance with the Company's remuneration policies on employee compensation and remuneration for directors and managers.

Variable Pay: In accordance with to remuneration policies on year-end bonuses and distribution of employee compensation.

2. Sign-on bonuses and recruitment incentive payments

Sign-on bonuses: None.

However, we can specially sign employment benefits, such as: guaranteed annual salary, annual special leave privileges & etc.

Recruitment incentive payment: In accordance with the Company's incentive policy for employee referrals.

3. Severance pay

1. In accordance with the Labor Standards Law and the Labor Pension Act.
2. The Employee Welfare Committee will provide compensation to the retired employees.

3. Policies on the severance pay shall be the same for the top level manager as that for other employees.

4. Clawbacks

1. In accordance with the rules on performance of the Company, any clawbacks shall be done at the time when the year-end bonus or employee compensation is paid.
2. The clawback provision for the top management level and senior management shall be the same as that for other employees.

5. Retirement benefits

1. In accordance with the provisions of the Act and the Regulations Governing the Retirement of Directors and Appointed Officers.
2. The Employee Benefit Committee will provide compensation to the retired employees.
3. The severance pay policy for the top management and senior management is the same as that for other employees.

The remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.

1. The salary policy and payment standards are set with reference to the market benchmarks and overall company's operation and financial situation operation and financial situation.
2. Year-end bonuses and employee compensation: The year-end bonuses and employee compensation are paid based on the company's operating conditions and individual performance appraisals.
3. Annual salary adjustment: Annual salary adjustment will be made according to the individual performance, and with reference to the company's operation and financial situation, and taking into consideration change in CPI.

Process to Determine Remuneration GRI 2-20

Whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration.

1. The Compensation Committee is established to oversee the compensation decision process.
2. The year-end bonus will be set aside as a monthly reserve, and after the year-end final accounts, an allocation proposal will be prepared and submitted to the Compensation Committee for consideration, and then approved by the Board of Directors for payment.

How the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration

The remuneration policy and process to determine the remuneration will be implemented after approval by the labor-management meeting. For example: To approve the remuneration policy (early payment of the whole month's salary on the 14th of each month)

Whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives

The Company engaged Willis Towers Watson Taiwan to participate in the establishment of remuneration policy.

Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.

The remuneration policy and remuneration decision process will be announced and implemented after approved by all members present at the labor meeting.

Annual Total Compensation Ratio GRI 2-21

▶ The ratio of the annual total compensation for the organization's highest paid individual to the median annual total compensation for all employees(excluding the highest-paid individual). 25.11x

▶ The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual). -1.22x

▶ Other contextual information necessary to understand the data and how the data has been compiled.

The ratio of the median salary to other full-time employees is arranged in accordance with the rules for the remuneration of directors, managers and employees as well as the rules for payment of year-end bonuses and distribution of employee compensation.

* Please refer to "Appendix 7: Human Resources Statistics Form"

Performance Evaluation

Performance evaluation is used as a reference for the development of employees' career path and a basis for rewarding them. Through the process of performance planning and assessment, we can enhance the function and work efficiency of employees and strengthen the interaction and communication between supervisors and employees, in order to help employees' future career development.

Gender	Male		Female	
Position	Managerial positions	Non-managerial positions	Managerial positions	Non-managerial positions
Number of employees receiving the performance evaluation	26	37	23	73
Completion rate:	100%	100%	100%	100%

Note 1: The above statistics do not include the 228 employees in overseas regions and 45 employees in Chia Pei Int'l Corp.

Note 2: The circumstances under which current employees are not eligible to participate in the annual performance evaluation include:
 a) Those who have worked for less than three months before the evaluation date.
 b) Those who left the company during the evaluation period.

Note 3: In line with the above, there are 12 employees who are not eligible to participate in the annual performance evaluation this year.

4.1.2 Talent Cultivation

Talent Training and Development

Adoption of Online Learning Platform

In order to provide employees with a more diverse environment, the Company has introduced an online learning platform that allows employees to schedule their own learning time through the website or app. The e-learning platform provides a wide range of contents including international trends, current industry knowledge transformation cases and personal growth courses, etc. It also provides more than 1,500 audio-visual, illustrated and text-based courses to enable employees to grasp the latest market trends and gradually develop their ability to cross boundaries and respond to new changes.

Establishing Our Learning System



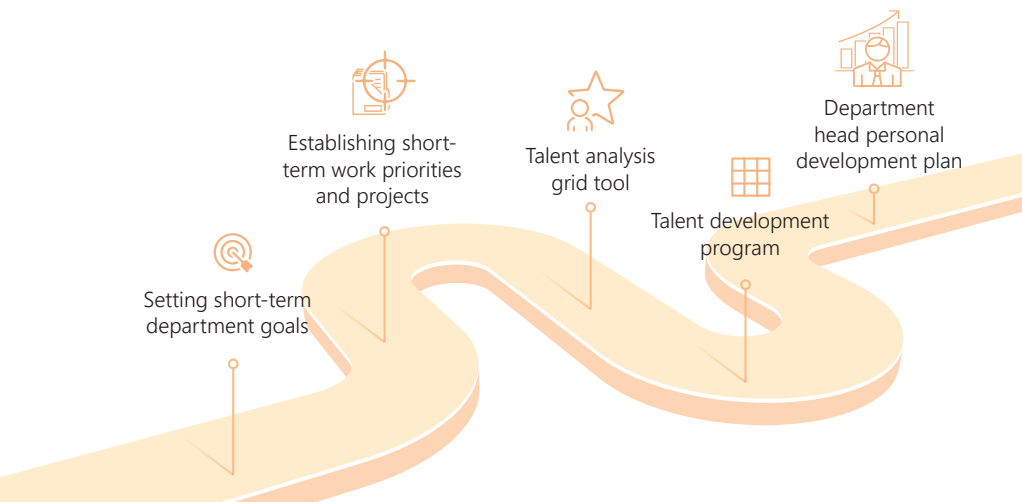
Training Program

New recruits - less than 3 months					All Employees						
01 General Education Courses											
011 New Employees		012 Occupational Safety and Health			013 Policy Advocacy				014 Corporate Culture		
0111 Department Orientation Training	0112 General Orientation	0121 Fire Training	0122 First Aid Training	0123 Physical and mental health training	0131 Insider Trading Prevention	0132 Workplace Equity Advocacy	0133 ESG Advocacy (Including Integrity Management)	0134 Information Safety Advocacy	0141 Newcomer Mentor Training	0142 Volunteer Training	0143 Self-Enrichment

Professionals					Management Levels			
02 Professional Skill Courses					03 Management Courses			
021 Professional Certificates		022 Professional Practice Development		023 Professional Knowledge	031 Management Trainee / Entry level Managers		032 Middle-level Managers	033 Senior Executive Class
0211 Basic Certificates	0212 Advanced Certificates	0221 Accounting Managers	0222 Auditors	0231 Professional Skills	0311 Mindset	0312 Skills	0321 Knowledge	0331 Managerial Training

* Required courses for working colleagues

Talent Development Plan for Each Department



1. Target setting

- ① Short-term department goals: To set short-term department goals that are in line with the future vision and annual strategic planning of Chia Hsin Cement group.
- ② Short-term work priorities and projects: Based on the department goals, key tasks are assigned to each job duty, and the skills and knowledge required by the responsible personnel are identified to provide a basis for their training.

2. Talent analysis and development

- ① Define the key technical and managerial talents required for the future development of the department, and evaluate them according to the existing talent pool.
- ② Identify the core talents of the department by using the Talent Grid Inventory tool.

3. Talent development plan

Based on the results of talent inventory and analysis, develop a talent development plan, which will be discussed by the department heads with the colleagues, and included in the annual personal performance key objectives.

Hours of professional development completed by employees in 2022

Employee Category	Executives	Non-Executives	Total
Actual attendance (A)	154	195	349
Total course hours (B)	1,477	2,464	3,941
Average hours of training per person (B)/(A)	9.59	12.64	11.29
Total investment in training (C)	768,375	948,208	1,716,583
Average investment in training per person (C)/(A)	4,989	4,863	4,919
Gender	Male	Female	Total
Actual attendance (A)	207	142	349
Total course hours (B)	1,977	1,964	3,941
Average hours of training per person (B)/(A)	9.55	13.83	11.29
Total investment in training (C)	845,877	870,706	1,716,583
Average investment in training per person (C)/(A)	4,086	6,132	4,919

* Includes overseas operating locations

Talent is the greatest asset of a company. For this reason, Chia Hsin Cement Group has focused on 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 their goals and effectively developing human resources.

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 is conducted to upgrade the basic and

- ▶ professional competencies of employees of different positions to strengthen their capabilities.

Certain employees are selected to undergo external training to develop

- ▶ and upgrade their work competencies.

