



嘉新企業團  
CHIA HSIN CEMENT GROUP



# 2023 SUSTAINABILITY REPORT

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CHIA HSIN CEMENT CORPORATION

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## CHIA HSIN CEMENT CORPORATION

## CONTENTS

### 01 Sustainable Development Vision Blueprint

Sustainable Development Vision Blueprint	2
Towards Net Zero: Carbon Reduction Strategy Blueprint	4
1.1 Letter from the Chairman	7
1.2 Letter from the Chief Sustainability Officer	8
1.3 Stakeholder Communication	10
1.4 Identification of Material Issues	14
1.5 About the Report	20

### 02 Responsible Business Practices

2.1 Responsible Products	22
2.1.1 Business Model	22
2.1.2 Financial Performance	26
2.2 Responsible Services	27
2.2.1 Ethical Corporate Management	27
2.2.2 Supply Chain Management	30
2.3 Responsible Investment	31

### 03 Sustainable Operations

3.1 Use of Sustainable Energy and Energy Efficiency	34
3.1.1 Climate Action	34
3.1.2 Improving Energy Efficiency	42
3.2 Incorporating Sustainable Thinking into Daily Operations	45
3.2.1 Risk Management	45
3.2.2 Information Security Management	49
3.2.3 Intellectual Property Management	50
3.3 Transparent Governance	51

### 04 Strengthening Partnerships

4.1 The Best Platform for Talent Development	57
4.1.1 Personnel Overview	57
4.1.2 Talent Cultivation	62
4.2 Building a Friendly, Healthy and Safe Environment	68
4.2.1 Diversified Workplace	68
4.2.2 Employee Care	69
4.2.3 Human Rights Policies and Commitments	72

### 05 Promoting Social Inclusion

5.1 Strengthening Connections with Social Partners	74
5.1.1 Scholarships and Charitable Sponsorships	74
5.2 Strengthen Social Influence	76
5.2.1 Youth Empowerment and Startup Support	76
5.2.2 Equity and Inclusion and Community Involvement	79

### Appendix

Appendix 1: GRI Content Index	84
Appendix 2: Participation in Public Associations	87
Appendix 3: The Reference Table for Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies	87
Appendix 4: Sustainability Disclosure Indicators	88
Appendix 5: Sustainability Accounting Standard (SASB)	89
Appendix 6: United Nation Global Compact Comparison Table	91
Appendix 7: Workforce Statistics	92
Appendix 8: Energy Efficiency in Operations	96
Appendix 9: External Assurance Statement	97

#### Cover Design Concept:

The number "70" marks Chia Hsin Cement Group's milestone 70th anniversary in 2024. Encircling this numeral is a constellation of circles, symbolizing our enduring connections with partners, graceful adaptability in shifting markets, and the foundational strength of our diverse ventures. The palette of this piece weaves together the serene blue of stability and reliability, emblematic of our traditional cement roots, with the vibrant orange of vitality and dynamism, capturing the spirit of our burgeoning hospitality endeavors. This design intertwines the steadfast essence of a time-honored enterprise with the vibrant pulse of modernity and innovation.



# Sustainable Development Vision Blueprint

## Four major pillars of sustainable development blueprint



From House to Home

## PURSuing QUALITY OF LIFE



## Members of the Sustainable Development Committee

Title	Name	Education	Experience
Chairperson (Chairman)	Jason K.L. Chang	Master, Massachusetts Institute of Technology	<ul style="list-style-type: none"> <li>Director, Taiwan Cement Corp.</li> <li>Taiwan Cement Manufacturers' Association</li> <li>Vice Chairman, EPOCH</li> </ul>
Director (Committee member)	Pan Howard Wei-Hao	Master of EE and MBA, Massachusetts Institute of Technology	<ul style="list-style-type: none"> <li>Director and President, Cheng Yeh Chemical Works</li> <li>Director and V.P., CFA Society Taiwan</li> </ul>
Independent Director (Committee member)	Robert K. Su	Ph. D., Accounting Louisiana State University	<ul style="list-style-type: none"> <li>Accounting professor, NCCU</li> <li>Director, Chinese Business Ethics Education Association</li> <li>Consultant Chien Kuo Construction Co., Ltd.</li> </ul>
Independent Director (Committee member)	Kevin Kuo-I Chen	Master of Law, New York University	<ul style="list-style-type: none"> <li>Vice President and Adjunct Professor, National Taiwan Sport University</li> <li>Adjunct Professor, University of Taipei</li> <li>Consultant, Chinese Taipei Olympic Committee</li> <li>Executive Board Member and President, Finance Committee of Olympic Council of Asia</li> </ul>

### Strategy

## Drive Competitive Operations and Social Impact with Sustainability as a Factor

Responsible business	Sustainable operation	Strengthening partnership	Promoting social inclusion
<ol style="list-style-type: none"> <li>1. Responsible Products</li> <li>2. Responsible Services</li> <li>3. Responsible Investment</li> </ol>	<ol style="list-style-type: none"> <li>1. Use of sustainable energy and energy efficiency</li> <li>2. Incorporating Sustainable Thinking into Daily Operations</li> <li>3. Transparent Governance</li> </ol>	<ol style="list-style-type: none"> <li>1. The best platform for talent development</li> <li>2. Building a friendly, healthy and safe environment</li> </ol>	<ol style="list-style-type: none"> <li>1. Strengthening connections with social partners</li> <li>2. Deepening social influence</li> </ol>



To keep pace with global trends and sustainability requirements, as well as address key stakeholders' concern, 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 has regularly reported the implementation of various sustainable development projects to the Board of Directors since 2020.

### Operation of the Sustainable Development Committee in the latest fiscal year:

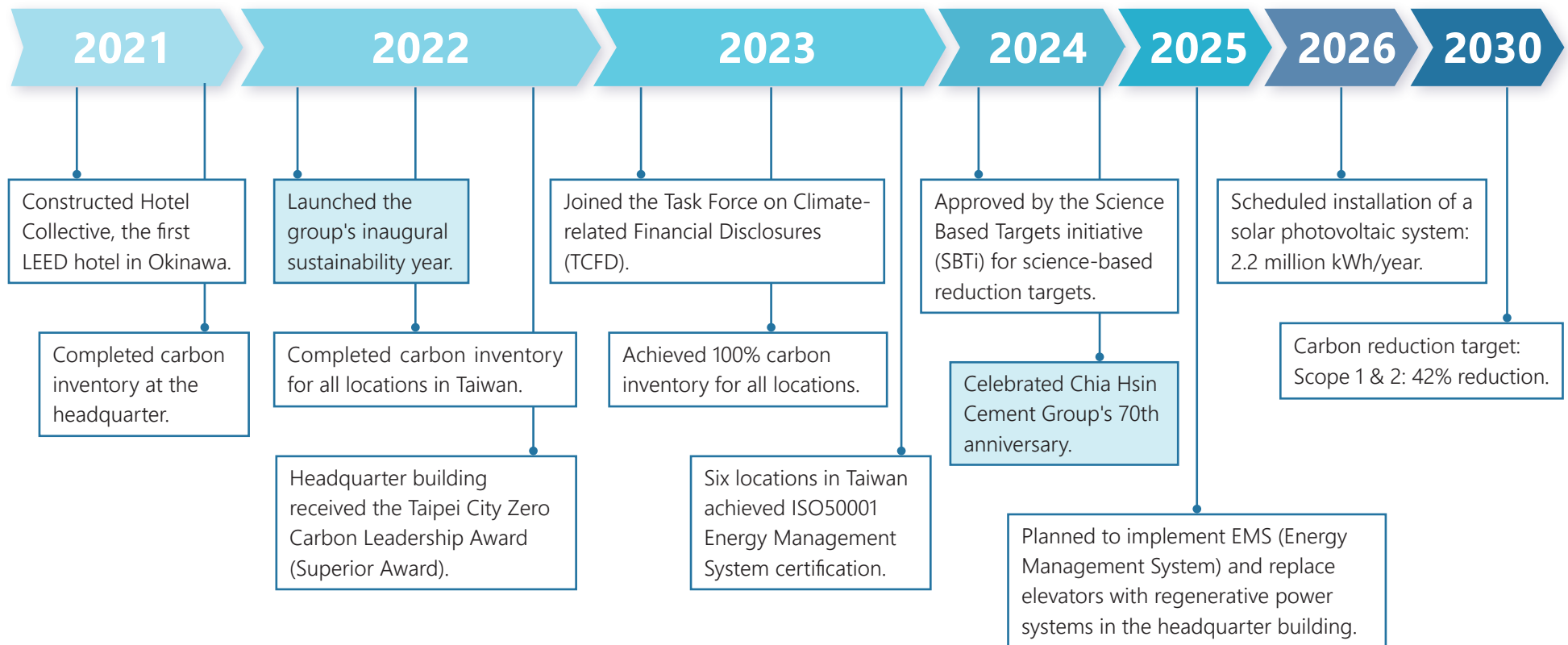
Session	Agenda	Item of Discussion	Report to the Board of Directors
1st Meeting of the 2nd Term (08/10/2022)	1. Decision and implementation status of the 2nd meeting of the 1st term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint 3. Appointed Professor Chia-Shen Chen as the Committee's consultant	Operation strategy of the corporate group's sustainable development blueprint and main focus	12/14/2022 449 <sup>th</sup> Board meeting
2nd Meeting of the 2nd Term (12/14/2022)	1. Decision and implementation status of the 1st meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint 3. Progress report on the corporate group's greenhouse gas inventory 4. Evaluation report on the corporate group's 2023 risk assessment	1. Incorporation of Task Force on Climate-related Financial Disclosures (TCFD) Supporter program 2. Plan and execute Science Based Targets initiative (SBTi) 3. 2023 Sustainable Development Office expected spending	12/14/2022 449 <sup>th</sup> Board meeting
3rd Meeting of the 2nd Term (05/09/2023)	1. Decision and implementation status of the 2nd meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint and green-house gas inventory	None	05/09/2023 453 <sup>rd</sup> Board meeting
4th Meeting of the 2nd Term (12/15/2023)	1. Decision and implementation status of the 3rd meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint 3. Progress report on the corporate group's green house gas emission inventory	1. Sustainable development blueprint for important subsidiaries 2. 2024 Sustainable Development Office expected spending	12/15/2023 458 <sup>th</sup> Board meeting



# Towards Net Zero: Carbon Reduction Strategy Blueprint

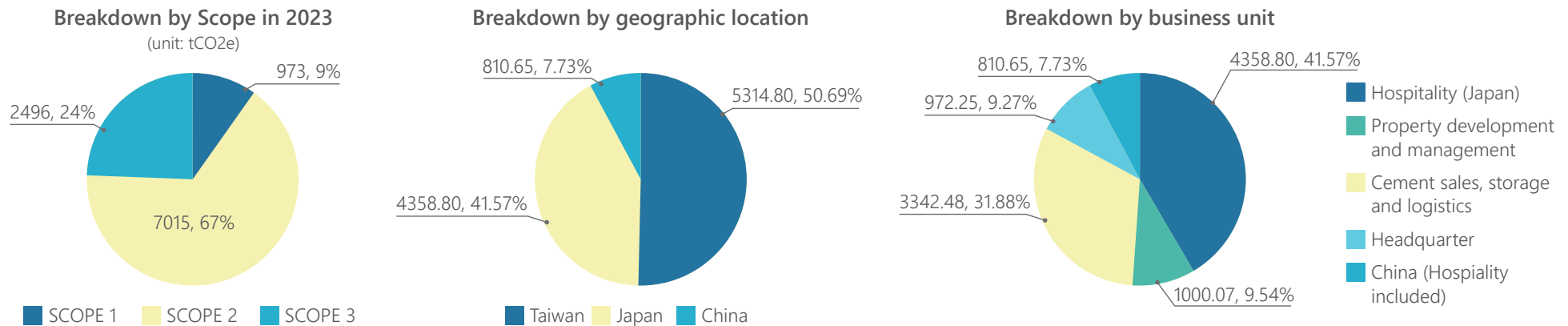
In response to global climate change, the Chia Hsin Cement Group emphasizes the importance of integrating climate action and greenhouse gas emissions reduction into its operations and governance. This year marks the second consecutive year that the group has completed carbon inventory for all domestic and international locations.

## ▼ Climate Governance and Carbon Reduction Milestones



In accordance with the Paris Agreement and Taiwan's 2050 net-zero emission target, the group applied for Science Based Targets (SBT) in 2023. In January 2024, the group passed the target review, setting a goal to reduce absolute emissions in Scope 1 and Scope 2 by 42% by 2030. This underscores our commitment to climate goals and our determination to continuously improve our business's carbon footprint.

## ▼ Carbon Emission Structure Analysis

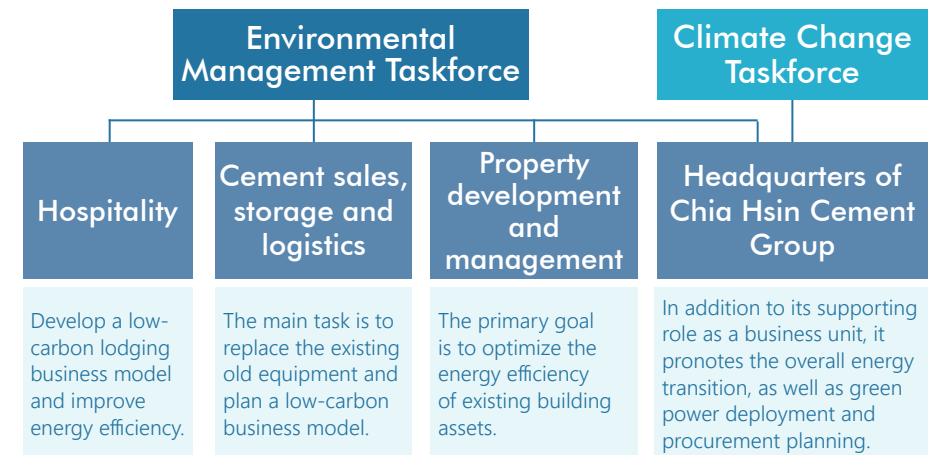


Since 2022, Chia Hsin Cement Group has conducted carbon inventory covering 29 operational sites domestically and internationally. Analyzing the latest 2023 annual carbon emissions by region, the hotel in Japan accounts for 41.57% of the group's total carbon emissions, making it the highest emission site in the entire group. Other sites in Taiwan account for 50.69% of the emissions, while those in mainland China contribute 7.73%.