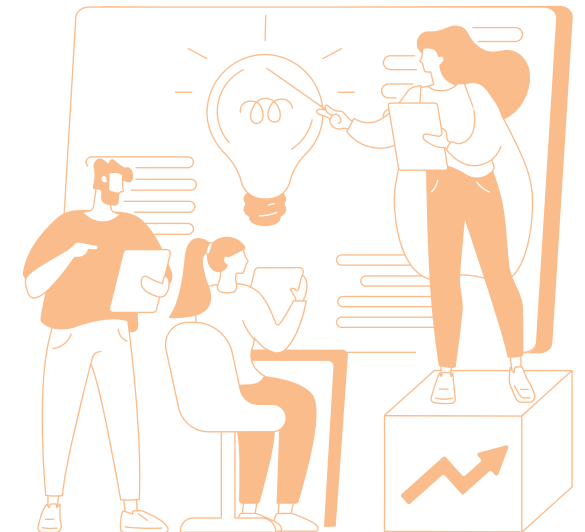
In line with the development of the company and future work

- ▶ requirements, the company selects appropriate personnel to attend professional training overseas.

To accommodate the operations and safety requirements of each division 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

Managers 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.



4.2 Create A Friendly, Healthy, and Safe Environment

4.2.1 Diversified Workplace

Workplace Diversity Policy

Chia Hsin Cement Group employ a total of 444 employees in Taiwan and overseas, including China and Japan. Given the diversity of our employees, we strive to create an open and inclusive workplace environment that emphasizes equity and enables employees to embrace cultural differences, respect each other, learn together, and form stronger bonds with others in the workplace.

* DE&I promotion activities are scheduled to be conducted in 2023.

Diverse Communication Channels

Chia Hsin Cement Group provides diverse and comprehensive communication channels to enable us to better hear the voices and suggestions of our employees, address their concerns, and optimize the Company's implemented system. In the event of operational changes that may affect employee rights, we promptly engage in communication and coordination with our employees through formal channels. The communication channels are as follows:



CEO Afternoon Tea

Regularly promote open communication, in order to allow more out-of-the-box ideas and creativity to be realized.



HR Business Partner(HRBP)

Actively engaging with assigned departments on regular basis and acting as a bridge between colleagues, supervisors, and the Company when needed, aiming to enhance the timeliness of problem-solving.



Employee Satisfaction and Departmental Evaluation Questionnaire

Satisfaction and evaluation surveys are conducted at the end of each year to allow employees to provide anonymous feedback, which can then be included in Company and departmental improvement goals.



Employee Communication Meeting

Regularly share operational performance and future operational priorities, as well as, promote internal company policies and activities.



HR-Employee Suggestion Mailbox/Executive Hotline

Maximizing convenience for employees to express opinions and address problems in a timely manner through email or telephone communication.



Labor-Management Meetings

We hold quarterly meetings to understand the needs of our employees, and follow up on previous requests.



Employee Assistance Program

We provide a 24-hour third-party professional communication channel, maximizing accessibility and privacy.

2022 Workplace Friendly Activities and Achievements

Happy Workplace	HR Business Partner (HRBP) System	2022/10/1
	New Employee Partner System	2022/8/30
	Employee Relationship Promotion Program	2022/10/1
Talent Cultivation	e-learning online platform	2022/10/1
Salary and Employee Benefits	Reward system optimization	2022/9/1
	Attendance system optimization	2022/8/1
	Retirement pension plan	2022/11/15
Employee Well-being	Employee Assistance Program	January 2023
	CEO afternoon tea	2022/10/19&11/16
	The "Love Earth Green Action" Walk, Bike Race and Annual Extra Race	2022/May~June
	Employee communication meeting	2022/11/24
Social Participation	Christmas Little Elf Village Letter Return Event	November 2022

Policy and Plans for Prevention of Workplace Harassment

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, customers and guests with a harassment free work and service environment. Appropriate measures for prevention, correction, discipline, and discharge are taken to safeguard the interests and privacy of concerned parties and to protect the reputation and image of the Group.

- ▶ These regulations apply to all employees, job applicants, visitors, suppliers, and parties receiving service.
- ▶ 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.

There were no human rights violations or incidents of discrimination during the reporting period of this Report.

4.2.2 Employee Care

A happy workplace is only possible with happy employees.

We provide multiple channels of communication to understand the needs of our employees and design well-being programs to meet their needs, thus promoting employee productivity and employee retention.

1. Health, Safety, and Care Measures

- (1) Administ regular annual employee health checkups and influenza vaccinations.
- (2) Provide AEDs and CPR training courses.
- (3) Hold Mental health seminars.
- (4) Regular health visits by occupational health nursing
- (5) Vegetarian Day Program
- (6) Hold annual Fire drills and lifesaving lectures.
- (7) Launched of "Love the Earth. Green Action: 2022 Bike Race and Daily 10,000 Steps Walk" for employees.

2. Employee Assistance Measures

- (1) New Full-Pay General Injury and Illness Leave and Full-Pay Family Care Leave: These two new leave categories were designed for when employees have personal medical or family special condition care needs but no special leave days left. These leave days will allow them to better care for themselves and their families.
- (2) Provide Bereavement Leave days that exceed the legal requirements: to relieve the pressure in handling funeral arrangements.
- (3) Provision of Paternity Leave and Accompanying Prenatal Check-ups and Maternity Leave that exceed the legal requirements: To create a friendly environment for childbirth, we have implemented several measures. These include the establishment of nursing rooms and the

provision of childcare subsidies. Additionally, we offer extended leave policies for employees and their spouses during pregnancy. These policies apply to individuals of all genders and exceed the legal requirements in terms of the number of days granted.

- (4) Childcare allowance subsidy: For employees who meet the requirements of the "Employee Childcare Welfare Subsidy Act", each child under the age of 12 will receive a subsidy of NT\$3,000 per semester, with a maximum subsidy of NT\$6,000 per year.
- (5) Psychological consultation from outside experts: Chia Hsin Cement Group provides a 24-hour third-party consultation channel for employees.

3. Flexible Work Schedule

In order to create a friendly workplace, the Company offers a flexible work schedule policy, allowing employees to arrange their working hours based on personal needs such as family, transportation and study plans, thereby promoting work-life balance.

4. Insurance Benefits

In addition to statutory workers' compensation and the National Health Insurance, the Company provides group insurance including life insurance, accident insurance, accidental medical insurance, hospitalization insurance,

cancer medical insurance, and insurance for employees during overseas business trips. In 2022, the coverage has been increased from NT\$50,000 to NT\$200,000 for employees on overseas business trips.

5. Work-Life Balance

- (1) Provide 3 days per month Remote Working Day application: By implementing the Remote Working Application policy, Chia Hsin Cement Group provides an environment that encourages work-life balance.
- (2) Provide Birthday Leave and birthday cake: The Company encourages employees to take a day for themselves and offers cake made by the Company.

6. Financial Planning

Chia Hsin Cement Group provides long-term incentive and reward system for employees to attract external talents, retain and motivate them. In addition to the implementation of a treasury bank, an employee stock ownership trust is expected to be implemented in 2023 to encourage employees to share the results of business performance. For example, an employee stock ownership trust will help employees accumulate wealth on a regular basis and through compounding over time, providing them with more certain retirement benefits and security.



Retirement Ceremony

Putting people first is not only a slogan, it's shown through every day action. At Chia Hsin Cement Group, we value every employee and have held retirement ceremonies for retiring employees since 2019 to thank them for their contributions. Every time, senior executives personally present congratulatory bouquets and gifts, and employees look back on memories shared, making the retiring colleagues' last day of work more meaningful and leaving them with beautiful memories of their time with us.



Love Earth, Go Green

Encouraging employees to maintain physical and mental health, reduce carbon emissions through green transportation, promote a sustainable environment, and protect the earth. Following the "10,000 steps a day" activity in 2021, a cycling competition and a daily 10,000 steps walking competition were held in 2022. 27 colleagues participated, with the winner of the walking competition walking more than 1.4 million steps in three months, while the winner of the cycling competition covering over 500 kilometers. Their perseverance and physical strength were remarkable.

Promoting Social Inclusion

5.1 Strengthening Connections with Social Partners

5.1.1 Scholarships and Charitable Sponsorships

Achievements in 2022

-  Awarded **NT\$ 9,322,000** in scholarships
-  Granted **NT\$ 2,686,000** in funding for rural education
-  Provided **NT\$ 7,500,000** in support for startups
-  Provided **NT\$ 1,300,000** in cultural sponsorships

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 service, and educational backgrounds and underprivileged families. Chia Hsin Cement Corporation Foundation was established on June 10, 1963 to continue these scholarship services in the spirit of giving back to society. The foundation also promotes various cultural endeavors. In 1994, the foundation was later renamed Chia Hsin Foundation to honor Chairman Chang and his wife, Mrs. Fu-Ming Gong. In 2021, Jason Kang-Lung Chang succeeded Nelson An-Ping Chang as the Chairman of the foundation.



Mission Statement

"Taken from the community, giving back to society."



Vision

Everyone has the capability and the desire to improve social goodness



Mission

To inspire talents, support those who are disadvantaged, and promote arts and culture



The Foundation was established **in 1963**



96,242 students have benefitted



NT\$215,757,000

Chia Hsin Scholarships awarded

NT\$45,185,160

Sports Scholarships awarded



Scholarships

Benefited **567** students in 2022

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 nearly a hundred thousand individuals, and was commended by the Executive Yuan and the Ministry of Education respectively in 2010 and 2011.

The Chia Hsin Scholarship was established in 1960. In the first year, more than 5,000 students applied and 1,200 were accepted. Each recipient received NT\$350, which was equivalent to a one-month salary of a typical government employee at that time. In addition to full tuition and fees, the scholarship provided more than enough for living expenses. As times changed, the Chia Hsin Scholarship has helped students for more than sixty years, setting records for "longest history," "most applicants," and "most awardees," leading the way in privately funded foundations in Taiwan.

In response to current issues and demands in 2022, the Chia Hsin Foundation established the "Chia Hsin Sustainability Scholarship" to encourage and empower college students to actively care and take practical actions to support sustainable development.

SDG 4 Quality Education



- 1) 63th (2022) Chia Hsin Scholarship Awards
Awarded **NT\$7,450,000** in scholarships
benefitting **454** students
- 2) 58th (2022) Chia Hsin Sports Awards
Awarded **NT\$1,272,000** in scholarships
benefitting **107** students
- 3) 1st (2022) Sustainability Scholarship Awards
Awarded **NT\$600,000** in scholarships
benefitting **6** students

In 2022, the Sustainability Scholarship was established.



In light of the monumental environmental crisis currently facing humanity, which threatens the lives and well-being of billions of people on Earth, as well as the survival of millions of species, the Chia Hsin Sustainability Scholarship was established. Its purpose is to inspire the new generation to courageously face the challenges of this century, take practical actions to care for the environment, promote circular economy, and address other issues related to sustainable human development. The scholarship also aims to cultivate leadership skills, encourage influence, and empower young students to lead sustainability efforts on their campuses and devote themselves to the sustainable development of society. By reducing environmental damage (environmental factors), meeting societal needs (social factors), and considering social and economic progress (economic factors), the scholarship recipients will shoulder the significant responsibility of driving sustainable development for the betterment of the country.

In addition to a higher level of financial support, the sustainability scholarship offers collaboration with the Epoch Foundation, allowing students to participate in the 2023 Epoch Foundation Epoch School program without audition. Led by industry experts and mentors, this program encourages in-depth critical thinking and discussions on practical issues, while also providing a platform for interaction with international managers, founders, and CEOs.

The first Chia Hsin Sustainability Scholarship winner's speech



Meng-Hui Lin (林孟慧)

I hope that one day we don't have to "work hard" to promote sustainability, but rather make it a natural part of our daily lives.

These speeches are translations. Please refer to the Chinese version of our 2022 Sustainability Report for the original text.

Sustainable development is an ongoing process, not something reserved for the future! Receiving this award is a significant affirmation of my long-standing commitment to sustainable actions. Upon receiving the scholarship, I immediately enrolled in English courses to prepare for my climate change research abroad next year. This opportunity greatly contributes to the cultivation of sustainable talents and facilitates practical actions among young individuals. Furthermore, I hope to utilize this chance to bridge the gap between young students and the business sector, creating a mutually beneficial and sustainable future.

When I was in high school, I realized that climate change would turn people in certain parts of the world into refugees. Although Taiwan is relatively less vulnerable, as citizens of the Earth, we cannot afford to be inactive. I have participated in volunteer activities since junior high school, and organized environmental education camps for elementary school students when I was in high school. Then I chose to study environmental-related subjects in college, and I believe that knowledge and action are definitely the most complementary combination to face the problems of sustainable development and climate change!

I have long been interested in a wide range of environmental issues, and I have studied climate change in depth. My current doctoral research is on constructing a low-carbon transformation pathway for universities, and I hope that my research can provide guidance for universities to become global net-zero contributors, and highlight the importance of climate change education. I hope that one day I won't have to push so hard to promote sustainable development, and by the time that day comes, the idea of sustainable development will have been widely planted in people's hearts and minds.



Sheng-Xuan Qiu (邱聖軒)

"Following trends while understanding the meaning behind them" is a phrase that I believe should be kept in mind when facing the wave of sustainable investment. I am grateful for the Sustainability Scholarship provided by the Chia Hsin Foundation, this signifies the culmination of my efforts in the field of sustainable investment over the past two years, and helps me embark on the next stage of my sustainable journey, continuously advancing towards the goal of becoming a sustainable investment professional. Since my junior year, I participated in the CFA Institute Research Challenge competition. At that time, most people were not familiar with the concept of ESG, and I read a lot of materials with my team and discovered that there were already many reference practices abroad. Therefore, we applied one of the ESG evaluation models, integrating the evaluation results of individual stocks' ESG performance into the financial valuation model. This approach was recognized by international judges.

Everyone has the right to choose, and your choice can create a difference of for society.

I hope that the analysis and research I have done can be put into the project of building a sustainability assessment platform, and I will work with the sustainability consulting team to develop a sustainability assessment system, and in the future, I will also combine financial analysis to complete a dual-faceted (sustainability and financial) assessment mechanism. I hope that this system can be further utilized by the capital market, and that more investors can understand that companies with both sustainability and excellent financial performance have investment value.



Chian-Mei Chen (陳謙美)

Paying attention to sustainability, gradually getting involved, and helping the Earth's environment become better.

I am very fortunate to have been selected and I thank the Chia Hsin Foundation for this scholarship. This scholarship not only helps me with my living expenses and eases my financial burden, but also allows me to devote more time to the platform for selling soon-to-expire food. I watched the movie " $\pm 2^{\circ}\text{C}$ " in elementary school, which was the first time I realized that every decision we make has a certain impact on the environment, and this was my introduction to sustainability.

Then, in 2019, I went to the United States and Canada to participate in weekend sustainable tasting and promotional activities, such as providing ugly fruits and vegetables for tasting and promoting the ugly fruits and vegetable carton subscription service to avoid food waste. After returning to Taiwan, the idea of "What can I do for Taiwan if these activities abroad are so awesome? The idea began to develop. Together with my friends, we participated in an entrepreneurial competition and set up a platform to promote food waste avoidance, namely " Food to Go", hoping to bridge the gap between consumers and the supply chain, which is also the place where the proportion of food waste is relatively large, so that food that doesn't look so good can have more chances to be seen and eaten, and to magnify the value of each food.

The more I participate in sustainable promotion activities, the more I realize that what I can do is very limited, but only by actually taking action will change occur! I hope to further expand and extend the platform in the future, not only for food but also for other soon-to-expire items such as out-of-season clothes, shoes, and bags, so that every item produced on earth can achieve maximum benefits.

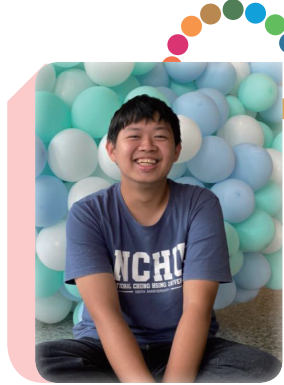


Chi-En Wang (王啟恩)

Speak while sitting, act while standing, discuss ideas with everyone and make changes through action.

The Chia Hsin Sustainability Scholarship is not only proof of my beliefs, but also an encouragement and recognition of my commitment to sustainability in our present surroundings. Growing up in the countryside, I was always curious about everything around me. At the age of 13, I was introduced to biomimicry, which fascinated me with its imitation of the survival patterns of living organisms and the solution of technical problems in products, and its transformation of linear business models into sustainable circular models.

Later on, I was fortunate to meet many like-minded friends at the university who, after listening to my vision of bionics and working with me on various projects, allowed me to start the CoNature bionic design team at the university to continue to promote the concept. Currently, our team is working on the River Power Project to solve the problem of ineffective hydropower generation in the middle and lower reaches of Taiwan's rivers, and this scholarship will provide a critical first opportunity for product validation. In the future, we hope to develop micro-hydroelectric generating units to minimize the conflict between the generating units and the environment through bionic design, and to increase the power to prepare for the possibility of commercialization in the future.



Tung-Tsan Wu (吳東燦)

Sustainability is a matter of dynamic balance and circular iteration.

I see great importance in the environment and education-related issues in the Sustainable Development Goals (SDGs). For a long time, I have hoped to promote biomimetics to various industries, so that enterprises can consider environmental impacts more in their research and development. I also understand that it is quite difficult to develop with both economic costs and environmental sustainability in mind. However, the biomimetic design that follows the laws of biology - low energy consumption, low material consumption, and circular utilization - can help to solve this dilemma.