By business scope, the analysis covers cement sales, storage and logistics, hospitality, and property development and management sectors. The primary source of emissions is electricity consumption (Scope 2), which includes equipment and office electricity usage. Scope 1 emissions primarily come from vehicle usage and natural gas consumption.

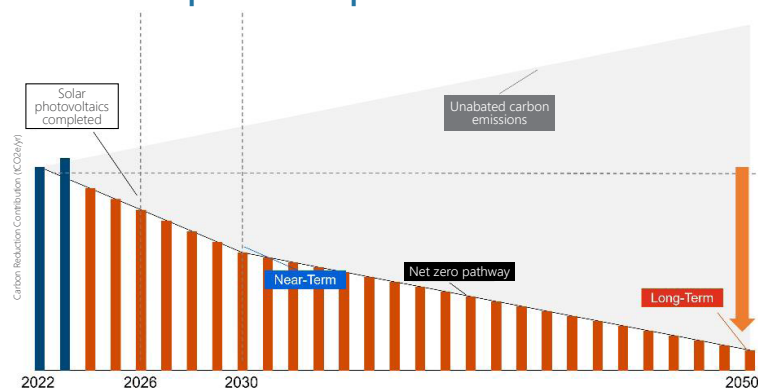
Compared to 2022, when some operations were still impacted by the pandemic, the 2023 emissions reflect a return to normal operations, showing an increase of approximately 345.67 tCO<sub>2</sub>e in Scope 1 and 2 emissions combined. However, due to various carbon reduction measures, the carbon intensity, measured by emissions per unit of revenue, decreased from 3.39 to 2.74 (tons per 100 million dollars).

To ensure the achievement of net zero, the group will track carbon reduction effectiveness annually and evaluate short, medium, and long-term strategies for setting carbon reduction targets.

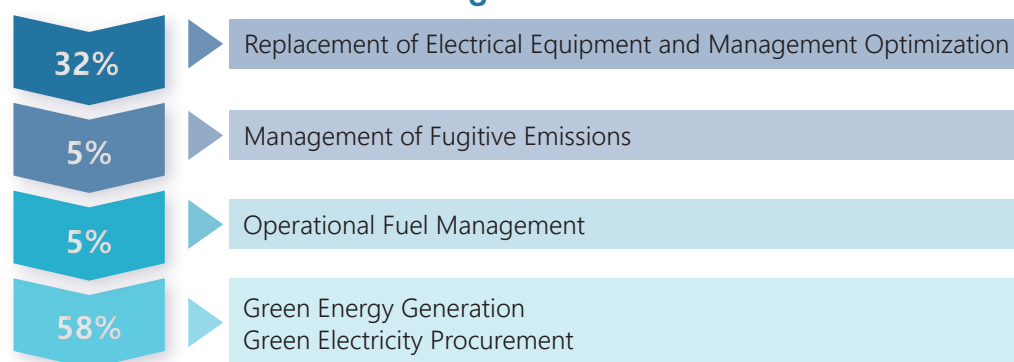


Chia Hsin Cement Group's carbon reduction actions are based on climate risks and opportunities identified by the groups headquarters, with the hospitality, cement storage, and asset management units implementing with strategies tailored to their respective operational scopes. The headquarters continues to plan and implement carbon reduction strategies across operational, educational, and innovative aspects.

## ▼ Reduction path blueprint



## ▼ Carbon reduction strategies



Strategic Pillars	Replacement of Electrical Equipment and Management Optimization 32%	Management of Fugitive Emissions 5%	Operational Fuel Management 5%	Green Energy Generation Green Electricity Procurement 58%
Strategy	Inventory and plan for replacement of outdated and inefficient electrical equipment within the Company, with ongoing expansion of the scope.	When refrigerant equipment needs to be replaced or refilled, we will use equipment with low-GWP (Global Warming Potential) refrigerants.	Reduce fuel use by managing kitchen gas consumption, electrifying kitchen appliances, and transitioning official vehicles to electric models.	In 2026, the first phase of the solar photovoltaic system will be launched. the Company will continue to evaluate available areas to expand green electricity construction and will monitor potential green power procurement opportunities to increase the use of green electricity.
Short-Term Action Plan	<ul style="list-style-type: none"> <li>Replace port area equipment with energy-efficient air compressors and screw conveyor motors.</li> <li>Replace office building common area lighting with LED fixtures.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct an inventory of high-energy-consuming refrigerant equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct an inventory of old company-owned vehicles and replace them with electric models.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate the photovoltaic system installation plan.</li> </ul>
Medium to Long-Term Action Plan	<p><b>Cement Sales, Storage and Logistics</b></p> <ul style="list-style-type: none"> <li>Gradually replace plant lighting with high-efficiency LED fixtures.</li> <li>Replace outdated high-power consumption equipment with new high-efficiency equipment or add variable frequency devices to increase energy efficiency.</li> <li>Optimize pipeline systems to avoid pressure loss during transport.</li> </ul> <p><b>Hospitality</b></p> <ul style="list-style-type: none"> <li>Optimize operating time for machinery, lighting, and air conditioning.</li> <li>Increase the "pre-cooling before guest check-in" temperature by 1°C.</li> <li>Replace guest room refrigerators with more energy-efficient models.</li> </ul> <p><b>Property Development and Management</b></p> <ul style="list-style-type: none"> <li>Optimize common area illumination.</li> <li>Replace building lighting with high-efficiency LED fixtures.</li> <li>Upgrade building elevators and install power regeneration systems.</li> </ul>	<p><b>Hospitality</b></p> <ul style="list-style-type: none"> <li>Replace guest room refrigerators with low-GWP refrigerant models</li> </ul> <p><b>Chia Hsin Cement Group</b></p> <ul style="list-style-type: none"> <li>Replace or refill refrigerant equipment with low-GWP refrigerants when they reach their end of lifecycle or require maintenance</li> <li>Install aeration equipment at sites to reduce septic tank emissions</li> </ul>	<p><b>Cement Sales, Storage and Logistics</b></p> <ul style="list-style-type: none"> <li>Electrify fuel-powered company vehicles</li> </ul> <p><b>Hospitality</b></p> <ul style="list-style-type: none"> <li>Introduce electric kitchen equipment</li> <li>Design low-carbon menus</li> <li>Implement ISO 50001</li> </ul>	<p><b>Chia Hsin Cement Group</b></p> <ul style="list-style-type: none"> <li>Install solar photovoltaic systems—expected to generate over 2.2 million kWh annually starting in 2026</li> <li>Evaluate green electricity procurement</li> <li>Increase green electricity usage</li> </ul>



# 1.1 Letter from the Chairman

Established in 1954, Chia Hsin Cement Group celebrates its 70<sup>th</sup> anniversary this year. It has transformed from a startup enterprise into a sustainable force spanning multiple industries. Standing at this significant milestone, we celebrate not only the group's past achievements, but also reaffirm the commitment to fulfilling our future mission.

Throughout the long history of Chia Hsin Cement Group, being "people-oriented" has always been the central spirit. From the day of its founding, we have been committed to creating a friendly and inclusive working environment, not only providing employees with dignity in their careers and caring for their work-life balance, but also promoting family values. At the same time, we uphold a sense of responsibility to society, placing customers at the forefront, and consistently providing high-quality products and services to promote social development.

Looking back over the past 70 years, in response to the changes and challenges of the times, the group continuously adjusted and reformed. Pursuing innovation and change often requires overcoming many difficulties, and we are fortunate to have employees who work together with unity, courage to learn and innovate, and support from various quarters. With this combined effort, we have been able to overcome adversity and thrive, setting numerous commendable records:

- Chia Hsin Cement Plant was the first privately owned cement plant in Taiwan;
- Our headquarters, the Chia Hsin Building, renowned for its magnificent architecture, became an iconic landmark in Taipei upon its completion, and continues to exude a timeless appeal.
- The construction of the Wanguo Commercial Building (formerly IBM Building) marked Taiwan's first intelligent commercial skyscraper.

- Chia Hsin Cement pioneered in seizing opportunities to establish an integrated cement production, storage, transportation, and sales system in mainland China.
- The company constructed Taiwan's first environmentally-friendly sand, gravel, and coal unloading docks and storage facilities at Taipei Port.
- Hotel Collective, managed and invested in Okinawa, earned accolades as one of the best hotels in Naha, Japan, renowned for its hospitality.
- We were the first in Taiwan to introduce five-star hotel accommodation services into maternity centers.
- As a pioneer in advocating for healthy living, the company introduced WELL standards to maternity centers and achieved Platinum for the Healthy Building certification.

Among them all, in 1960, Chia Hsin Cement Group established the Chia Hsin Scholarship Program, providing substantial aid to academically excellent but financially disadvantaged students, ensuring they could continue their education. Three years later, the Chia Hsin Foundation was established to ensure the perpetual funding of scholarships and support for educational and cultural initiatives. It was the first private foundation established in Taipei, and to date, it has disbursed over NT\$270 million in scholarships, benefiting more than 96,000 students. Since 2014, in collaboration with the Epoch Foundation, we have provided working space in the Chia Hsin Building to Garage+ for incubating startups, training entrepreneurship and promoting joint force innovations. The program has served 565 teams to date.

Maintaining faith to our founding spirit, we prioritize giving back to society while developing ourselves. Therefore, past recognitions not only inspire us to be more confident and diligent but also instill the belief that these acts of righteousness serve as motivation, will serve as growth tinder inspiring our successors and igniting new forces to propel our country and society toward further improvements.

Looking ahead, as pursuing healthy and balanced life stands as the trend of social cognition, we aim to focus on refined hospitality and health care services. We will integrate climate action to protect the environment and ecology, continue to value the worth of individuals and their interconnectedness, and strive for mutual benefit, fulfilling our mission to enhance people's quality of life.



Chairman  
Chairperson of the Sustainable  
Development Committee  
**Jason K. L. Chang**

# 1.2 Letter from the Chief Sustainability Officer



President | CEO | CSO

**Elizabeth Wang**

Established in 1954, Chia Hsin Cement Group is committed to pursuing growth without sacrificing the environment or the well-being of any individual, leaving no one behind. We advocate an inclusive growth strategy that integrates development, environmental protection and social equity for a better future.

“Deep Dive” is the primary focus of our sustainable development efforts in 2023.

## Environment (E)

Over the past 70 years, we have continuously embraced the concepts of sustainability and environmental responsibility since our first factory operation. So far, Chia Hsin Cement Group has planted more than 10,000 native species of plants in quarry restoration efforts. In alignment with government policy, we constructed the first environmentally friendly bulk cargo terminal at Taipei Port in 2006. In 2021, we proactively initiated a greenhouse gas (GHG) inventory ahead of statutory requirements and completed a carbon inventory of all companies in our consolidated statements by 2023. Furthermore, in the first quarter of 2024, our carbon reduction targets underwent review by the Science-Based Targets Initiative (SBTi), with 2022 serving as the base year and a target of 42% reduction in Scope 1 and Scope 2 emissions by 2030. This exemplifies our unwavering commitment to carbon reduction.

We have also developed a Carbon Reduction Roadmap this year, outlining our future carbon reduction targets and the practical steps we will take to achieve them. We believe that having clear targets and plans are essential for effectively reducing carbon emissions.

## Social (S)

Chia Hsin Foundation has been awarding scholarships for over 65 years, benefiting more than 96,000 students, with a total of NT\$270 million in scholarships granted. In 2023, we implemented several new diversity policies in employee care to support employees of all ages and with different needs. For instance, we introduced flexible commuting and remote working options, employee assistance programs, paternity leave, family care leave, and various forms of childcare support. Our aim is to assist our employees in maintaining their health, balancing their family and work responsibilities, and enhancing their overall quality of life.

At the same time, we believe that in order to make a real impact on society, it is necessary to combine the resources of industry, management, academia and society. In 2023, we took the lead in integrating MEandMINE, a new start-up team from Garage+, and the Taiwan Fund for Children and Families (TCFC), to promote social emotional learning. On Christmas Eve last year, we provided the children at the TCFC Centers with social emotional learning board games, so that the children could learn to recognize and manage their emotions through play. We were able to reach 14 counties and 23 classes, covering 677 disadvantaged children. The positive feedback we received from the children and the social workers touched our hearts.

## Governance (G)

We believe that transparent and efficient governance is ensured by reliable data. For the fourth consecutive year, we remain in the top 6-20% of listed companies in the Corporate Governance Evaluation by TWSE and continue to align ourselves with the sustainability best practices of international benchmark companies. In 2023, we outperformed the industry average in the S&P Global ratings, with a 4% to 27% improvement over the previous year in all E, S and G dimensions. In addition to the ongoing integration and digitization of internal information, we have incorporated sustainability issues into our risk management process over the past two years to strengthen our ability to analyze and respond to future challenges and to seize new opportunities. In the future, we will continue to operate and manage the company with open and transparent governance and communicate with our stakeholders.