I am very interested in "human learning patterns". When I was a freshman, I served as a teaching assistant at a children's institution, and I went to study with high school students every week. Gradually, students from the surrounding areas came to ask, "Can I ask math questions?" This symbolizes that children have a learning motivation from within. Later, I went to plan distance learning in rural primary schools and families with special circumstances, which inspired my ideas on how to operate and practice educational experiences.

Therefore, my friends and I are preparing an online virtual platform called the "Near Future Learning Incubation Base" to help sustainably recycle self-learning resources and make it no longer a problem to create learning resources. This sustainable scholarship will support me in the early stages of building the base and supporting the living needs of me and my partners.



Lu-Yu Chueh (關呂祐)

Being a self-leader means continually thinking and finding the root cause of the problem.

Winning the Chia Hsin Sustainability Scholarship has meant the world to me. It has given me the confidence to continue on the path I have chosen and pursue my research with even greater determination. This scholarship has also motivated me to make the most of this opportunity and not let it go to waste.

I first became interested in sustainability when I watched the documentary "±2°C" in primary school. It showed me that advocating for sustainability often falls short of its goals due to legal restrictions and regulations. It wasn't until recent years, when many top multinational corporations began to invest in sustainability and make commitments to achieve net-zero carbon emissions by 2050, that I realized that it's a global issue that requires collective action.

My PhD research is on achieving net zero carbon emissions through "hydrogen energy", as CO₂ capture is a technology that can directly reduce greenhouse gases. I hope to become an expert in this research area and provide material innovations through a systematic approach to research and experimental design optimization process.

On the journey towards sustainable development, it is likely that we will encounter skepticism and negative comments from others. However, I believe that taking action is essential if we truly want to bring about change. When we become aware of a problem, we have already solved half of it. Now is the time for us to confront the challenges of sustainable development head-on and address them directly.

5.2 Strengthen Social Influence

5.2.1 Youth Empowerment and Startup Support



Weekend After-school Programs for Children in Rural Areas

Chia Hsin Foundation

① 2022 Taiwan University of Education (TUE) system program to provide after-school assistance to underprivileged students

Taiwan University of Education (TUE)
(2022 academic year)

A total of **10** programs were held
at **7** universities.

Total funding: **NT\$1,956,000**

235 university students participated

Benefited **812** students

Since 2012, the foundation has sponsored the weekend tutoring program for indigenous students organized by the Hope Tribal Association and the foundation also periodically visits and cares for the students on-site. In 2014, the scope of the sponsorship was expanded to include seven universities under the Taiwan Education University system. Each year, the universities propose various project plans, such as weekend tutoring, winter and summer camps, to support and enhance the curriculum of rural students. The plans also include designing lesson plans that incorporate multicultural experiences and engage in various recreational activities to help children learn happily and enrich their spiritual life.



(i) University of Taipei

2023/01/30-02/03

Ming Duo Educational Service Club: After-class Program for Underprivileged Students of Outlying Islands

Focus To conduct a winter break camp to teach students about marine ecology issues and to stimulate their creativity, ideas and language skills.

21 university students participated

School Xingren Elementary School in Chungli, Taoyuan.

benefited **45** schoolchildren



(ii) National Taichung University of Education

2023/02/06-2023/02/09

2022 After-school Program for Underprivileged Students

Focus Winter vacation tutoring program will mainly be on Chinese Study, Mathematics, and Science Study in English.

24 university students participated

School Hsieh-Cheng Elementary School.

benefited **35** schoolchildren



(iii) National Chiayi University

2022/07-2023/02

Know Yourself, Know Nature

Focus "Self-understanding, Knowing Nature" 5 activities.

15 university students participated

School Lantan Elementary School, Shuan Shin Elementary School, and Hung-Jen Catholic Girls' High School.

benefited **288** schoolchildren



(iv) National University of Tainan: After-class Program

📅 Early September 2022-2023/01/13

1. NTU Rural Classroom Support ~ Shulin and Jiangong - Learning Media Literacy and Learning Strategies for Self-understanding

Focus	Weekly physical classroom tutorials, cross-curricular literacy orientation and activity design.	20 university students participated
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School	Shulin Elementary School and Jiangong Elementary School in Qigu District.	benefited 41 schoolchildren
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(iv) National University of Tainan: After-class Program

📅 2022/09/09-2023/01/20

2. 2022 Tainan University Department of Mandarin Chinese Language and Literature National Elementary School Student Care and Counseling Classroom Support Program

Focus	To cooperate with Datong Elementary School to offer a 20-week class on calligraphy and reading and writing.	3 university students participated
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School	Datong Elementary School.	benefited 31 schoolchildren
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(v) National Pingtung University: Classroom Support Program

📅 2022/10/15-2022/12/17

1. Multi-faceted Support Program for School Children in Rural Areas

Focus	Reading, English, Math and Play Therapy classes are held every Saturday.	28 university students participated
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School	Chihshan Elementary School in Wanluan Township.	benefited 31 schoolchildren
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(v) National Pingtung University: Classroom Support Program

2022/08/29-2023/02/28

2. 2022 Support Program for Disadvantaged Students

Focus Each of the four schools arranged five classes for environmental education, optics, nanotechnology education, and some hands-on experiments. **10** university students participated

School Laiyi Elementary School, Kuljaljau Elementary School, Wenlo Elementary School, and Wutan Elementary School. benefited **129** schoolchildren



(vi) National Dong Hwa University

2022/07/04-2022/07/22

2022 Care and Counseling Program for Disadvantaged Students

Focus To organize a winter break camp to teach students about marine ecology and to stimulate their creativity, ideas and language skills. **27** university students participated

School Dongli Elementary School, Chongde Elementary School, Dongli Junior High School. benefited **118** schoolchildren



(vii) National Taitung University: Curriculum Support Program

2022/10-2022/12

1. Learning Program for Disadvantaged Students in Eastern Region through Digital Learning Family

Focus 20 one-on-one lessons in Chinese, English and Mathematics. **12** university students participated

School Jhong Siao Elementary School, National Taitung Senior High School, National Taitung Girls' Senior High School, and National Taitung Senior Commercial Vocational School. benefited **24** schoolchildren



(vii) National Taitung University: Curriculum Support Program

2022/11/02-2022/12/03

2. Eastern Disadvantaged Students' Mountain and Sea Education Experience Learning Program

Focus 5 sessions of mountain and sea education experience courses. **75** university students participated

School Zhongxiao Elementary School, Taiyuan Elementary School, Beinan Junior High School, and Fengtian Junior High School. benefited **70** schoolchildren

② Weekend After-school Program for Children in Rural Areas

Taiwan Hope Indigenous Tribes Association

Funding was given to the Program for Distance Learning and Helping Indigenous Students to Study, which was organized by Mr. Jiao (Tunux · Pisuy), Chairman of the Taiwan Hope Indigenous Tribes Association.

Total funding: **NT\$ 730,000** (2022 academic year)

232 university students participated

Benefited **209** students

2022/1/1-2022/12/31 (The program was conducted for a total of 4,803 hours)

Teaching side: College chaperones are recruited mainly from Jiaotong University and Taipei University, and there are 9 other schools such as Chang Shih, Culture, Tsinghua, and Ming Chuan, etc. Among the college chaperones, 5 volunteers are scholarship winners.

Learning end: Pingtung Sailiao Branch, Mulin Branch, Hot Spring Branch, Lu Hsing Middle School, Taoyuan Huide Nursery School, Silang Tribe, Miaoli Nanzhuang National Middle School, and many other tribal classrooms.

	First semester	Second Semester
Volunteer university students participated	143	89
students benefited from the program	72	82



Support for Startups

Chia Hsin Foundation

2022 Results

Sponsorship of venue rental for youth entrepreneurship incubation teams is approximately **NT\$7.5** million.

Garage+ Program with the Times Foundation

(i) Garage+ projects (Garage+ Chia Hsin Space)

In order to promote cultural and economic development, Chia Hsin Foundation supports entrepreneurial and innovative education and will continue to collaborate with the Epoch Foundation on the "Garage+ Chia Hsin Space" project in the current year.

On October 24th, 2014, the "Garage+ Chia Hsin Space" was established in cooperation with the Epoch Foundation to provide nearly 370 square meters of free space for startup teams. The Epoch Foundation is responsible for daily operation and management, providing assistance for young entrepreneurs.

We continued to assist domestic and international start-up teams, and **In 2022**, we counseled **29** new domestic and **37** international start-up teams, and the cumulative number of teams served reached **469**.

Industry Sectors	Percentage
AI / BigData / Computing	32%
IoT / SmartDevice / AR & VR / Robotics	29%
Healthcare / MedicalDevice	24%
Lifestyle	7%
Green tech/Agriculture/Social Enterprise	4%
Fintech	4%

(ii) Startup Global Program

A total of 197 applications were received from 38 countries in the fields of energy, smart vehicles, digital health care, IoT, and more. After a rigorous selection process, the 20 most promising international new venture teams will be selected to participate in Computex North, meet with companies and investors, and conduct media interviews, in order to promote more business opportunities between Taiwanese companies and international new ventures.

2022 W@G x CHF mentor program

Under this global environmental crisis and a focus on sustainable development, Women@Google and our organization, along with other NGOs, have launched a six-month talent development program aiming at cultivating students' ability in leadership and action execution, in order to strengthen their awareness of and promotion of sustainable issues.

Students from universities and colleges were encouraged to apply. After a selection process, 30 students are chosen to participate in the program for free. Through online live training courses and sharings of NGO practical operations, they expanded their learning and convert innovative ideas into executable projects. Students will also have in-depth communication with Google mentors during the program, broadening their horizons and expanding their imagination for the future.



5.2.2 Equity, Inclusion, and Community Involvement



Social Welfare Corporation

Continued Sponsorship of the 3rd 2022 Sustainability Hackathon

2022.12.19



Chia Hsin Cement Group

2022 Sponsorship

NT\$40,000

The third "2022 Sustainability Hackathon" was expanded to include eight universities from central Taiwan, and encouraged student teams from all over Taiwan to participate in tackling the proposed topic. This year, with the theme of the 17 United Nations Sustainable Development Goals (SDGs), 1,295 students from 39 universities and over 154 departments participated enthusiastically. After intense competition, 106 proposals stood out from the rest to enter the final round. This year's competition was the largest in scale and also set a record for the largest

number of participating teams. Through cross-campus and cross-discipline exchanges, the participants were able to stimulate innovative technologies and ideas, as well as, design solutions to meet industry needs, hoping to build a better society together.

For the 3rd Sustainability Hackathon, 16 companies worked together to come up with topics. Chia Hsin Cement Group has supported this event for the third consecutive year and offered a prize to challenge students' creativity and thinking with the topic of "F&B trends for a Sustainable New Future". Students from Feng Chia University, China Medical University, and Dai Yeh University proposed the development of a subscription system, a cooperative food bank, a delivery system combined with a CRM system, and even the extension of the service touchpoints for the Chia Hsin Cement Group's healthcare business. Their ideas even extend to thinking about existing customers' home life and their physical and mental well-being. It is our honor to be able to work with outstanding young people to explore more possibilities for sustainable management and service innovation, to build a mutually beneficial future, and to cultivate innovative and competitive talents.

Sending Warmth for Christmas

Christmas Little Elf Village Letter Responding Event

Chia Hsin Cement Group

In the Christmas month of 2022, Chia Hsin Cement Group and Taiwan Santa Claus Association cooperated to set up the Chia Hsin Christmas Elf Village, internally recruiting 11 employees to be letter-answering elves and 27 employees to be gift-ordering elves. By sending warm words and thoughtful gifts together, we hope to plant the seeds of hope into the hearts of children, and bring spiritual enrichment to our colleagues.



Daping Elementary School in Hengchun Township, Pingtung County, is famous for the outstanding performance of their baseball team. Chia Hsin Cement Group hopes to inspire the children's diversified talents, and therefore presented each student with a brand-new set of stationery and drawing utensils in hopes that the children can become good at both sports and drawing, and hopes that these small gifts can accompany each child to welcome the new year, realize his or her own potentials, feel surrounded by love, and become a better version of himself or herself.

Christmas Caroling Activity

Chia Hsin Cement Group

On December 23rd, Chia Hsin Cement Group arranged for Little Santas to visit the first floor of the group's headquarters building for some Christmas caroling activities. Ten children ages from 3 to 12 years old sang and danced to convey their warm wishes and blessings, marking the start of the event. These lovely little Santas were organized through the Stars Country Joint Learning Organization and community connections, allowing children to learn about blessings and giving back while gaining a sense of accomplishment and joy from their performances.



Caring for the Disadvantaged in Remote Areas

Chia Hsin Cement Group

In the past 36 years, Jiehui Social Welfare Charitable Foundation has started from charitable relief services and transformed to provide home care services for the elderly in remote areas. Based on the concept of "local people helps local people", Jiehui has been cultivating local women and young people to become caregivers and create employment opportunities. In 2022, Chia Hsin Cement Group donated NT\$100,000 to the foundation, looking forward to contributing to the care of the disadvantages in the remote areas.

2022 Sponsorship **NT\$100,000**

Supporting Schooling for Guide Dogs

Chia Hsin Cement Group



Through the Taipei Influence Rotary Club, Chia Hsin Cement Group donated NT\$100,000 to the Huiguang Guide Dog School Taiwan in 2022 to help the Huiguang Guide Dog School, the first guide dog training organization in Taiwan, to add a new school bus so that it can transport guide dogs to and from training and medical appointments, as well as visit foster families or carry guide dog advocacy supplies, and continue to promote guide dog training and education in a more convenient and safer manner.

2022 Sponsorship **NT\$100,000**

Hotel Collective Gifts Pineapple Cakes to Seven Medical Institutions in Okinawa to Thank Healthcare Workers

Hotel Collective donated 3,000 pineapple cakes specially made by Taiwanese chefs to seven medical institutions in Okinawa as a token of appreciation and to give the local healthcare workers a taste of Taiwan when they take a short break from their hard work on the front lines fighting the pandemic.

Chia Hsin Ryukyu

2022.2.14



Gemcare Maternity Center Contributed to Charity Resources

Jaho Life Plus +

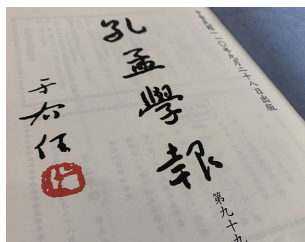
Gemcare Maternity Center, established by the care service business of Chia Hsin Cement Group in cooperation with a professional nursing team, was the first maternity center to partner with the renown clinic (台兒診所). After a year of cooperation, in 2022, Gemcare Maternity Center began to cooperate with the Taiwan Institute of Fetal Medicine, a social organization founded by the Fetal Medicine Clinic by supporting them with maternity and infant case needs.

Cultural Inheritance

Chia Hsin Foundation

- Journal of Confucius-Mencius society of the Republic of China. (孔孟學報)
- Cong-Ment Monthly. (孔孟月刊)

2022 Sponsorship **NT\$200,000**



The Confucius and Mencius Society aims to promote the teachings of Confucius and Mencius and to enhance ethics and morality. The journal of Confucius-Mencius society of the Republic of China (孔孟學報) is a professional publication with articles covering Chinese classics, thought, literature, history, and the early Qin Zu Zi (先秦諸子), etc. The articles are of a certain academic standard, and they are useful for

the study of Chinese culture and for international exchanges of sinology. Cong-Ment Monthly (孔孟月刊), serves to educate people's minds, promote social concern, and promote the teachings of Confucianism. In order to support the Society's efforts to promote traditional culture and modern spiritual civilization, the Chia Hsin Foundation has been sponsoring its annual publication since 2019.

The Bronze Inscriptions in the Western Zhou Dynasty

2022 Sponsorship

NT\$1.1 million

Chinese writing is hieroglyphic, from oracle bone inscriptions, bronze inscriptions, small seal scripts, and clerical scripts, tracing the evolutionary process helps us to understand the beginnings and development of Chinese culture. Mr. Shenkai has long been devoted to the study of the construction of the Chinese writing structure; and his "Western Zhou Bronze Scripts Illustrated Dictionary" is one of the rare works that can clearly describe the history of the bronze inscriptions, which is a great contribution to the inheritance of the Chinese culture. Therefore, the Foundation has sponsored the publication of the book in three-year phases with a total of NT\$3.35 million in the hope that the results of this research can be disseminated to the world in the near future.

Hotel Collective collaborates with Okinawa's traditional craft culture to host an exhibition featuring Bingata works.

Chia Hsin Ryukyu

In April 2021, Hotel Collective, a hotel located in Okinawa Kokusai Dori Street, has been exhibiting Bingata works in the lobby and elevator lobbies on each floor of the hotel. Bingata is a traditional Okinawan craft with a long-standing history. It is a traditional dyeing technique used to paint fabric for kimonos and dresses worn by royalty of the Ryukyu Kingdom when entertaining guests. The exhibits included works from the Shiromabingata Workshop, Chinen Bingata, and Yafuso Bingata Workshop.



The Bingata artwork "Getto no Toki," displayed on the 10th floor of the hotel, is based on the theme of the local Okinawan plant "Getto," known for bringing good luck and symbolizing the traditional Okinawan culture and custom of praying for family health. (By Toma Chinen from Chinen Bingata Research Institute)

"The Eyes of Modernity - Mr. Chang Chao-Kang's Centennial Anniversary Architectural Memorial Exhibition".