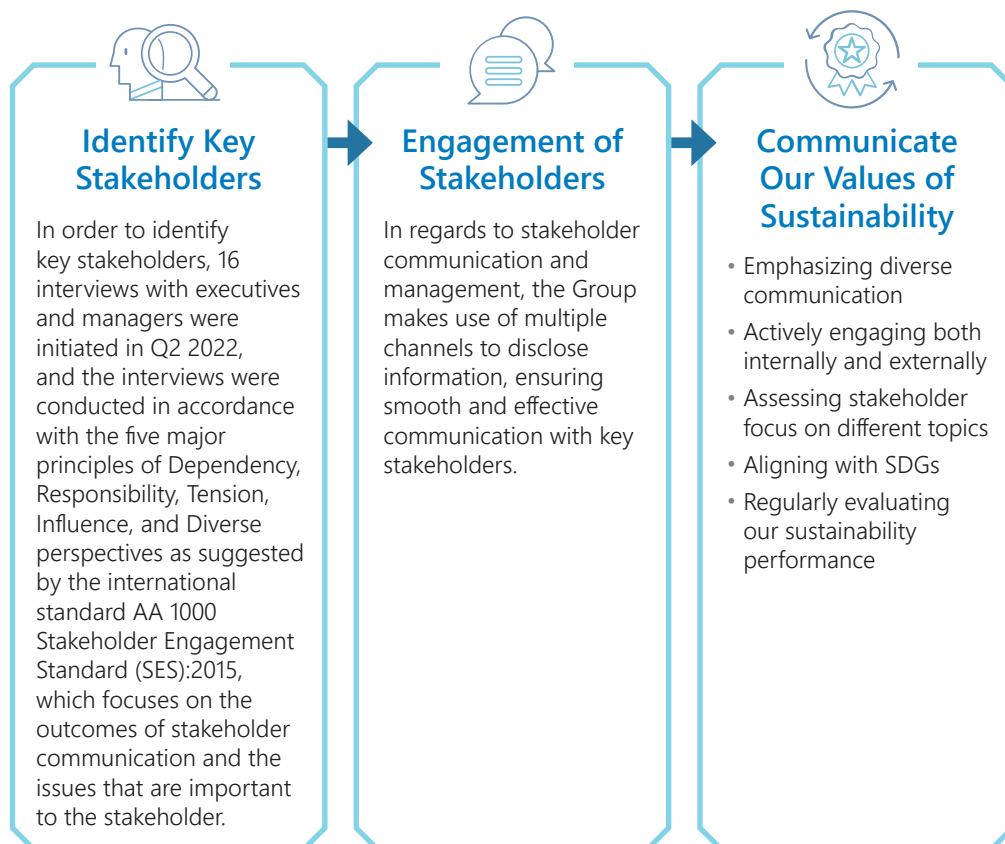
We would like to express our special thanks to all our partners for your positive efforts and to our stakeholders for your support and participation. Your suggestions, questions and encouragements are the driving force behind our continuous improvement. We have come a long way in practicing what we believe to be right. In the future, we will continue to uphold this belief, focusing on growth while achieving equity and inclusion, and look forward to expanding our social impact with our partners around the world.



# 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

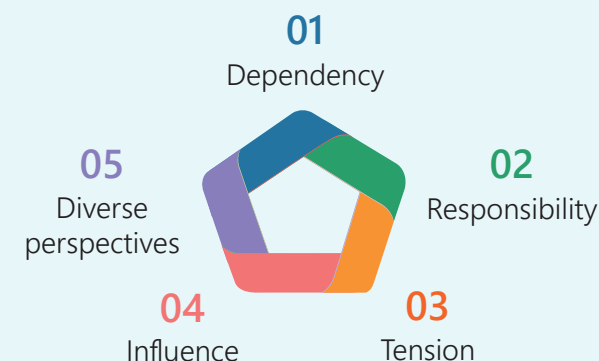


## Implementation Status in 2023






**342** valid questionnaires were collected and analyzed.  
\*276% of the previous year







## 5 Stakeholder Engagement Standards



## 9 categories of stakeholders










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

Primary communication channels and achievements with stakeholders.	Stakeholder	shareholders / investors 	customers / consumers 	employees 
	Target Audiences	General shareholders, corporate shareholders	Distributors, retail customers, tenants, consumers	Employees and their families, consultants
	Significance	Shareholders and investors are the owners of the Company. Their support is crucial for sustaining operations and driving development. the Company should protect their interests, treat them fairly, and ensure their right to fully participate in decision-making on significant matters. By doing so, the Company demonstrates its commitment to sustainable market value.	A strong connection with consumers and customers enhances revenue potential, shapes brand reputation, and builds credibility. Only with customer support and trust can the Company grow and increase its value.	Employees are not only the foundation of the company's operations but also the driving force behind its innovation and development. Their contribution is crucial to the company's success, making them important stakeholders. Only by nurturing and retaining talent, can the company continue to grow and remain competitive in the market.
	Main Communication Channels and Frequency	<ul style="list-style-type: none"> <li>• Spokesperson service hotline and email (real-time)</li> <li>• Stock transfer agency service hotline (realtime)</li> <li>• Annual general meetings (AGMs) and board meetings (quarterly)</li> <li>• Investor conferences (quarterly)</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service email and hotline (real-time)</li> <li>• Customer visits (every two months)</li> <li>• Website mailbox (real-time)</li> <li>• Line@ chat or SNS communication (real-time)</li> <li>• Online courses for customers (as needed)</li> <li>• Online courses for Maternity centers clients (from time to time)</li> </ul>	<ul style="list-style-type: none"> <li>• Labour-Management Meeting (once per quarter)</li> <li>• Employee satisfaction and departmental evaluation questionnaire (once per year)</li> <li>• Employee Welfare Committee Meeting (once per quarter)</li> <li>• Labor Retirement Fund Oversight Committee (irregular)</li> <li>• Employee Communication Assembly (irregular)</li> <li>• CEO's afternoon tea (irregular)</li> <li>• HR business partner (irregular)</li> <li>• HR email newsletter (irregular)</li> <li>• HR supervisor hotline (irregular)</li> <li>• Employee Assistance Program (irregular)</li> <li>• Official Line@ (irregular)</li> <li>• Internal announcement (irregular)</li> <li>• Regular employee meetings</li> </ul>
	Stakeholder Communication Achievements in 2023	<ul style="list-style-type: none"> <li>• Convened 1 annual general meeting (with online participation option)</li> <li>• 4 investor conferences</li> <li>• 9 Board of Director Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Visit clients 2-3 times weekly.</li> <li>• Maintain periodic communication with clients via phone or email.</li> <li>• Conduct annual customer satisfaction surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction rate survey</li> <li>• Annual performance appraisal and interview</li> <li>• E-learning platform</li> <li>• Revised "Retirement and Severance Pay Regulations"</li> <li>• 1 employee communication conference and overall satisfaction survey.</li> <li>• Held 2 CEO afternoon teas</li> <li>• New employee education and training with an overall satisfaction rating of 4.62 out of 5</li> <li>• Monthly birthday gifts and e-cards for employees</li> <li>• Personal health interviews with workplace nurses.</li> <li>• One mental health lecture</li> <li>• Annual employee health check</li> <li>• Monthly employee meetings</li> <li>• 4 meetings of the Employee Welfare Committee.</li> <li>• 4 labor-management meetings.</li> <li>• 1 meeting of the Labor Retirement Benefits Oversight Committee.</li> </ul>

 <b>government agencies</b>	 <b>financial institutions</b>	 <b>partners</b>	 <b>vendors</b>	 <b>media</b>	 <b>communities / NPOs</b>
<p>Governing authorities, the Financial Supervisory Commission (FSC), Securities and Futures Bureau, Taiwan Depository &amp; Clearing Corporation (TDCC), Department of Environmental Protection, Ministry of Health and Welfare, Department of Labor, Tourism Bureau</p> <p>Government agencies regulate corporate compliance with various laws and provide financial support. Chia Hsin Cement Group's business spans cement sales, storage and warehousing, property development, and hospitality services. Effective communication and negotiation with government agencies serve as directional indicators and fundamental principles for development.</p> <ul style="list-style-type: none"> <li>Attend courses held by the FSC (as needed)</li> <li>Attend meetings of Taiwan Stock Affairs Association (TWSAA; as needed)</li> <li>Attend courses, conferences or seminars held by labor and environmental protection authorities (as needed)</li> <li>Participate in environmental oversight and audits</li> </ul> <ul style="list-style-type: none"> <li>Attended seminars, exchanges, and courses (e.g., eXtensible Business Reporting, business conferences for public companies, adoption of International Financial Reporting Standards, etc.)</li> <li>Hosted video-assisted shareholders' meeting with the TDCC</li> <li>Received the "2022 Taipei City Net Zero Leadership Award", Superior Award in the Commercial Industry A.</li> </ul>	<p>Banks, securities firms, and Okinawa Development Finance Corporation</p> <p>Financial institutions prioritize corporate performance and risk management, enhancing transparency and operational efficiency to influence long-term development and market position. They play a crucial role in new venture development, requiring prompt discussions on financial information and relevant regulations.</p> <ul style="list-style-type: none"> <li>Liaisons and visits (as needed)</li> <li>Announcements of annual financial statements and quarterly reports (real-time)</li> <li>Project discussions or seminars (as needed)</li> </ul> <ul style="list-style-type: none"> <li>Participate in seminars and exchange meetings (project discussions and workshops: 25 times)</li> <li>Periodic visits.</li> </ul>	<p>Ports Corporation, construction developers or hotel peers, other industries (e.g., social enterprise, aviation/tourism), and medical institutions and hospitals (designated for emergency purposes)</p> <p>Through strategic alliances with different industries, we can expand our customer base and subsequently boost revenue growth. By establishing win-win strategies, we can enhance our service offerings and build mutually trusting cooperative relationships.</p> <ul style="list-style-type: none"> <li>Visits or telephone communication (real-time)</li> <li>Investment partners: meetings and board meetings (quarterly)</li> <li>Weekly visits from partner medical institutions to the maternity centers.</li> </ul> <ul style="list-style-type: none"> <li>Actively participate in partner's board of directors or shareholders' meetings.</li> <li>Maternity center: Medical institution makes four rounds or more per week for immediate communication</li> <li>Visits from aviation and tourism agencies: More than once a month (online meetings)</li> <li>Written correspondence with TIPC and compliance with relevant measures: 6 times</li> </ul>	<p>Suppliers, contractors</p> <p>Suppliers and contractors are vital partners providing products, services, and information related to organizational processes. Robust supplier relationships ensure supply stability and reliability, fostering operational efficiency and business growth.</p> <ul style="list-style-type: none"> <li>Meetings and discussions (as needed)</li> <li>Exchange visits or telephone calls (as needed)</li> <li>Annual internal audit by CPA (once a year)</li> <li>Accountants participate in communications with the board of directors and audit committee. (4 times)</li> <li>CPA: Quarterly report audit (quarterly), evaluation of the impact of major products on financial statements (as needed)</li> <li>Hotel suppliers (daily in real-time)</li> <li>Exchanges with industry peers (as needed)</li> </ul> <ul style="list-style-type: none"> <li>Exchanged and communicated with all suppliers: Real-time or as needed</li> <li>Project consultants or lawyers, CPAs: Realtime or as needed</li> <li>Periodically communicate via phone or email.</li> <li>Conduct annual supplier audit evaluations.</li> <li>Hold occasional tender coordination meetings.</li> </ul>	<p>TV, print, and social network (Facebook, Blogs, etc.)</p> <p>To enhance corporate awareness and strengthen brand visibility during transformation, Chia Hsin Cement Group actively engages with the media. In addition to seasonal visits and hosting luncheons for communication, the company has also participated in numerous media interviews to convey its sustainability philosophy and brand image to the public. Through timely media reports, we ensure that all stakeholders can closely follow the company's interactions and activities with the community and non-profit organizations.</p> <ul style="list-style-type: none"> <li>Media gatherings or interviews (as needed)</li> <li>Media conferences and exchanges (as needed)</li> <li>Media communication at quarterly investor conferences (quarterly)</li> <li>Media gatherings at annual general meetings (yearly)</li> <li>Blogs (as needed)</li> </ul> <ul style="list-style-type: none"> <li>Interviews, shareholders' meetings, investor conferences, etc., covered in media: 101 instances.</li> </ul>	<p>Communities, non-profit organizations, and local shopping street and community associations</p> <p>Collaborating with various non-profit organizations enables Chia Hsin Cement Group to contribute to the community, strengthen local connections, and provide resources to rural and underprivileged students, fostering a cycle of goodwill.</p> <ul style="list-style-type: none"> <li>Scholarships for disadvantaged students and sports scholarships via Chia Hsin Foundation (yearly)</li> <li>Sponsorship of cultural &amp; creative projects and rural educational activities (yearly)</li> <li>Social welfare activities (as needed)</li> <li>Neighborhood evening meetings (twice yearly)</li> <li>Exchanges with/visiting community or local business associations (monthly)</li> </ul> <ul style="list-style-type: none"> <li>Scholarship awards</li> <li>Support for startups and green investments</li> <li>Collaboration with regional revitalization teams</li> <li>Participate in monthly meetings of Kokusai Dori Street</li> <li>Participate in regional Chamber of Commerce in Okinawa</li> <li>Participate in meetings or seminars organized by public associations</li> <li>Volunteer activities with Taiwan Santa Claus Association</li> <li>Chia Hsin x MEandMine x TFCF, Yingge Branch - Education Assistance Program</li> <li>Sponsorship of the inaugural "Cinema at Sea Okinawa Pacific International Film Festival"</li> </ul>



## Stakeholders' Topics of Interest and Chapters

Stakeholder	Topics of Interest	Chapters	Stakeholder	Topics of Interest	Chapters
 shareholders / investors	<ul style="list-style-type: none"> <li>Dividend policy</li> <li>Financial performance</li> </ul>	2.1.2 Financial Performance	 partners	<ul style="list-style-type: none"> <li>Guaranteed cargo quantity or contract rental fees</li> </ul>	*Please refer to chapter 5.2 "Market, Production, and Sales Overview" in the annual report 2.2.2 Supply Chain Management
	<ul style="list-style-type: none"> <li>Corporate governance</li> </ul>	3.3 Transparent Governance		<ul style="list-style-type: none"> <li>Future ESG plans</li> </ul>	Sustainable Development Blueprint
	<ul style="list-style-type: none"> <li>New business development</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website		<ul style="list-style-type: none"> <li>Occupational safety and environmental issues</li> </ul>	*Please refer to chapter 5.5 "Labor Relations" in the annual report and visit the "Occupational Safety and Health" section on the website
	<ul style="list-style-type: none"> <li>ESG, &amp; sustainability and risk response</li> </ul>	Sustainable Development Blueprint 3.2.1 Risk Management		<ul style="list-style-type: none"> <li>Business cooperation and future development</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website
 customers / consumers	<ul style="list-style-type: none"> <li>Product price, quality, supply, and service</li> <li>Uninterrupted supply of storage and transportation services</li> <li>Property management responsibilities to tenants</li> </ul>	*Please refer to chapter 5.2 "Market, Production, and Sales Overview" in the annual report 2.2.2 Supply Chain Management	 vendors	<ul style="list-style-type: none"> <li>Price comparison and negotiation process</li> <li>Fair acceptance review process</li> <li>Supply chain management policy</li> </ul>	*Please refer to chapter 5.2 "Market, Production, and Sales Overview" in the annual report 2.2.2 Supply Chain Management
	<ul style="list-style-type: none"> <li>Customer complaint handling and follow-up</li> </ul>	*For more information, please visit the "Stakeholder" section on the website		<ul style="list-style-type: none"> <li>Ethical management</li> <li>Regulatory and risk compliance</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website
	<ul style="list-style-type: none"> <li>Latest knowledge and practice of newborn care for mothers on maternity and infant care</li> </ul>	*For more information, visit the website of "Gemcare Maternity Center Taiwan"		<ul style="list-style-type: none"> <li>Financial status</li> </ul>	2.2.1 Ethical Corporate Management *For more information, please visit the "Tax Policy" section on the website
	<ul style="list-style-type: none"> <li>Corporate image and product positioning</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website		<ul style="list-style-type: none"> <li>New business development</li> </ul>	2.1.2 Financial Performance
 employees	<ul style="list-style-type: none"> <li>Labor relations</li> <li>Salary, job promotions, and related benefits</li> <li>Talent training and development</li> <li>Employee safety and health</li> <li>Workplace atmosphere and organizational culture</li> <li>Future career development and growth</li> </ul>	4.1.2 Talent Cultivation 4.2.1 Diversified Workplace 4.2.2 Employee Care	 media	<ul style="list-style-type: none"> <li>New business development</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website
	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Ethical management</li> </ul>	2.2.1 Ethical Corporate Management *For more information, please visit the "Tax Policy" section on the website		<ul style="list-style-type: none"> <li>Operational performance</li> </ul>	2.1.2 Financial Performance
	<ul style="list-style-type: none"> <li>Environmental protection</li> </ul>	3.1.2 Improving Energy Efficiency Appendix 8 Energy Efficiency in Operations		<ul style="list-style-type: none"> <li>Major public issues</li> </ul>	2.1.1 Business Model 2.3 Responsible Investment *For more information, please visit the "Business Scope" section on the website
	<ul style="list-style-type: none"> <li>Labor management policies</li> <li>Pandemic prevention measures</li> </ul>	*Please refer to chapter 5.5 "Labor Relations" in the annual report 3.2 Risk Management		<ul style="list-style-type: none"> <li>Corporate Branding</li> </ul>	3.2.1 Risk Management *Please refer to chapter 7.6 "Risk Management in the Recent Year and up to the Publication Date of this
 government agencies	<ul style="list-style-type: none"> <li>Tourism output value and employment opportunities</li> </ul>	*Please refer to chapter 5.2 "Market, Production, and Sales Overview" in the annual report	 communities / NPOs	<ul style="list-style-type: none"> <li>Social welfare engagement</li> <li>Local participation and giving back to the community</li> </ul>	5.1 Strengthening Connections with Social Partners 5.2 Strengthen Social Influence
	<ul style="list-style-type: none"> <li>Financial performance</li> </ul>	2.1.2 Financial Performance			
	<ul style="list-style-type: none"> <li>Financial risk management</li> </ul>	2.1.2 Financial Performance 3.2 Risk Management			
	<ul style="list-style-type: none"> <li>Corporate governance and operations</li> </ul>	3.3 Transparent Governance			
 financial institutions	<ul style="list-style-type: none"> <li>ESG development</li> </ul>	Sustainable Development Blueprint			

# 1.4 Identification of Material Issues

## Materiality Analysis Process

### 1 Establish Goals

#### Significance

Chia Hsin Cement Group develops corresponding management methods for issues related to company operations and stakeholder interests, ensuring stakeholders understand the Company's strategies and performance.

#### Double Materiality

In 2023, Chia Hsin Cement Group introduced the "Double Materiality Principle" for the first time, in alignment with GRI standards and industry development trends, to evaluate:

- Issues that significantly impact the Company's development and performance.
- Issues where company activities have a greater impact on the economy, society, and environment for key stakeholders.

### 2 Collect and Refine Issues

#### Issue Collection

The Sustainable Development Office(SDO) summarizes and consolidates material issues by referring to the stakeholders' opinions, benchmarking enterprises, and international standards, such as ISO 26000. The SDO collected a total of 47 issues.

#### Issue Refinement

Based on the previous year's stakeholder communication results, current company operations, and future development potential, 14 issues were identified and refined.

\*Given their special status as fundamental operational priorities, the Company chose not to include "Integrity and Compliance" and "Financial Performance" among the 14 identified issues. More details can be found in sections "2.2.1 Ethical Corporate Management" and "2.1.2 Financial Performance" of this report.

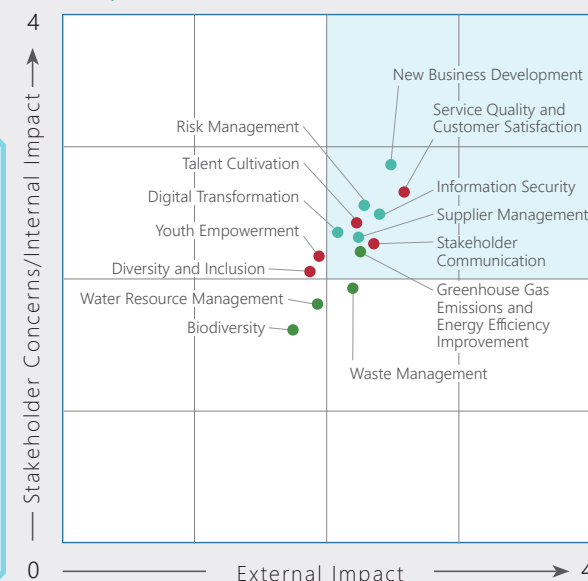
### 4 Analyze Questionnaires and Identify Issues

According to the survey results, we conducted analysis by combing "Stakeholder Concerns" and "Internal Impact" on the vertical axis, and placing "External Impact" on the horizontal axis, to develop a materiality matrix.

With approval from the Chief Sustainability Officer, 9 issues falling within the high-score blocks of the matrix (the upper right) were identified as material issues. Related impacts, performance, management strategies, targets, and metrics are disclosed in the table below.

## Materiality Matrix

● Corporate Governance ● Social ● Environment



### 3 Design and Distribute Questionnaires

#### Questionnaire Design

The questionnaire design involves conducting a comprehensive survey of key stakeholders to gather their opinions on the Company's material issues and to assess its impact on the external environment, economy, and society. Company managers assess financial impacts through dimensions of income, expenses, and risk. The survey also includes evaluating employee engagement and customer satisfaction, covering five major aspects to assess the external environment's impact on company operations.

#### Questionnaire Distribution

A total of 342 valid responses were received, including feedback from external stakeholders and employees from both domestic and international locations, to broadly investigate their concerns regarding material issues.

## Frequency of Identifying Material Issues

The Company plans to conduct the identification of material issues every three years. It continuously reviews stakeholder concerns, the impact of the issues on the Company every year. This process includes reviewing and adjusting management policies and goals.

## Material Issues Management Methods

Material Issues	Impact Aspects ● Major Impact ○ Minor Impact			Impact on the Company: Actual/Potential impact Positive/Negative impact	Extent of Financial Impact <small>*a proportion of total company revenue: Low: Less than 1% Medium: 1-5% High: More than 5%</small>	Management Methods	2023 Performance	2024 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
New business development	●	●	●	<p><b>Potential positive impact:</b> Combining ESG principles for new business development aims to enhance market competitiveness and image, attracting more customers and investors. This approach helps the Company reduce costs, increase efficiency, minimize waste, and boost innovation capabilities, thereby further improving competitiveness and economic benefits.</p> <p><b>Potential negative impact:</b> Developing new business strategies directly impacts future financial performance and overall operational outcomes. Failure to align with sustainability principles, resulting in consumer or market rejection, could lead to significant operational or financial setbacks.</p>	Medium	<ul style="list-style-type: none"> <li>Assess new projects by considering their potential for sustainable development across economic, environmental, and social dimensions.</li> <li>When formulating new business strategies, set carbon emission targets, promote low-carbon products, and consider the layout and selection of investment areas.</li> <li>Adhere to the principles of responsible investment, considering the created social value as one of the investment criteria.</li> </ul>	<p><b>Responsible Investment:</b> 1. Our significant investee, TCC group holdings, has made substantial investments in low-carbon building materials, green energy, and resource recycling in recent years. They have integrated sustainability into their operations and core strengths to introduce new business models. 2. Our 23.1% stake in LDC Hotels &amp; Resorts emphasizes environmental sustainability by avoiding single-use amenities and conducting comprehensive carbon inventory. Their subsidiary, Fleur de Chine Hotel, was honored with the 2023 Global Views CSR &amp; ESG Social Innovation Award.</p> <p><b>Resource Recycling:</b> Hotel Collective, our fully owned property, employs a rainwater recycling system for plant irrigation, conserving water resources. Additionally, the hotel has achieved a total waste recycling rate of 38%."</p>	<p><b>Low-Carbon Cement Storage and Transport Facilities:</b> In response to the global "net zero" trend and future low-carbon cement demand, we will install low-carbon cement dispatch facilities at the Keelung Port.</p> <p><b>Solar Energy Green Power Project:</b> We plan to install solar panels on the rooftops of tenants at the Gangshan Plant, aiming to establish 2MW of facilities within two years, generating over 2.2 million kWh annually. This will provide a stable source of self-generated green electricity, becoming a crucial pillar for emission reduction.</p> <p><b>Green Building Certification:</b> The first and second floors of the headquarters building will be renovated to apply for green building certification.</p>	<p>● Shareholders / Investors ● Customers / Consumers ● Employees ○ Financial Institutions ○ Partners ● Vendors ○ Communities / NPOs</p>	<p><b>GRI 201-1:</b> Direct economic value generated and distributed</p> <p><b>GRI 201-2:</b> Financial implications and other risks and opportunities due to climate change</p>	<p>2.1.1 Business Model 2.1.2 Financial Performance 2.3 Responsible Investment 3.1.1 Climate Action</p>
Service Quality and Customer Satisfaction	●	●	●	<p><b>Potential positive impact:</b> Providing high-quality services helps establish brand trust and build strong customer relationships, leading to revenue growth and solidifying market share.</p> <p><b>Potential negative impact:</b> If service quality fails to meet customer expectations, it could harm brand reputation and result in a decline in both revenue growth.</p>	Medium	<ul style="list-style-type: none"> <li>Establish a close connection with customers through attentive and thoughtful service in a changing market.</li> <li>Implement core values into products and services to build brand image and reputation, thereby enhancing customer trust and loyalty and increasing potential benefits.</li> </ul>	<p><b>Customer Satisfaction:</b> Our hospitality business delivers high-quality services, evidenced by Hotel Collective receiving the Agoda Gold Circle Award 2023 and achieving a high score of 9.1 on Booking.com, along with the Traveller Review Awards 2023.</p> <p><b>Revenue Growth:</b> Hotel Collective's annual revenue reached 2.695 billion yen, reflecting a growth of 78.68% compared to the previous year.</p>	<p>1. Accommodation Services: Continue to enhance our reputation for service excellence and warmth.</p> <p>2. Warehousing Business: Strengthen employee training to reduce equipment maintenance frequency and improve operational efficiency.</p>	<p>○ Shareholders / Investors ● Customers / Consumers ● Employees ● Vendors</p>	Custom Topics	<p>2.1.1 Business Model 2.1.2 Financial Performance 2.3 Responsible Investment</p>



Material Issues	Impact Aspects ● Major Impact ○ Minor Impact			Impact on the Company: Actual/Potential impact Positive/Negative impact	Extent of Financial Impact <small>*a proportion of total company revenue: Low: Less than 1% Medium: 1-5% High: More than 5%</small>	Management Methods	2023 Performance	2024 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Information Security	●	○	●	<p><b>Potential positive impact:</b> Examining information security and personal data protection risks across various operations is crucial for maintaining a good business reputation.</p> <p><b>Potential negative impact:</b> Significant or frequent information security breaches or personal information leaks can lead to a decline in customer evaluation, trust, and satisfaction, and may also result in financial losses.</p>	Low	<ul style="list-style-type: none"> <li>Define management processes and standards for information security based on the organization's business goals, industry characteristics, and operational processes. Conduct information security analysis and risk assessments for operations, and establish reporting and handling procedures for information security incidents.</li> <li>Ensure personnel receive regular training, such as courses on information security and personal data protection.</li> <li>Annually report to the board of directors on the Company's information security governance and implementation status. The latest report is dated December 15, 2023.</li> </ul>	<p><b>Information Security Education and Training:</b></p> <ol style="list-style-type: none"> <li>Conducted information security education and personal data inventory.</li> <li>Held an information security drill on October 13, 2023, followed by additional training sessions.</li> </ol> <p><b>Personal Data Protection Education:</b> Strengthened legal compliance and awareness among internal staff. Conducted two "Personal Data Protection Law" training sessions in 2023, each lasting one hour, with a total of 28 participants. *As of 2023, there have been no significant regulatory violations.</p>	<ol style="list-style-type: none"> <li>We plan to implement the ISO 27001 Information Security Management Framework from 2024 to 2025 to enhance the protection of our information assets. We will review and optimize workflows and management measures accordingly.</li> <li>Continue to promote personal data protection education and training courses.</li> <li>Regularly update intellectual property policies and objectives to support overseas development and operational goals.</li> </ol>	<p>● Customers / Consumers</p> <p>● Employees</p> <p>○ Vendors</p>	Custom Topics	3.2.2 Information Security Management 3.2.3 Intellectual Property Management
Risk management	●	●	●	<p><b>Potential positive impact:</b> Effective risk management is essential for maintaining operational stability. By understanding the nature and severity of risks, timely measures can be implemented to prevent or mitigate possible losses. In the event of losses, swift recovery to normal operations becomes feasible, thereby protecting the Company's economic benefits.</p> <p><b>Potential negative impact:</b> Failure in risk management increases uncertainty and reduces the ability to respond to risk impacts promptly. Proactive risk management measures and continuous monitoring and evaluation for timely adjustments are essential.</p>	Medium	<ul style="list-style-type: none"> <li>Identify risks for each business unit within the Group, measuring significant risks by their probability and impact, and developing response strategies for major risks.</li> <li>Regularly execute and optimize risk assessment processes, develop response strategies, ensuring designated risk management units are actively involved in executing and monitoring these measures. Implement risk-oriented internal audits to verify and oversee the effectiveness of risk responses.</li> </ul>	<ol style="list-style-type: none"> <li>On December 15, 2023, the board of directors approved revisions to the Company's "Risk Management Policies and Procedures."</li> <li>Following the risk management process, the Company identified major risks by consulting external expert reports and ESG databases, devised response measures and monitoring indicators, and regularly tracked risk management outcomes.</li> <li>The 2024 risk assessment report was presented to the audit committee and the board of directors on December 15, 2023. Please refer to the official website for details.</li> </ol>	<ol style="list-style-type: none"> <li>Strengthen the risk management mechanism and continuously promote training to foster a risk management culture.</li> <li>Continuously conduct risk assessments and monitor management outcomes, providing annual reports to the board of directors on the results of these assessments.</li> </ol>	<p>● Shareholders / Investors</p> <p>● Customers / Consumers</p> <p>● Employees</p> <p>○ Financial Institutions</p> <p>○ Partners</p> <p>● Vendors</p>	Custom Topics	3.2.1 Risk Management 3.1.1 Climate Action