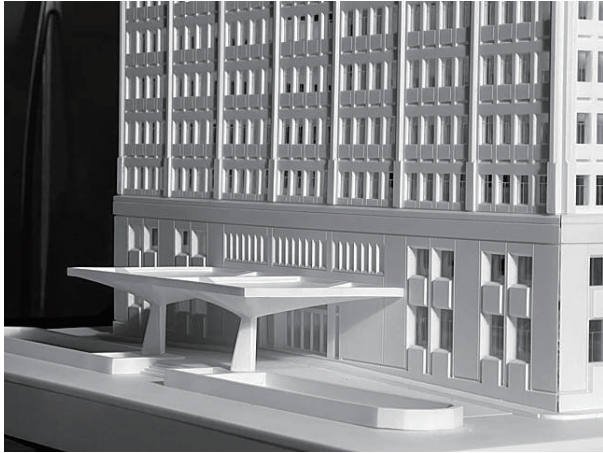
Chia Hsin Cement Group

2022 Sponsorship

NT\$200,000

Chang Chao-Kang is one of the most legendary architects in modern Chinese architectural history, and is the first generation of Chinese architects educated by Bauhaus. 1954, together with architect Chen Chi-kwan, he was invited by I.M. Pei to participate in the planning of the Tunghai University Campus and design of the campus. His representative works in Taiwan include the planning of the Tunghai University Campus and part of the campus design (1954-60), the Agricultural Exhibition Hall of National Taiwan University (1963), and the Chia Hsin Building (detailed design, 1965) in Taipei City.





The exhibition, held in August 2022 at the Bo-ai Gallery and the First Floor Cultural Gallery of the National Dr. Sun Yat-sen Memorial Hall, focuses on Chang Chao-Kang's architectural contributions to Chinese architectural culture. The curatorial team has titled the exhibition "Modern Eyes" to commemorate the fact that he not only inherited Bauhaus's spirit of modernity, but also looked at the old Chinese traditions through a new perspective. The exhibition aimed to explore the rich cultural heritage left by Chang Chao-Kang on this land. Chia Hsin Cement Group sponsored the exhibition with a donation of NT\$200,000 through the Wang Da-hong Association for Architecture Research and Conservation.



Chia Hsin Building Documentary

Eyes of Modernity Architectural Exhibition in Commemoration of the 100th Anniversary of the Birthday of Chang Zhao-kang



Appendix 1 GRI Content Index

Statement of use | Chia Hsin Cement Corporation has reported in accordance with the GRI Standards for the period (January 1 to December 31, 2022).

GRI 1 used | GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) | N/A

★ Material issues

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
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GRI 2: General Disclosures 2021

1. The organization and its reporting practices

2-1	Organizational details	1.5 About the Report	p.15
2-2	Entities included in the organization's sustainability reporting	1.5 About the Report	p.15
2-3	Reporting period, frequency and contact point	1.5 About the Report	p.15
2-4	Restatements of information	No restatement of information	-
2-5	External assurance	1.5 About the Report	p.15

2. Activities and workers

2-6	Activities, value chain and other business relationships	2.1.1 About our Business	p.16
		2.1.2 Business Model	p.17
2-7	Employees	4.1.1 Personnel Overview	p.44
2-8	Workers who are not employees	4.1.1 Personnel Overview	p.44

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
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3. Governance

2-9	Governance structure and composition	3.3.1 Corporate Governance	p.39
2-10	Nomination and selection of the highest governance body	*Please refer to "3.4.1 Board of Directors" in the 2022 Annual Report	p.27
2-11	Chair of the highest governance body	3.3.1 Corporate Governance	p.39
2-12	Role of the highest governance body in overseeing the management of impacts	3.3.1 Corporate Governance	p.39
2-13	Delegation of responsibility for managing impacts	3.3.1 Corporate Governance	p.39
2-14	Role of the highest governance body in sustainability reporting	3.3.1 Corporate Governance	p.39
2-15	Conflicts of interest	3.3.1 Corporate Governance	p.39
2-16	Communication of critical concerns	*Please refer to "3.4 Implementation of Corporate Governance" in the 2022 Annual Report	p.27
2-17	Collective knowledge of the highest governance body	3.3.1 Corporate Governance	p.39

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
2-18	Evaluation of the performance of the highest governance body	3.3.1 Corporate Governance	p.39
2-19	Remuneration policies	4.1.1 Personnel Overview	p.44
2-20	Process to determine remuneration	4.1.1 Personnel Overview	p.44
2-21	Annual total compensation ratio	4.1.1 Personnel Overview	p.44
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1.1 Letter from the Chairman	p.5
		1.2 Letter from the Chief Sustainability Officer	p.6
2-23	Policy commitments	1.1 Letter from the Chairman	p.5
		1.2 Letter from the Chief Sustainability Officer	p.6
2-24	Embedding policy commitments	1.1 Letter from the Chairman	p.5
		1.2 Letter from the Chief Sustainability Officer	p.6
2-25	Processes to remediate negative impacts	3.2.1 Risk Management	p.35
2-26	Mechanisms for seeking advice and raising concerns	1.5 About the Report	p.15
2-27	Compliance with laws and regulations	3.3.1 Corporate Governance	p.39
		2.2.1 Ethical Corporate Management	p.20
2-28	Membership associations	Appendix 2: Participation in Public Associations	p.66

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication	p.7
2-30	Collective bargaining agreements	N/A. Although Chia Hsin employees did not establish a labor union and therefore did not sign any collective agreement, Chia Hsin regularly organizes labor- management meetings to ensure smooth and effective communication between employees and management.	-

GRI 3: Material Topics 2021

3-1	Process to determine material topics	1.4 Identification of Sustainability Topics	p.10
3-2	List of material topics	1.4 Identification of Sustainability Topics	p.10
3-2	Management of material topics	1.4 Identification of Sustainability Topics	p.10

GRI 200: Economic topics

GRI 201 : Economic Performance 2016 ★

201-1	Direct economic value generated and distributed	2.1.3 Financial Performance	p.19
201-2	"Financial implications and other risks and opportunities due to climate change"	3.1.1 Climate Action	p.26
201-3	Defined benefit plan obligations and other retirement plans	*Please refer to "5.5 Employee Relations" in the 2022 Annual Report	p.95

GRI 205 : Anti-corruption 2016

205-2	Communication and training about anti-corruption policies and procedures	2.2.1 Ethical Corporate Management	p.20
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GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
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GRI 300: Environmental topics

GRI 302 : Energy 2016

302-1	Energy consumption within the organization	Appendix 8: Energy Efficiency in Operations	p.73
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GRI 305 : Emissions 2016 ★

305-1	Direct (Scope 1) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.73
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.73
305-3	Other indirect (Scope 3) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.73
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	*There is no emission from this item as the Chia Hsin Cement Group is no longer producing cement and focuses on cement sales and reinvestment.	-

GRI 400: Social topics

GRI 401 : Employment 2016 ★

401-1	New employee hires and employee turnover	Appendix 7: Human Resources Statistics	p.71
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.2.2 Employee Care	p.52
401-3	Parental leave	Appendix 7: Human Resources Statistics	p.71

GRI STANDARD	DISCLOSURE	Corresponding Section/ Explanation	Page No.
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GRI 404 : Training and Education 2016 ★

404-1	Average hours of training per year per employee	4.1.2 Talent Cultivation	p.48
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Employee Care	p.52
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Talent Cultivation	p.48

GRI 405 : Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	4.1.2 Talent Cultivation	p.48
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GRI 406 : Non-discrimination 2016

406-1	Incidents of discrimination and corrective actions taken	4.2.2 Employee Care	p.52
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GRI 408 : Child Labor 2016

408-1	Operations and suppliers at significant risk for incidents of child labor	2.2.1 Ethical Corporate Management	p.20
		2.2.2 Supply Chain Management	p.23

GRI 413 : Local Communities 2016 ★

413-1	Operations with local community engagement, impact assessments, and development programs	5.1.1 Scholarships and charitable sponsorships	p.53
		5.2.1 Youth Empowerment and Startup Support	p.58
		5.2.2 Equity and Inclusion and Community Involvement	p.60