Material Issues	Impact Aspects ● Major Impact ○ Minor Impact			Impact on the Company: Actual/Potential impact Positive/Negative impact	Extent of Financial Impact <small>*a proportion of total company revenue: Low: Less than 1% Medium: 1-5% High: More than 5%</small>	Management Methods	2023 Performance	2024 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Talent Cultivation	-	○	○	<b>Potential positive impact:</b> <ul style="list-style-type: none"> <li>Human Resources: Employees are the cornerstone of the Company's competitiveness and a key indicator of success. A robust talent development system strengthens employees' competence and cohesion, enhancing their knowledge and abilities to contribute to society.</li> <li>Employee Welfare: Caring for employees' needs and establishing a friendly work environment, through continuous improvement of health check-up systems and gender equality measures, ensures employees' well-being, work-life balance, and protection of their rights.</li> </ul> <b>Potential negative impact:</b> Demographic Challenges: Decreasing birth rates result in rising labor costs and operational pressures. the Company must reorganize employee roles and required skills, simplify and innovate work processes to enhance efficiency, and address workforce shortages effectively.	Low	<ul style="list-style-type: none"> <li>Enhance employer brand's image and increase the group's visibility.</li> <li>Promote continuous learning and talent development, establish succession planning, and implement inclusive training programs.</li> </ul>	1. Implemented leave policies that exceed statutory requirements, introduced flexible working hours, and eliminated clock-in requirements on makeup workdays. 2. Optimized the education and training system. 3. Established competency models. 4. Improved the performance appraisal system. 5. Initiated departmental talent development plans, including department head succession planning. 6. Launched the Employee Assistance Program (EAP). 7. Introduced maternity and parenting programs. 8. Implemented the Human Resource Business Partner (HRBP) system. 9. Established a buddy system for new employees.	1. Efficiency: Optimize internal processes and systems using technology to lower operational costs. 2. Sustainability: Embed sustainability principles across all human resources domains, including employer branding, talent sustainability, and diversity, equity, and inclusion (DE&I) to ensure a long-term positive impact on the organization and society. 3. Innovation: Foster a culture of creativity and experimentation to pioneer new approaches and methodologies in talent management and human resources operations.	● Employees	<b>GRI 401:</b> Employment 2016 / <b>GRI 404:</b> Training and Education 2016  <b>GRI 405:</b> Diversity and Equal Opportunity 2016	4.1.1 Personnel Overview 4.1.2 Talent Cultivation 4.2.1 Diversified Workplace 4.2.2 Employee Care 4.2.3 Human Rights Policies and Commitments
Stakeholder Communication	-	-	○	<b>Potential positive impact:</b> <ul style="list-style-type: none"> <li>Stakeholder Engagement: Addressing stakeholders' concerns positively influences customer satisfaction, trust, and corporate reputation.</li> <li>Thematic Initiatives: Engaging stakeholders through themed planning and activities facilitates communication.</li> </ul> <b>Potential negative impact:</b> Communication Delays: Failure to communicate promptly may result in customer loss and adversely affect operational performance and satisfaction.	Low	<ul style="list-style-type: none"> <li>Annually review stakeholder communication and regularly schedule communication or activity plans.</li> <li>Use the official website and social media channels for timely updates, ensuring stakeholders receive the latest information promptly and their concerns are addressed effectively.</li> </ul>	1. The 2023 stakeholder communication performance is detailed in the previous section, 1.3 "Stakeholder Communication". 2. Conducted a survey on stakeholders' sustainability concerns, collecting 342 valid responses.	1. Plan a series of events aligned with the Company's 70th anniversary, integrating the group's sustainability strategies and concepts. 2. Enhance the diversity and richness of content presented on the Company website and social media platforms.	● Shareholders / Investors ● Customers / Consumers ● Employees ○ Government ● Agencies ● Financial Institutions ● Partners ● Vendors ● Media ● Communities / NPOs	Custom Topics	1.1 Letter from the Chairman 1.2 Letter from the Chief Sustainability Officer 1.3 Stakeholder Communication 1.4 Identification of Material Issues

Material Issues	Impact Aspects ● Major Impact ○ Minor Impact			Impact on the Company: Actual/Potential impact Positive/Negative impact	Extent of Financial Impact <small>*a proportion of total company revenue: Low: Less than 1% Medium: 1-5% High: More than 5%</small>	Management Methods	2023 Performance	2024 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Supplier Management	●	●	●	<p><b>Potential positive impact:</b> Supplier Management: By managing suppliers, the Company can ensure that they prioritize environmental protection, labor rights, and ethical business practices, thereby ensuring smooth operations through standardized supplier management.</p> <p><b>Potential negative impact:</b></p> <ul style="list-style-type: none"> <li>• Reputation Risk: Violations of labor rights or environmental regulations by suppliers could significantly jeopardize the Company's reputation and erode customer trust.</li> <li>• Supply Chain Disruptions: Failure to proactively identify risks related to climate change, digital transformation, and geopolitical factors could disrupt the supply chain and impact operations.</li> </ul>	Medium	<ul style="list-style-type: none"> <li>• Conduct regular supplier assessments, treating suppliers as partners and emphasizing sustainability and risk management as key strategies.</li> <li>• Annually review supplier quality, pricing, delivery times, ethical practices, labor rights, and green procurement to evaluate and adjust strategies.</li> </ul>	<ol style="list-style-type: none"> <li>1. Conducted comprehensive evaluations of key suppliers, focusing on ethical practices, labor rights, and green procurement. Achieved 100% completion for suppliers involved in cement-related activities.</li> <li>2. Organized ethics training sessions for major suppliers, totaling two hours with 59 participants.</li> </ol>	<ol style="list-style-type: none"> <li>1. Expand supplier evaluations to more business units.</li> <li>2. Plan to conduct Scope 3 carbon inventories of the upstream and downstream supply chains for 2025-2026.</li> </ol>	● Vendors	Custom Topics	2.2.2 Supply Chain Management
Greenhouse Gas Emissions and Energy Efficiency Improvement	○	-	-	<p><b>Potential positive impact:</b> Reduction in GHG Emissions and Climate Impact: Lowering greenhouse gas emissions and mitigating climate change can lead to innovative business opportunities and operational management models, reducing energy costs and increasing efficiency. This enhances competitiveness and sustainable development. Proactively analyzing and identifying financial risks posed by climate change can effectively address and adapt to these risks.</p> <p><b>Potential negative impact:</b> Regulatory and Cost Risks: Failure to manage carbon risks and implement reduction measures, as well as improve energy efficiency, may lead to increased carbon costs or inability to comply with the latest regulations and international trends.</p>	Low	<ul style="list-style-type: none"> <li>• Conduct annual greenhouse gas inventories for all domestic and international sites, verified by third parties.</li> <li>• Implement international quality certification standards focused on environmental sustainability. Promote energy-saving measures, carbon reduction, and the development of green products and services. Enhance energy efficiency to minimize environmental impact and achieve sustainable environmental goals</li> </ul>	<ol style="list-style-type: none"> <li>1. GHG Inventory and Verification: Completed greenhouse gas inventory and verification for all domestic and international sites in response to the global trend of "net zero" in April 2023 (covering 100% of the consolidated financial report scope).</li> <li>2. Expanded ISO 50001 and ISO 14001 certifications to 5 new operational sites in 2023, bringing the total verified by third parties to 6 sites.</li> <li>3. Applied to join the SBTi (Science Based Targets initiative) in November 2023, with target approval received in January 2024. Established a mid- to long-term goal of reducing Scope 1 and Scope 2 emissions by 42% by 2030.</li> </ol>	<ol style="list-style-type: none"> <li>1. We plan to replace six elevators and install power regeneration systems at the Chia Hsin headquarters building to reduce energy consumption.</li> <li>2. We plan to publish Chia Hsin Cement Group's first TCFD (Task Force on Climate-related Financial Disclosures) report in 2024.</li> </ol>	○ Shareholders / Investors ○ Customers / Consumers ○ Financial Institutions ● Vendors	<p><b>GRI 201-2:</b> Financial implications and other risks and opportunities due to climate change</p> <p><b>GRI 302-1:</b> Energy consumption within the organization</p> <p><b>GRI 302-3:</b> Energy intensity</p> <p><b>GRI 305-4:</b> Reduction of energy consumption</p> <p><b>GRI 305-7:</b> Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.</p>	<p>3.1.1 Climate Action</p> <p>3.1.2 Improving Energy Efficiency</p>

Material Issues	Impact Aspects ● Major Impact ○ Minor Impact			Impact on the Company: Actual/Potential impact Positive/Negative impact	Extent of Financial Impact <small>*a proportion of total company revenue: Low: Less than 1% Medium: 1-5% High: More than 5%</small>	Management Methods	2023 Performance	2024 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Digital Transformation	○	-	○	<p><b>Potential positive impact:</b> Digital transformation can streamline business processes, enhance energy efficiency, and reduce costs, thereby improving overall efficiency. It also enables the identification of new drivers for future growth, such as emerging market opportunities or potential efficiency gains.</p> <p><b>Potential negative impact:</b> Digital transformation may entail high costs or lead to talent attrition. However, successful digital transformation can lower costs and enhance workforce motivation.</p>	Low	Evaluate and optimize internal communication and customer service processes, and improve data quality to facilitate cross-functional digital integration and process optimization.	<ol style="list-style-type: none"> <li>1. Successfully completed the overhaul and implementation of the employee operations system.</li> <li>2. Introduced a trial project management system to streamline scheduling and adjust human resource allocation.</li> <li>3. Enhanced the employee attendance management system by introducing remote clock-in and online leave application functionalities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Introduce a digital carbon footprint management system in 2024.</li> <li>2. Plan to introduce an Energy Management System (EMS) for energy-saving projects at the Chia Hsin Headquarters Building from 2024 to 2025.</li> </ol>	<ul style="list-style-type: none"> <li>● Customers / Consumers</li> <li>● Employees</li> </ul>	Custom Topics	3.1.2 Improving Energy Efficiency 3.2.2 Information Security Management 3.2.3 Intellectual Property Management

Note: "Stakeholder Communication" is categorized under GRI 2: General Disclosure. the Company evaluates current operations and plans to allocate increased efforts and resources towards managing and promoting Stakeholder Communication. This topic is also included in the material issues assessment.

# 1.5 About the Report

GRI

2-1、2-2、2-3、2-4、2-5

Chia Hsin Cement Corporation & Group (TWSE:1103; "Chia Hsin Cement Group") published the 2023 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 2024

Reporting Period: January 1 to December 31, 2023

First report: June 2016 (the current report is the 8th Sustainability Report)

Previous report: June 2023

Next report: June 2025

## 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 content of this report covers the consolidated financial statements of Chia Hsin Cement Corporation (=CHC Group). However, the scope of Chapter 4 concerning employee benefits varies according to the regulatory policies in the respective regions where each subsidiary operates.

**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.

**Responsible Unit for Report:** Sustainable Development Office

### External Assurance

The report was audited and verified by BSI Group Singapore Pte. Ltd. Taiwan Branch, in accordance with AA1000AS v3 Type 1 Moderate Level.



### Contact Information

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

#### Chief Sustainability Officer

Elizabeth Wang, President of the Company  
email: [ir@chcgroup.com.tw](mailto:ir@chcgroup.com.tw)

#### Company Spokesperson & Manager of Sustainable Development Office

Simon Chin  
e-mail: [simonchin@chcgroup.com.tw](mailto:simonchin@chcgroup.com.tw)

#### Contact Window for Sustainability Report

Kelly Yu  
e-mail: [kellyyu@chcgroup.com.tw](mailto:kellyyu@chcgroup.com.tw)

📍 No. 96, Section 2, Zhongshan North Road, Taipei City

☎ 02-2551-5211

🌐 <http://www.chcgroup.com.tw/>



# 02 Responsible Business Practices

## 2.1 Responsible Products 22

2.1.1 Business Model 22

2.1.2 Financial Performance 26

## 2.2 Responsible Services 27

2.2.1 Ethical Corporate Management 27

2.2.2 Supply Chain Management 30

## 2.3 Responsible Investment 31



### 2023 Key Sustainability Performance

Have listed in the Little Giant Group of the "Excellence in Corporate Social Responsibility Citizenship Awards" for 2 years



Won 2023 Taiwan Corporate Sustainability Award(TCSA) Platinum Award

Have ranked in the top 6%-20% of listed public companies in terms of governance for 4 consecutive years

In 2023, the revenue from the hospitality business escalated to approximately 24.58% of the total revenue.

Integrity management courses: In 2023, the training coverage rate for employees in Taiwan reached 100% (including new employees)

# 02

## Responsible Business Practices

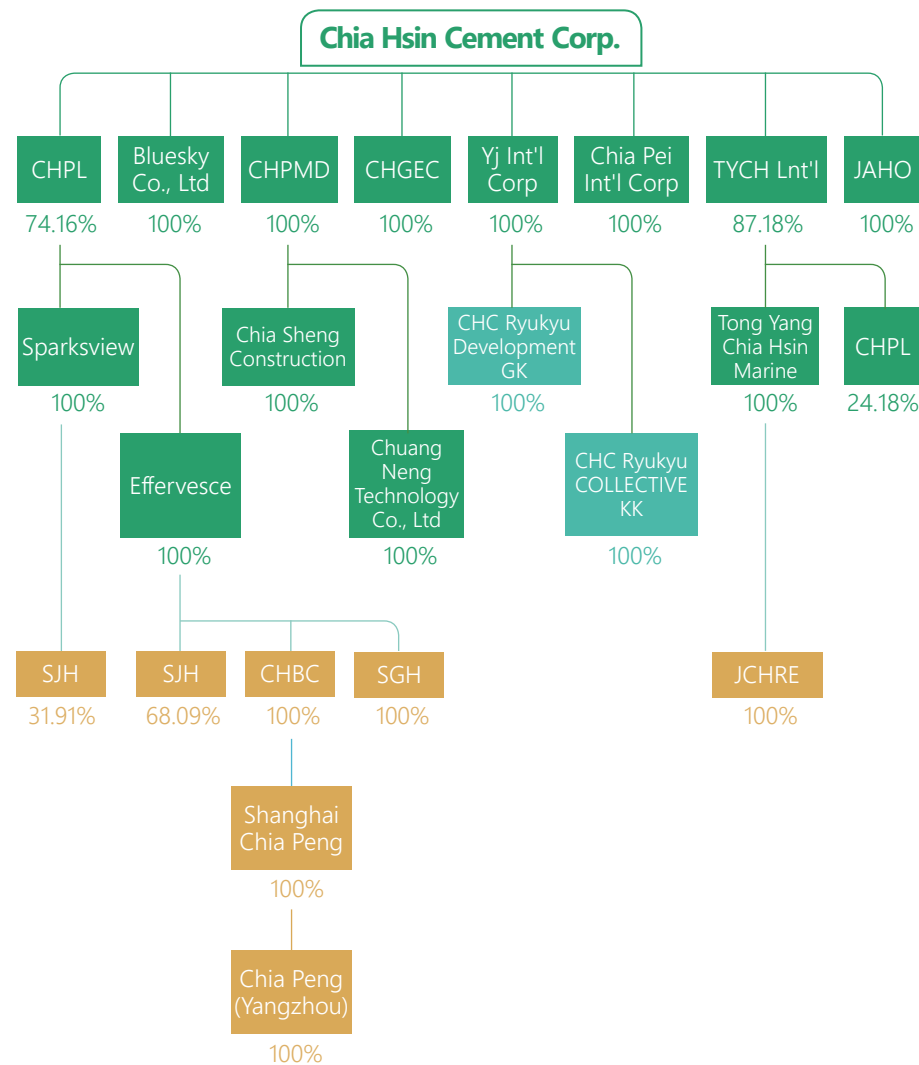
### 2.1 Responsible Products

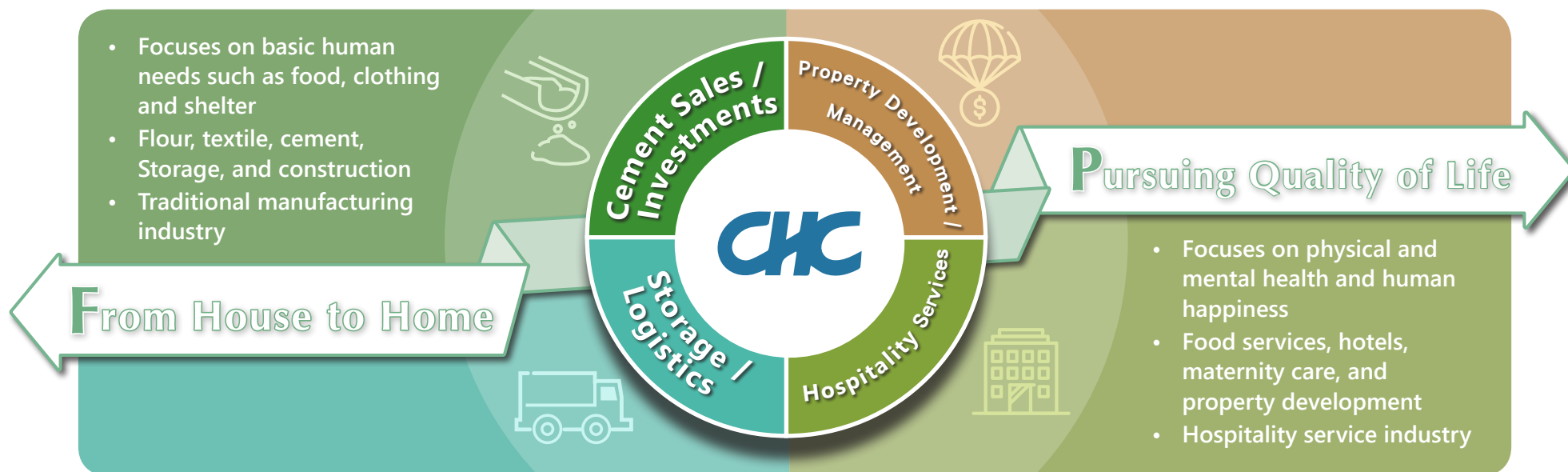
#### 2.1.1 Business Model

Over the years, Chia Hsin Cement Group has consistently adapted to societal changes and needs. Rooted in textiles and flour, we transitioned into the cement industry to provide people with better quality of life. Initially addressing fundamental human needs like food, clothing, and shelter, we have evolved to offer lifestyle services that can promote physical and mental well-being. Looking ahead, we are committed to furthering sustainable management practices and enhancing asset value through exceptional service.



#### The Group's Businesses and Investment





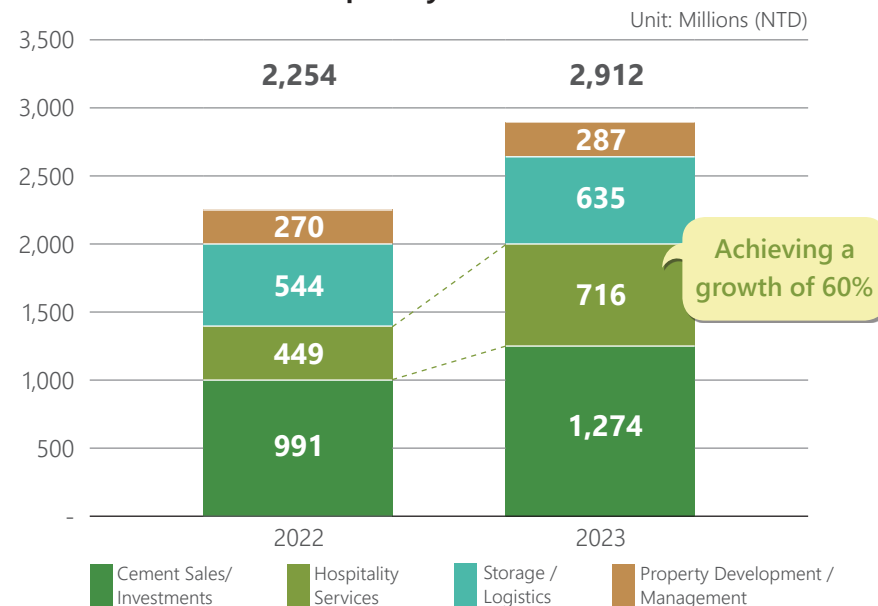
Revenue of major business groups in the last 4 years Unit: Millions (NTD)

Category	2020	2021	2022	2023
Cement sales	1,009	1,069	991	1,274
Property development and management	259	251	270	287
Storage and logistics	606	656	544	635
Hospitality services	184	244	449	716
Total	2,058	2,220	2,254	2,912

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

Category	2019	2020	2021	2022	2023
Cement sales	54%	49%	48%	44%	44%
Property development and management	14%	13%	11%	12%	10%
Storage and logistics	29%	29%	30%	24%	22%
Hospitality services	3%	9%	11%	20%	24%
Total	100%	100%	100%	100%	100%

The revenue from the hospitality business continues to increase Unit: Millions (NTD)





## Cement Sales/ Investments

Product	Operating Entity	Results in 2023
Cement trading	Chia Hsin Cement Corp.	Sold 436,000 metric tons of cement in the Taiwanese market
Investing in cement companies	Equity in TCC	Sold cement clinkers in both Taiwan and China.



## Storage / Logistics

Product	Operating Entity	Results in 2023
Cement storing and transporting	Tong Yang Chia Hsin International Corp.	Stored and transported a total of 1.4395 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 1.185 million metric tons of coal and 4.615 million metric tons of gravel and general bulk cargo, for a total of 5.80 million metric tons.




## Property Development / Management

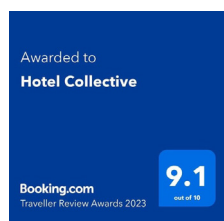
Product	Operating Entity	Results in 2023	Main Asset Overview	
Office building leasing	Chia Hsin Property Management and Development Corp.	The annual average occupancy rate of the Chia Hsin Building is 99.79%, and the rental income increased by 5.88%		<p><b>Chia Hsin Headquarters Building</b></p> <p>94.65% 96.32% 98.79% 99.91%</p>  <p><b>Leasing</b></p> <ul style="list-style-type: none"> <li>Occupancy rate maintained at full capacity</li> <li>Achieved 99.91% occupancy rate in Q1 2024</li> <li>Continuously provides stable cash flow</li> </ul> <p><b>Update</b></p> <ul style="list-style-type: none"> <li>Installed earthquake monitoring equipment in the building in 2022</li> <li>Evaluating LEED &amp; WELL certification for headquarters floors to enhance asset value</li> <li>Exterior wall repairs scheduled for late 2024"</li> </ul>
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 72.10%, a 8.13% increase in leasing revenue.		<p><b>Gangshan Plant</b></p> <p>60.09% 62.91% 72.1% 77.9%</p>  <p><b>Leasing</b></p> <ul style="list-style-type: none"> <li>Occupancy rate steadily increasing</li> <li>Reached 77.9% occupancy rate in Q1 2024</li> <li>4-year CAGR: 6.8%</li> </ul> <p><b>Update</b></p> <ul style="list-style-type: none"> <li>Corporate group's green energy goals include developing energy storage and photovoltaic projects</li> <li>Solar panels planned for installation starting in 2026 expected to generate over 2.2 million kWh per year</li> </ul> 



## Hospitality Services

Product	Operating Entity	Results in 2023					
Hotel development	CHC Ryukyu COLLECTIVE KK	<div><div></div><div><p>Hotel Collective's annual operating income of JPY 2,695 million, an increase of 78.68% from the previous year.</p></div></div> <div><div><div>Hotel Collective Operation Performance</div><div><div>Unit : JPY</div><div><div><div>ADR 2022</div><div>ADR 2023</div><div>OCC 2022</div><div>OCC 2023</div></div><div><div><div><div><div>Jan</div><div>Feb</div><div>Mar</div><div>Apr</div><div>May</div><div>Jun</div><div>Jul</div><div>Aug</div><div>Sep</div><div>Oct</div><div>Nov</div><div>Dec</div></div><div><div><div><div>16,500</div><div>17,500</div><div>13,000</div><div>18,500</div><div>14,500</div><div>17,000</div><div>15,500</div><div>18,500</div><div>14,500</div><div>20,500</div><div>18,500</div><div>23,500</div><div>20,000</div><div>24,500</div><div>17,000</div><div>20,500</div><div>16,500</div><div>19,000</div><div>17,500</div><div>21,500</div></div><div><div><div><div>20.1%</div><div>20.0%</div><div>36.2%</div><div>49.1%</div><div>50.9%</div><div>50.1%</div><div>59.2%</div><div>47.1%</div><div>57.1%</div><div>69.6%</div><div>77.8%</div><div>76.0%</div></div><div><div><div><div>77.1%</div><div>86.3%</div><div>88.4%</div><div>87.4%</div><div>81.8%</div><div>77.9%</div><div>80.3%</div><div>73.5%</div><div>80.0%</div><div>84.3%</div><div>84.1%</div><div>76.2%</div></div></div></div></div></div></div></div></div><div><div>Hotel development</div><div>CHC Ryukyu Development GK</div><div>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.</div></div></div><tr><td rowspan="2">Health services</td><td>Jaho Life Plus+ Development Corp.</td><td>The Company provides a total of 44 beds at the two Gemcare Maternity Centers in Taiwan.</td></tr><tr><td>Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.</td><td>A maternity center was established in Jiangsu Province, which began operations in the Q4 of 2021. It has obtained WELL Certification and can accommodate 34 beds.</td></tr></div></div></div></div></div>	Health services	Jaho Life Plus+ Development Corp.	The Company provides a total of 44 beds at the two Gemcare Maternity Centers in Taiwan.	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	A maternity center was established in Jiangsu Province, which began operations in the Q4 of 2021. It has obtained WELL Certification and can accommodate 34 beds.
	Health services	Jaho Life Plus+ Development Corp.		The Company provides a total of 44 beds at the two Gemcare Maternity Centers in Taiwan.			
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.		A maternity center was established in Jiangsu Province, which began operations in the Q4 of 2021. It has obtained WELL Certification and can accommodate 34 beds.					





Received a high rating of **9.1**  
on **Booking.com** in 2023,  
and the  
"Traveller Review Awards 2023".



Received the  
"Agoda Gold Circle Award 2023".

## 2.1.2 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	2019	2020	2021	2022	2023
Operating revenue (unit: NT\$ millions)	1,884	2,058	2,220	2,254	2,912
Net profit (unit: NT\$ millions)	1,409	1,838	748	-174	96
EPS (unit: NT\$)	1.97	2.68	1.00	-0.27	0.12
Debt ratio (%)	38.85	38.45	35.62	39.65	38.52
Ratio of long-term capital to property, plant, and equipment (%)	535.84	606.96	709.16	681.10	780.29
Return on assets (%)	4.27	4.96	2.16	-0.1	0.71
Return on equity (%)	6.32	7.55	2.94	-0.73	0.43

Note 1: The data was calculated based on consolidated financial statements prepared using the International Financial Reporting Standards.

Note 2: Calculated based on the weighted average number of shares outstanding in each year, earnings per share in previous years are retrospectively adjusted for stock dividends.

### 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	2019	2020	2021	2022	2023
Cash dividend	1	1.4	0.65	0.3	0.5
Stock dividend	0	0	0	0.2	0
Total	1	1.4	0.65	0.5	0.5

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

(Unit: NT\$/thousands)

Item	2019	2020	2021	2022	2023
Operating revenue	1,884,002	2,058,417	2,220,254	2,253,659	2,911,583
Financial investment revenue	1,022,944	807,947	1,128,413	352,303	218,496
Operating costs	1,685,405	2,202,158	2,189,455	2,121,073	2,545,152
Employee salaries and benefits	344,096	508,346	527,431	487,049	515,159

## 2.2 Responsible Services

### 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.

#### 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 on a regular basis and at least once a year.

#### Annual work plans and duties of the unit in charge of promoting ethical management are described below:

- 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 the 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 458th board meeting (December 15, 2023).