Appendix 2

Participation in Public Associations

Chia Hsin Cement Corporation	Taiwan Institute of Directors
	Chinese National Association of Industry and Commerce
	Taiwan Women on Boards Association
	Mount Jade Science & Technology Association of Taiwan
	Epoch Foundation
	Chinese International Economic Cooperation Association
	Taiwan Hotel Technology Association (THTA)
	Taipei City Young President's Organization
	Young President's Organization
	Commonwealth Sustainability Association
	Taiwan Elderly Care Industry Association
	Information Management Association of R.O.C.
	Institute of Internal Auditors, R.O.C.
	Accounting Research and Development Foundation
Importers & Exporters Association of Taipei	
Taiwan Cement Manufacturers' Association	
Taiwan Stock Affairs Association	
Jaho Life Plus+ Management Corporation	Industrial Association of Taipei City
(Strategic partner) Gemcare Maternity Center	Taipei Nurses Association
(Strategic partner) Dunhua Branch of Gemcare Maternity Center	Taipei Nurses Association Taipei Dietitian Association
Tong Yang Chia Hsin International Corp.	Importers & Exporters Association of Taipei
Chia Hsin Property Management and Development Corp.	The Real Estate Development Association of Taipei Economic and Trade Development Association of Kaohsiung
YJ International Corporation	The Japanese Chamber of Commerce & Industry, Taipei Transportation and Tourism Department of the Japanese Chamber of Commerce & Industry, Taipei

Appendix 3

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.
Article 3	The sustainability report shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified.	3.2.1 Risk Management	p.35
Paragraph 1, 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.	3.1.1 Climate Action	p.26

Appendix 4 Sustainability Disclosure Indicators

Sustainable Disclosure Indicators — Cement Industry

No.	Indicators	Type of Indicator	Annual Disclosure	Unit	Remarks
1	Total Energy Consumption, Percentage of Purchased Electricity and Renewable Energy Utilization Rate	Quantitative	Appendix 8: Energy Efficiency in Operations	Billion joules, Percentage (%)	Purchased electricity: 100%. Renewable energy: 0%
2	Total water withdrawal and total water consumption	Quantitative	Appendix 8: Energy Efficiency in Operations	Cubic kilometer (m ³)	
3	Weight of waste generated, percentage of hazardous waste, percentage of hazardous waste and recycling	Quantitative	Appendix 8: Energy Efficiency in Operations	Metric tons (t), percentage (%)	Hazardous waste: 0%
4	Number and rate of occupational disasters	Quantitative	Appendix 7: Human Resources Statistics	Ratio (%), Quantity	
5	Production of major products by product category	Quantitative	As the Company has transformed to focus on cement sales and the development of new business entities such as hotels and maternity centers, we no longer actually produce cement-related products directly.	Varies by product type	

SASB Construction Materials 2018

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	Appendix 8: Energy Efficiency in Operations	p.73
Greenhouse Gas Emissions	EM-CM-110a.2	Discussion and Analysis	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of emissions reduction targets, and an analysis of performance against those targets	Appendix 8: Energy Efficiency in Operations	p.73
Air Quality	EM-CM-120a.1	Quantitative	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Not applicable. * There is no emission from this item as the Chia Hsin Cement Group is no longer producing cement and focuses on cement sales and reinvestment.	-
Energy Management	EM-CM-130a.1	Quantitative	(1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage alternative; (4) Percentage renewable.	Appendix 8: Energy Efficiency in Operations	p.73
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.	Appendix 8: Energy Efficiency in Operations * None of CHC Group's operating locations are in a high water resource pressure area.	p.73
Waste Management	EM-CM-150a.1	Quantitative	Amount of waste generated, percentage hazardous, percentage recycled	Appendix 8: Energy Efficiency in Operations	p.73
Biodiversity Impacts	EM-CM-160a.1	Discussion and Analysis	Description of environmental management policies and practices for active sites.	3.1.2 Improving Energy Efficiency	p.73
Biodiversity Impacts	EM-CM-160a.2	Quantitative	(1) Terrestrial acreage disturbed; (2) Percentage of impacted area restored.	N/A, No related circumstances	-
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.	Appendix 7: Human Resources Statistics	p.52
Workforce Health & Safety	EM-CM-320a.2	Quantitative	Number of reported cases of silicosis	N/A, No related circumstances	-
Product Innovation	EM-CM-410a.1	Quantitative	Percentage of products that qualify for credits in sustainable building design and construction certifications	3.1.2 Improving Energy Efficiency	p.32
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

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	Appendix 8: Energy Efficiency in Operations	p.73
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.	Appendix 8: Energy Efficiency in Operations	p.73
Ecological Impacts	SV-HL-160a.1	Quantitative	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat.	N/A, No related circumstances	-
Ecological Impacts	SV-HL-160a.2	Discussion and Analysis	Description of environmental management policies and practices to preserve ecosystem services.	3.1.2 Improving Energy Efficiency	-
Labor Practices	SV-HL-310a.1	Quantitative	(1) Voluntary turnover rate; (2) Involuntary turnover rate for lodging facility employees.	4.1.1 Personnel Overview	p.44
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.4	Discussion and Analysis	Description of policies and programs to prevent worker harassment.	4.2.1 Diversified Workplace	p.50
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.	-

United Nation Global Compact Comparison Table

Category	10 Principles	Report Contents or Explanation	Corresponding Section
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	CHC Group recognizes and supports internationally recognized human rights standards, and put efforts to respect and protect human rights with practical actions, following the laws and regulations related to labor and gender work equality within the designated jurisdiction, and prevent any violations to human rights.	Please refer to "Human Rights Policy" on CHC official website.
	Principle 2: Make sure that they are not complicit in human rights abuses	Suppliers are requested and contractually abide to follow the labor human rights and ethical management policy.	Please refer to "Supplier Management Policy" on CHC official website.
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	CHC Group maintains a positive labor relationship and a harmonious working environment, regularly holds labor-management meetings, provides a smooth communication channel, and creates a harmonious and win-win labor-management relationship.	Please refer to "Human Rights Policy" on CHC official website.
	Principle 4: The elimination of all forms of forced and compulsory labor	CHC Group follows Labor Standards Act and refuses forced and compulsory labor.	Please refer to "Human Rights Policy" on CHC official website.
	Principle 5: The effective abolition of child labor	CHC Group refuses illegal child labor recruitment.	Please refer to "Human Rights Policy" on CHC official website.
	Principle 6: The elimination of discrimination in respect of employment and occupation	CHC Group follows the Labor Standards Act and ensures that the employment policy is non-discriminatory.	Please refer to "Human Rights Policy" on CHC official website.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	CHC Group values environmental sustainability, conducts greenhouse gas inventory in response to climate change and global warming, implements energy conservation, carbon reduction and water conservation, improves energy efficiency, reduces impact on the environment, and controls environmental risks.	3.1.2 Improving Energy Efficiency
	Principle 8: Undertake initiatives to promote greater environmental responsibility	CHC Group has established an environmental and energy management system and set continuous improvement goals, and additionally CHC Groups considers energy efficiency and environmental protection, when purchasing and selecting suppliers to reduce impact on the environment.	3.1.2 Improving Energy Efficiency
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	CHC Group actively introduces international certification standards related to environmental sustainability and implements relevant environmental and ecological protection measures when developing new business projects, making the buildings environmentally friendly and livable from the aspects of building design, construction and operation to promote a healthy and quality environment.	3.1.2 Improving Energy Efficiency
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	CHC Group has a dedicated department for corporate integrity management, and has established a reporting system as well as formulated internal regulations such as the "Code of Integrity Management", "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" to regulate corruption of any forms. In addition, CHC Group has integrated integrity management in the work rules and related operating procedures. Furthermore, internal publicity, education and training, integrity management is carried out for all employees group wide, and CHC Group is able to maintain a corporate culture of anti-corruption and integrity management.	2.2.1 Ethical Corporate Management

Appendix 7 Human Resources Statistics

New Employees and Terminated Employees

	Gender			Age			
	Men	Women	Total	≤ 30 years	31–50 years	≥ 51 years	Total
New Employees	36	56	92	30	43	19	92
As a Percentage of Total Employees	8.11%	12.61%	20.72%	6.76%	9.68%	4.28%	20.72%
Terminated Employees	41	65	106	33	46	27	106
As a Percentage of Total Employees	9.23%	14.64%	23.87%	7.43%	10.36%	6.08%	23.87%
Voluntarily Terminated Employees	37	58	95	31	41	23	95
As a Percentage of Total Employees	8.33%	13.06%	21.39%	6.98%	9.23%	5.18%	21.39%

* Not including contract/part-time employees

* Turnover rate calculation: (Number of terminated employees [106 employees] ÷ Total number of employees for the year [444 employees]) × 100 = 23.87%

* Including overseas locations* Terminated employees who were in an executive position as a percentage of total employees: 0.45%; mid-level management as a percentage of total employees: 0.9%; junior management as a percentage of total employees: 1.35%

* Number of involuntarily departed employees in 2022: 11

Numbers of People Resuming Work After Taking Unpaid Parental Leave

	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
The number of people that qualified for unpaid parental leave that year (A)	5	7	7	6	1	3
The number of people that applied for unpaid parental leave that year (B)	0	2	1	1	0	0
The number of people scheduled to resume work that year (C)	0	2	0	1	0	1
The number of people actually resuming work (D)	0	1	0	1	0	1
The number of people that remained with the company 12 months after resuming work (E)	0	0	0	0	0	0
The rate of reinstatement after unpaid parental leave that year (respective year D/C)	-	50%	-	100%	-	100%
The rate of retention after unpaid parental leave that year (E/previous year D in the previous year)	-	0%	-	0%	-	0%

* The above statistics apply to the Taiwan region only.