#### 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 2023, we have provided training programs on Ethical Management and Anti-Corruption for our important suppliers to demonstrate and strengthen Chia Hsin Cement Group'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 2023 progress on the promotion of integrity management education and training:

Integrity in Business Employee Education and Training Program	Several physical and online "Integrity in Business Employee Education and Training Program" were conducted on the following dates: 10/5, 10/13, 10/17, 10/23, 11/24, and 12/1 in 2023. Additionally, we offered links to the absent employees to view the recording courses during 11/25 to 12/12. Professional instructors from Deloitte & Touche provided expertise in teaching essential regulations of integrity in business, including the United Nations Convention against Corruption and the Integrity in Business Code for listed companies. The topics covered workplace integrity, legal responsibilities, case studies on violations of integrity, prevention of insider trading, and practical case sharing. A total of 219 employees from the Company participated in the courses, with 100% coverage for all employees and new hires, accumulating a total training duration of 2 hours. We will continue our commitment to promoting education and training on business integrity within the Company
Supplier Education Program on Integrity in Business	In 2023, we invited suppliers and related partners to participate in a 2-hour Supplier Integrity Education Program, which took place from November to December, with a total of 18 suppliers and 59 individuals attending.
New Employee Education, Training, and Orientation	"Preventing Insider Trading Awareness Course": Participants are new employees within the Group. In 2023, the "Preventing Insider Trading Awareness Course" for new employees was conducted on 5/10 with 7 participants, on 8/25 with 5 participants, and on 9/15 with 7 participants, totaling 19 individuals. The overall training rate for new employees reached 100%. New employees are arranged to participate in the annual Integrity in Business Employee Education and Training Program, whose numbers were calculated in the annual Integrity in Business Employee Education and Training Program.

## Continuous Education 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.
- 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 cover: Violation of Integrity-Insider Trading Cases and Insider Trading Prevention Methods for employees. A total of 221 people participated. (Our group's spread of training has reached 100% of our employees based in Taiwan)
- To enhance the understanding of laws and regulations pertaining to the prevention of insider trading among employees and executives, we organized the "Preventing Insider Trading Awareness Course" and the "Integrity in Business Employee Education and Training Program". The content covered examples of integrity violations, particularly providing guidance on preventive measures to insider trading cases. The detailed statistics can be found in the table above. After the completion of the courses, slides were made available on the internal employee system for colleagues to review.

Code of Integrity Management



Integrity Management Operating Procedures and Behavior Guidelines



Code of Ethical Conduct



Disclosure Material of Inside Information and Management Procedures for Preventing Insider Transactions



## Whistleblowing

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 Office, Chia Hsin Cement Group)

#### 3. By Email



**(chcgroup.audit@gmail.com)**  
When reporting by email, please make sure that the attachments are encrypted to prevent the reported information from being tampered with.

\* In 2023, Chia Hsin Cement Corporation had not received any internal or external report on violations of laws and regulations.

## 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.

### Regulatory Compliance GRI2-27

Legal Division of the Company is responsible for reviewing and ensuring the legality, strictness, and risk management of various contracts. They remain abreast of the latest legal developments, incorporate them into standard contract norms, and manage company contract disputes. In 2023, Legal Division staff participated in external regulatory compliance courses, totaling 4 participants over 71 hours. Additionally, two internal training sessions on 'Personal Data Protection Law' were conducted for corporate colleagues, with each session lasting one hour and totaling 28 participants in 2023. the Company continuously strengthens internal staff's compliance promotion and legal awareness.

As of 2023, there have been no significant regulatory violations defined as administrative penalties exceeding NT\$1 million."

Note: Significant violations are defined as administrative penalties exceeding NT\$1 million.

### 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. In 2023, we continued to provide training programs on Ethical Management and Anti-Corruption for our important suppliers to demonstrate and strengthen Chia Hsin Cement Group'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

- All of our suppliers of products related to cement and paper packaging were assessed on quality, delivery, cooperativeness, price, labor/human rights, ethical management, and green procurement principles in 2023.
- In 2023, assessments of 23 central kitchen suppliers were carried out with 100% execution rate.

#### Supplier Guidance and Education

- In 2023, we invited suppliers and related partners to participate in a 2-hour Supplier Integrity Education Program, which took place from November to December, with a total of 18 suppliers and 59 individuals attending.
- In the same year, we arranged personnel from energy-managing companies to participate in two Energy Management Education Courses, with a total duration of 4 hours.

#### Supplier Contracts

- In 2023, 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".

### Responsible Procurement



#### Cement sector

As a retailer in Taiwan, the Company mainly purchases cement from domestic companies and abroad to be transported by sea to 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.



## 2.3 Responsible Investment

Since 1954, Chia Hsin Cement Group has been committed to responsible investment and sustainable operations, and also integrating environmental and social responsibilities into our core values. From the early days of reforestation of our mining areas with thousands of native trees, to the construction of the first environmentally friendly enclosed bulk terminal at the Port of Taipei in 2006, and the opening of Hotel Collective in 2021—the first hotel in Okinawa receiving LEED green building certification—we have been pioneer at the forefront of sustainable development. We continuously implement sustainability principles alongside our business growth, seeking new projects and innovative methods to achieve sustainable economic, environmental, and social development.

We refer to relevant frameworks and guidelines, such as the United Nations Global Compact, and tailor our responsible investment approach according to our business landscape. Recognizing that each industry and company has its own uniqueness, we are dedicated to integrating responsible investment with our operations to achieve sustainable development goals. At the same time, we actively communicate and engage with stakeholders to reach consensus and support for our responsible investment standards, thus driving corporate growth and enhancing social value.

Here are our practices regarding evaluation standards and responsible investment projects:



Environment



Society

### Environment

- **Carbon Emission Reduction:** Whether it helps reduce carbon emissions.
- **Resource Efficiency:** Whether it improves the efficiency of resource use, such as water and energy.
- **Ecological Protection:** The impact on the local ecological environment and measures taken to protect and restore it.
- **Circular Economy:** Whether it promotes reuse of resources to achieve the goal of circular economy.



**Circular Economy and Scientific Carbon Reduction**

We hold a 4.85% stake (approximately 357 million shares) in TCC Group Holdings, a company long dedicated to circular economy, scientific carbon reduction, and energy storage. Its renewable energy installations span Taiwan and Mainland China, with an estimated cumulative power generation of 198 MW by the end of 2024.



**Investment in Sustainable Tourism**

We hold a 23.1% stake in LDC Hotels & Resorts, which emphasizes environmental sustainability, such as not using disposable amenities and conducting carbon inventories. Its subsidiary, FDC International Hotels Corporation, received the "Social Innovation Award" at the 2023 Global Views CSR & ESG Corporate Social Responsibility Awards.



**Development of Photovoltaic Projects**

In response to the group's carbon reduction goals, the rooftop of our Kaohsiung plant's rental units will be used for installing solar panels. The project is expected to be completed within two years, establishing a 2 MW facility projected to generate over 2.2 million kWh annually, and providing our group with a stable source of self-generated green electricity.



**Planning and Implementation of Energy Management System (EMS) at Headquarters**

Within the next two years, an EMS will be implemented on our 57-year-old Chia Hsin Building, through systematic monitoring, evaluation, and management of the building's energy use, the EMS aims to improve environmental performance and conserve resources, fulfilling the commitment to environmental protection and sustainable development.

## Society

- **Human Rights Protection:** Whether it respects and protects human rights, creating a just and inclusive environment for society.
- **Community Engagement:** Whether it contributes to development of the local community or preservation of cultural heritage.
- **Enhancement of Well-being:** Whether it improves people's living standards and well-being, such as providing a comfortable working environment and educational opportunities.
- **Diversity and Inclusion:** Whether it values diversity and inclusion, encouraging people to interact and cooperate from different backgrounds and perspectives.



### Utilizing AI for Long-term Care

To address the challenges of an aging population, in 2021, the Group invested in Jubo, a software service company that uses AI to assist with long-term care. By enhancing the efficiency and accuracy of care through AI technology, Jubo aims to meet the increasing demand for long-term care, promoting the well-being of the elderly and advancing the healthcare industry.



### 100% WELL Certification for Postpartum Care Centers

All centers of our strategic investment, "Gemcare Maternity Center Taiwan" have achieved WELL International Building Certification. This certification guarantees high-quality management of air, water, nutrition, light, fitness, thermal comfort, acoustics, materials, mind, and community within the buildings, ensuring the health and well-being of postpartum mothers.



### Community Engagement and Cultural Preservation

Hotel Collective incorporates traditional local materials, such as Ryukyu limestone, in its exterior. The lobby and floor landings feature ongoing exhibitions of Okinawan traditional crafts, "Bingata".

During the trial operation in 2020, the hotel hosted the "ForeMost World Photography Award Exhibition," showcasing works from major international photography awards in France, the US, Japan, and Russia, offering free admission to Okinawa residents for 14 days.

In 2023, we sponsored the first "Cinema at Sea Okinawa Pan-Pacific International Film Festival", demonstrating our commitment to community and the preservation of new and old traditions.



### Investment in B Current Impact Investment

B Current Impact Investment was established in 2014. It is Taiwan's first venture capital management company that invests 100% in startups focusing on environmental technology, sustainable agriculture, healthy living, and inclusive economy. B Current supports social entrepreneurs through investment and mentorship, pursuing collective growth.

# 03

## Sustainable Operations

3.1	Use of Sustainable Energy and Energy Efficiency	34
3.1.1	Climate Action	34
3.1.2	Improving Energy Efficiency	42
3.2	Incorporating Sustainable Thinking into Daily Operations	45
3.2.1	Risk Management	45
3.2.2	Information Security Management	49
3.2.3	Intellectual Property Management	50
3.3	Transparent Governance	51



### 2023 Key Sustainability Performance

Carbon reduction targets passes SBTi Review	Completed greenhouse gas inventory and passed third-party verification. (2023 consolidated financial reporting scope)	Third party certification of ISO 50001 Energy Management System and ISO 14001 Environmental Management System (expanded to six locaion sites)	Completed TCFD scenario analysis
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# Sustainable Operations

## 3.1 Use of Sustainable Energy and Energy Efficiency

### 3.1.1 Climate Action

#### Climate Governance

##### 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.

Starting in 2023, preparations began for the SBTi for carbon reduction. By the end of November 2023, we submitted a declaration to set our short-term organizational greenhouse gas (GHG) reduction target (Scope 1+2) to an absolute reduction of 42% by 2030, setting 2022 as the baseline year. Additionally, we will begin measuring and reducing other indirect GHG emissions (Scope 3).

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 2023, the Office held 6 meetings.

Board of Directors

Sustainable Development Committee

Sustainability Development Office

Governance Taskforce

Social Responsibility Taskforce

Environmental Management Taskforce

Climate Taskforce Risk Taskforce

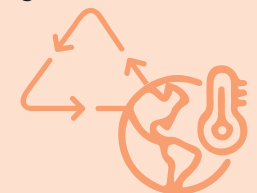
Risk Taskforce

## Sustainability Development Office and Taskforces



## Climate Issues Related Taskforce

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, carbon reduction, energy management, and introduce the Science-based Target (SBT) to draw a clear carbon reduction roadmap. The Risk 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.

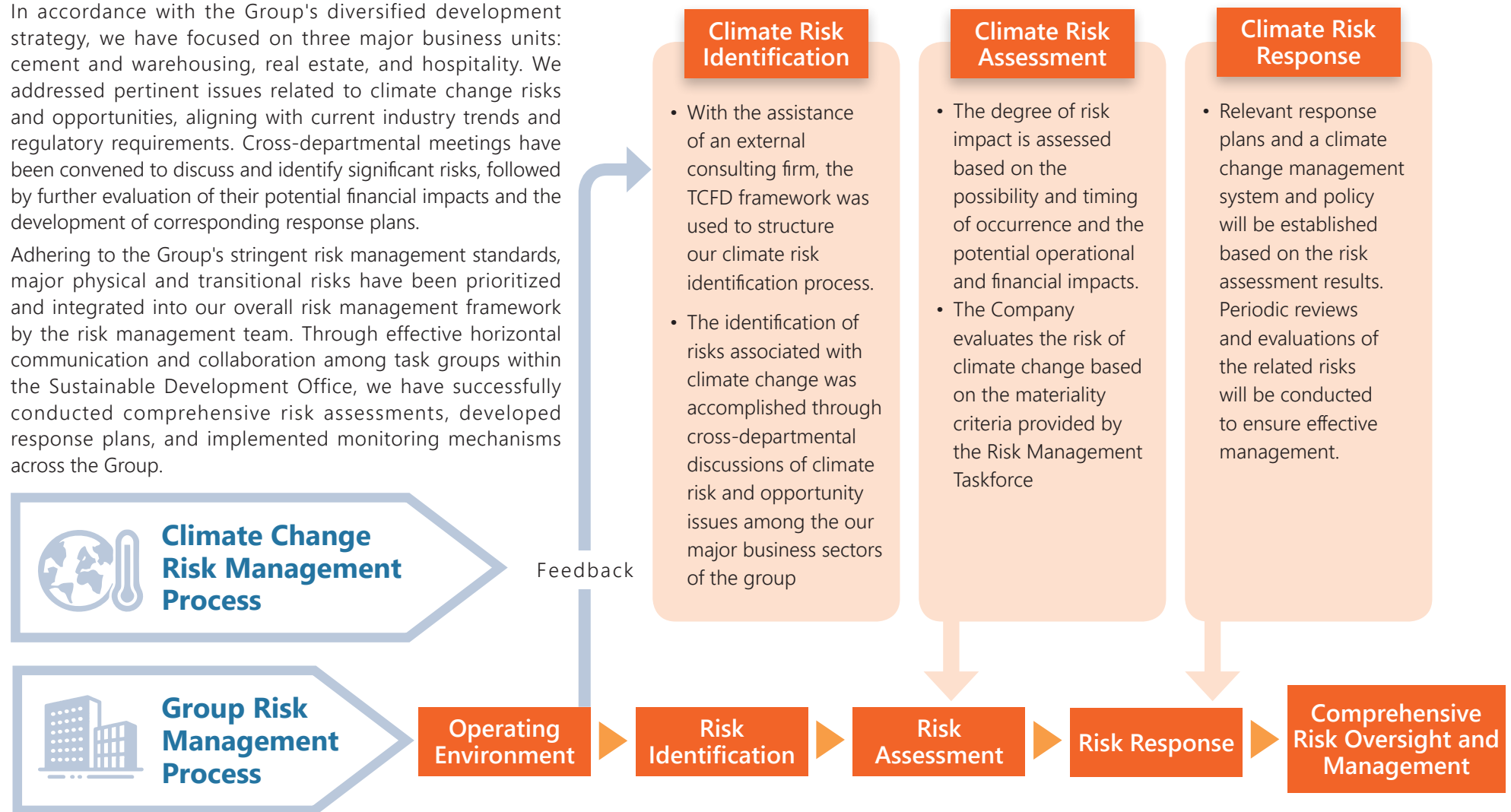




# Climate Risk Management Structure and Mechanism

In accordance with the Group's diversified development strategy, we have focused on three major business units: cement and warehousing, real estate, and hospitality. We addressed pertinent issues related to climate change risks and opportunities, aligning with current industry trends and regulatory requirements. Cross-departmental meetings have been convened to discuss and identify significant risks, followed by further evaluation of their potential financial impacts and the development of corresponding response plans.