* Number of full-time employees whose length of service has reached six months and whose child/children is/are under the age of three years old.

* The number of employees eligible for unpaid parental leave is calculated based on applications filed for maternity leave, paternity leave, prenatal care checkup leave, childcare subsidies, and personnel files.

Salaries of non-executive full-time employees

(Unit: thousand NT dollars)

Year	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	1,196	N/A (the median salary statistic was not re-ported 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	1,312	1,132
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	1,273	1,061
2021	Total number of employees: 96 (84 people gainfully employed for over six months; 12 people employed for less than six months)	77	87,689	1,139	923
2022	Total number of employees: 94 (80 people gainfully employed for over six months; 14 people employed for less than six months)	74	64,600	873	805
Compared to last year		-3.90%	-26.33%	-23.35%	-12.78%

* "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.

* 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).

Average Monthly Salaries of Male and Female Employees in Executive and Non- Executive Positions at Chia Hsin Cement Group

Position	Average Monthly Salary of Male Employees	Average Monthly Salary of Female Employees
Executive Position (gross salary) * Not including senior executive managers (e.g., CEO, President)	71,816	53,031
Non-Executive Position (gross salary)	42,454	34,132

* Including overseas employees. (The salaries of Chia Hsin Cement Group employees are uniformly higher than local statutory minimum wages.)

Occupational Safety and Health

There were **no** disabling injuries among employees in Taiwan and overseas in 2022.

We will strive to continue to maintain this incident-free record.



0

Number of occupational
injury-related deaths



0

Work days lost due to
disabling injury



707,529.75

Total work hours
(hour)



0

Disabling injury frequency rate
(FR)



0

Disabling injury severity rate
(SR)




* Disabling injury frequency rate (FR)= Number of disabling injuries (excluding traffic accidents during commutes)×1,000,000÷ Total work hours

* Disabling injury severity rate (SR)= Number of work days lost due to disabling injury (excluding traffic accidents during commutes)×1,000,000 ÷ Total work hours

Appendix 8

Energy Efficiency in Operations

Scope	Category	Item	2020	2021	2022	Remarks
Scope 1	Category 1 Direct GHG emissions and Removals	Carbon emission (t-CO ₂ e)	30.5912	209.1565	834.850	
		Per capita (ton/person)	0.07	0.48	1.88	
		Carbon emission per unit of revenue (ton/NT\$M)	0.01	0.09	0.37	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	
Scope 2	Category 2 Indirect GHG emissions and removals from imported energy	Carbon emission (t-CO ₂ e)	77.1415	4,007.197	6,807.564	
		Per capita (ton/person)	0.18	9.28	15.33	
		Carbon emission per unit of revenue (ton/NT\$M)	0.04	1.81	3.02	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	
Scope 3	Category 3 Indirect GHG emissions generated from transportation	Carbon emission (t-CO ₂ e)	5.2667	71.7138	103.123	
		Carbon emission per unit of revenue (ton/NT\$M)	0.00	0.03	0.05	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	
	Category 4 Indirect GHG emissions from products used by the organization	Carbon emission (t-CO ₂ e)	29.4578	835.6744	1,187.496	
		Carbon emission per unit of revenue (ton/NT\$M)	0.01	0.38	0.53	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	
	Category 5 Indirect GHG emissions associated with the use of products from the organization	Carbon emission (t-CO ₂ e)	-	446.5579	666.078	
		Carbon emission per unit of revenue (ton/NT\$M)	-	-	0.2956	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	
	Category 6 Indirect GHG emissions from other sources	Carbon emission (t-CO ₂ e)	-	-	-	*Non-material after identification
		Carbon emission per unit of revenue (ton/NT\$M)	-	-	-	
		Data coverage ratio (Revenue)	-	-	-	
Total GHG emissions		Carbon emission (t-CO ₂ e)	142.46	5,570.30	9,599.111	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	

Environmental Indicators	2020	2021	2022	Remarks	
 Energy	Total non-renewable energy consumption (MWh)	14,513	16,310	11,771	*Electricity consumption data for 2020 and 2021 include those by the tenants of the Chia Hsin Building.
	Total non-renewable energy consumption (GJ)	52,246.76	58,715.95	42,375.57	*1 GJ = 0.277778 MWh
	Per capita (GJ)	-	-	95.4405	
	Per unit of revenue (Kwh/NT\$ thousand)	-	-	5.2246	
	Per unit of revenue (GJ/NT\$M)	-	-	18.8085	
	Data coverage (Revenue)	48.92%	92.33%	100%	
 Water	Total water use (ton)	97,612	122,369	192,562	*Water use data for each year includes those by the tenants of the Chia Hsin Building.
	Data coverage (Revenue)	48.92%	92.33%	100%	
 Waste	Total waste generated (ton)	361.97	364.21	344	*All waste data for each year includes those by the tenants of the Chia Hsin Building.
	Total waste reused / recycled / sold (ton)	-	-	4.8	
	Data coverage (Revenue)	48.92%	92.33%	100%	
Number of employees	434	432	444		
Revenues (NT\$M)	2,058	2,220	2,253		

Appendix 9

External Assurance Statement

BSI Greenhouse Gas Inventory Verification Statement



Greenhouse Gas Emissions

Verification Opinion Statement

This is to verify that: Chia Hsin Cement Corporation and its subsidiaries... 104418 Taiwan

Hadd Statement No: GHGEV 787916

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 and its subsidiaries for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 834,850 tonnes of CO2 equivalent and indirect greenhouse gas emissions 6,807,564 tonnes of CO2 equivalent...

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 14064-3:2016.

Handwritten signature of Managing Director BSI, Taiwan, Peter Pu

For and on behalf of BSI: Managing Director BSI, Taiwan, Peter Pu

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The greenhouse gas emissions information reported by the organization for the period from 2022-01-01 to 2022-12-31 is as follows:

Table with columns: EMISSIONS, Notes, tonnes CO2e. Includes Category 1: Direct GHG emissions and removals (834,850), Category 2: Indirect GHG emissions from imported energy (6,807,564), Category 3: Indirect GHG emissions from transportation (103,123), Category 4: Indirect GHG emissions from products used by organization (1,187,496), and Category 5: Indirect GHG emissions associated with the use of products from the organization (666,078).

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

Table with columns: Location, Verification Information. Lists various branches and offices including Chia Hsin Cement Corporation, Chia Hsin Cement Corporation (Taichung office), and various international corporations like JY International Corporation and Chia Hsin Property Management & Development Corporation.

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Table with columns: Company Name, Address. Lists various international corporations such as Tong Yang Cha Hsin International Corporation, Chia Hsin International Corporation, and various technology and consulting firms.

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Table with columns: Company Name, Address. Lists various international corporations including Janguo Jiaqu Construction Material & Storage Co., Ltd., Janguo Jiaqu Construction Material & Storage Co., Ltd. Changshu Branch, and Janguo Jiaqu Real Estate Co., Ltd.

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Independent Third Party Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Chia Hsin Cement Corporation 2022 Sustainability Report

The British Standards Institution is independent to Chia Hsin Cement Corporation (hereafter referred to as Chia Hsin Cement in this statement) and has no financial interest in the operation of Chia Hsin Cement 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 Chia Hsin Cement only for the purpose of assuring its statements relating to its sustainability report, 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 Chia Hsin Cement. 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 Chia Hsin Cement only.

Scope

The scope of engagement agreed upon with Chia Hsin Cement includes the followings:

1. The assurance scope is consistent with the description of Chia Hsin Cement Corporation 2022 Sustainability Report.
2. The evaluation of the nature and extent of the Chia Hsin Cement'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 2022 Sustainability Report provides a fair view of the Chia Hsin Cement sustainability programmes and performances during 2022. The sustainability 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 Chia Hsin Cement and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Chia Hsin Cement's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers 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 Chia Hsin Cement's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards 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 Chia Hsin Cement'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.
- 5 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 Chia Hsin Cement 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 the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Chia Hsin Cement's inclusivity issues.

Materiality

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

Responsiveness

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

Impact

Chia Hsin Cement has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Chia Hsin Cement 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 Chia Hsin Cement's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Chia Hsin Cement provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Chia Hsin Cement's 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 sustainability report is the responsibility of the Chia Hsin Cement'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 Franchise.

For and on behalf of BSI:

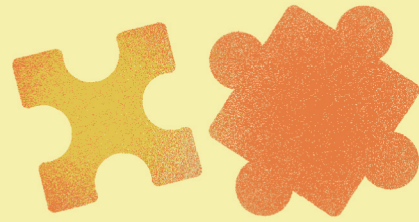

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2022002
2023-06-01

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