Adhering to the Group's stringent risk management standards, major physical and transitional risks have been prioritized and integrated into our overall risk management framework by the risk management team. Through effective horizontal communication and collaboration among task groups within the Sustainable Development Office, we have successfully conducted comprehensive risk assessments, developed response plans, and implemented monitoring mechanisms across the Group.



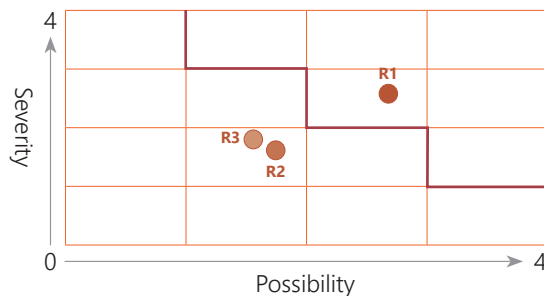
# Strategy-Opportunity and Risk Identification Results



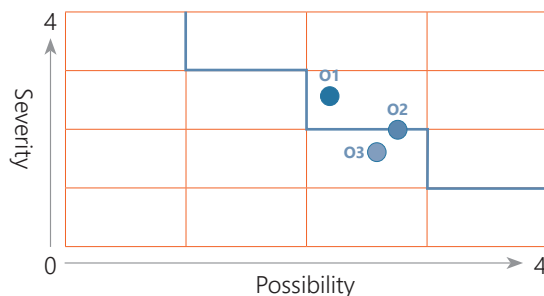
## Real Estate Business

### Climate Risk and Opportunity Matrix

Real Estate- Risk Matrix



Real Estate- Opportunity Matrix



Transition Risks	Physical Risks	Opportunity
R1: Policy requirements leading to increased costs	R2: Disasters or accidents causing damage to assets or equipment	O1: Develop and/or expand low-carbon products and services
	R3: Climate disasters potentially impacting operations	O2: Improve building energy efficiency, reduce energy consumption, and lower costs
		O3: Use of low-carbon energy and distributed energy sources

### Impact Timing of Various Risks and Opportunities

Short-term (<3 yrs)	Mid-term (3~5 yrs)	Long-term (>5 yrs)
R2, O3	O2	R1, R3, O1

## Climate Change Risks, Opportunities, and Response Strategies

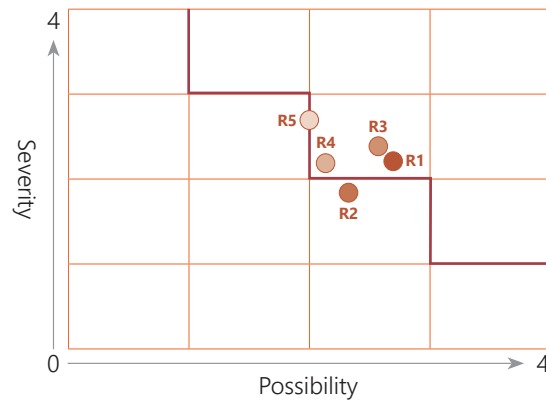
Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
Transition - Policies and Regulations	Policy leading to increased costs	The company's new construction or maintenance in response to changes in new energy and building regulations.	Increased capital expenditure and increased operational costs.	<ul style="list-style-type: none"> <li>Fully utilize energy-saving and environmentally friendly products.</li> <li>Actively promote energy-saving and carbon reduction programs to improve energy efficiency.</li> <li>Evaluate the installation of solar panels.</li> <li>Develop assets in line with consumer preferences, and evaluate the introduction of green building certifications.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Business Practices.</li> <li>Sustainable Operations</li> </ul>
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
Products and Services	Develop and/or expand low-carbon products and services	Increase competitiveness through low-carbon products and services, such as green building certifications.	Revenue increase; costs rise.	<ul style="list-style-type: none"> <li>Prioritize the purchase of high energy efficiency and energy-saving designed equipment, and actively promote various environmental and energy-saving measures.</li> <li>Improve energy use efficiency by formulating plans to purchase high-efficiency equipment.</li> <li>Maintain and adjust the efficiency of energy-consuming equipment.</li> <li>From 2023, replace elevators with energy-saving and carbon-reducing functions. •Evaluate the introduction of Energy Management Systems (EMS) in buildings to improve energy use efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Business Practices.</li> <li>Sustainable Operations</li> </ul>
Resource Use Efficiency	Improve building energy efficiency, reduce energy consumption, and lower costs	Enhance the efficiency of resource use in buildings, such as replacing carbon-reducing and energy-saving equipment, and evaluating the possibility of installing photovoltaic equipment.	Reduce operational costs; costs rise.		



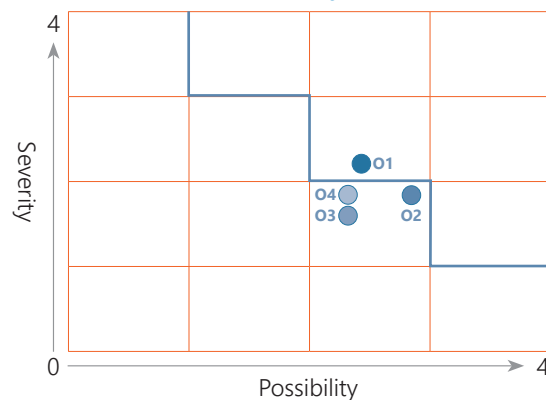
## Cement and Storage Business

### Climate Risk and Opportunity Matrix

Cement and Storage- Risk Matrix



Cement and Storage- Opportunity Matrix



Transition Risks	Physical Risks	Opportunity
R1: Strengthened regulation of existing products and services	R3: Increased severity of extreme weather events disrupting operations	O1: Low-carbon and environmentally friendly storage equipment
R2: Stigmatization of the cement industry (impact on company image)	R4: Disruption of construction activities	O2: Demand for low-carbon cement
	R5: Rising sea levels	O3: Demand for high-strength cement
		O4: Demand for infrastructure transition

### Impact Timing of Various Risks and Opportunities

Short-term (<3 yrs)	Mid-term (3~5 yrs)	Long-term (>5 yrs)
	R1, R2, O1	R3, R4, R5, O2, O3, O4

### Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
Transition - Policies and Regulations	Strengthened regulation of existing products and services	Compliance with national net-zero regulations, resulting in the payment of carbon fees and increased costs.	Increased capital expenditure and operational costs due to equipment procurement and renewal.	<ul style="list-style-type: none"> <li>Complete the setting of SBT for carbon reduction.</li> <li>Implement the ISO 50001 EMS at Taiwan locations, completing the first verification.</li> <li>Install solar photovoltaic systems, with an expected annual power generation of 2.2 million kWh.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Business Practices.</li> <li>Sustainable Operations</li> </ul>
Physical - Immediate Risks	Increased severity of extreme weather events - operational disruptions	The increased frequency of extreme weather events causes transportation difficulties, affecting shipment schedules and supply chain deliveries. Typhoons, floods, prolonged high temperatures, and other extreme weather events disrupt port loading and unloading operations, labor, and infrastructure, impacting scheduling.	Decrease in revenue	<ul style="list-style-type: none"> <li>Refer to various domestic and international monitoring data and research reports; observe changes in rainfall and water levels.</li> </ul>	
Physical - Immediate Risks	Increased severity of extreme weather events - operational disruptions	Extreme weather conditions will affect customers' construction activities, thereby impacting product sales and reducing revenue.	Decrease in revenue	<ul style="list-style-type: none"> <li>Use insurance to transfer risks and cover losses.</li> <li>Implement optimized inventory and flexible transportation scheduling.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Operations</li> </ul>
Physical - Long-term Risks	Rising sea levels	Ports and operational equipment are affected by rising sea levels, leading to existing (including under construction) assets being submerged by seawater. This results in depreciated asset values, operational disruptions, and damage to the value of commodities such as cement and coal.	Asset depreciation, operational disruptions, and damage to the value of commodities such as cement and coal.	<ul style="list-style-type: none"> <li>Focus on coastal area protection, strengthen production site damage prevention measures.</li> </ul>	

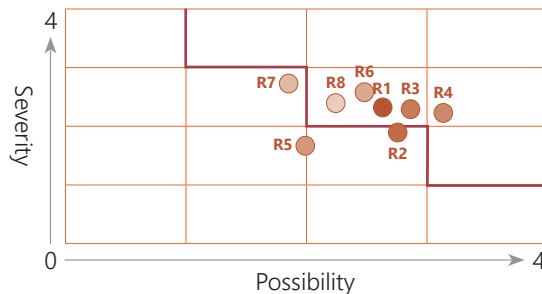
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
Products and Services	Low-carbon and environmentally friendly storage equipment	Provide low-carbon and environmentally friendly storage equipment and services, including the introduction of renewable energy generation equipment, smart loading and unloading equipment for energy savings, and enhancing automation and operational efficiency to reduce operating costs.	Increase in revenue and increase in capital expenditure.	<ul style="list-style-type: none"> <li>Implement ISO 50001 EMS at domestic locations, completing initial verification.</li> <li>Install solar photovoltaic systems, expected annual power generation of 2.2 million kWh.</li> <li>Continuously inventory outdated power-consuming equipment, assess equipment replacement.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Business Practices.</li> <li>Sustainable Operations</li> </ul>



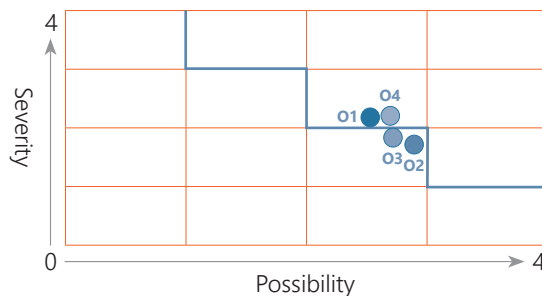
## Hospitality Business

### Climate Risk and Opportunity Matrix

Hospitality- Risk Matrix



Hospitality- Opportunity Matrix



Transition Risks	Physical Risks	Opportunity
R1: Increased capital expenditure or operational costs	R6: Increased frequency of extreme weather events	O1: Improve building energy efficiency, reduce energy consumption, and lower costs
R2: Shift in consumer preferences	R7: Rising sea levels	O2: Use of low-carbon and distributed energy sources
R3: Energy transition to renewable energy, changes in energy supply leading to increased costs	R8: Long-term changes in climate patterns and frequencies (changes in precipitation patterns, rising average temperatures)	O3: Providing low-carbon services
R4: Increase in raw material prices leading to increased operating costs		O4: Publicly transparent disclosure of sustainability-related information
R5: Increased stakeholder concern and negative feedback		

### Impact Timing of Various Risks and Opportunities

Short-term (<3 yrs)	Mid-term (3~5 yrs)	Long-term (>5 yrs)
R4, R5, R6, O2, O4	R2, O1, O3	R1, R3, R7, R8

### Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
Transition - Policies and Regulations	Policy leading to increased costs	Policies requiring low-carbon requirements such as using low-carbon materials and green electricity increase operating costs and capital expenditure.	Increased capital expenditure and operational costs due to equipment procurement and replacement.	<ul style="list-style-type: none"> <li>Purchase equipment with high energy efficiency and energy-saving designs.</li> <li>Use heat exchangers to reduce air conditioning electrical load.</li> <li>Adopt Variable Refrigerant Volume (VRV) air conditioning systems that automatically adjust based on indoor temperatures to reduce electricity consumption.</li> <li>Use heat pumps to produce hot water as an alternative to boilers.</li> <li>Install rainwater harvesting systems for plant irrigation to reduce tap water usage.</li> <li>Use LED lighting fixtures throughout the building that adjust brightness based on usage conditions to achieve energy savings.</li> <li>Adopt water-saving sanitary equipment to effectively reduce daily water consumption.</li> <li>Internally promote energy conservation awareness.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Business Practices.</li> <li>Sustainable Operations</li> </ul>

Risk Type	Risk Factor	Risk Description	Potential Financial Impact	Response Plans	Sustainability Axis
Transition - Technical Risks	Cost of transitioning to low-carbon technologies	Energy transition to renewable energy, changes in energy supply leading to increased costs.	Increased capital expenditure and operational costs.	<ul style="list-style-type: none"> <li>● Venturing into the solar energy market as part of developing new energy businesses.</li> </ul>	<ul style="list-style-type: none"> <li>● Responsible Business Practices.</li> <li>● Sustainable Operations</li> </ul>
Transition - Market Risk	Rising raw material costs	Increased costs of raw materials and energy lead to higher costs of products and services provided by the supply chain, thereby increasing operational costs for accommodation business units.	Increased operational costs.	<ul style="list-style-type: none"> <li>● Achieve short-term goals for SBT. Implement energy management to improve efficiency of use.</li> </ul>	<ul style="list-style-type: none"> <li>● Responsible Business Practices.</li> <li>● Sustainable Operations</li> </ul>
Physical - Immediate Risk	Increased frequency of extreme weather events	Increased frequency of extreme weather events reduces customers' willingness to stay, leading to room cancellations and a decrease in occupancy rates, resulting in reduced revenue.	Decrease in revenue	<ul style="list-style-type: none"> <li>● Developed emergency response manuals for natural disasters such as typhoons, tsunamis, etc., and implemented typhoon safety protection measures, regularly updated; through education and training, cultivate staff preparedness and crisis response capabilities, and foster personnel resilience in disaster recovery.</li> </ul>	<ul style="list-style-type: none"> <li>● Sustainable Operations</li> </ul>
Physical - Long-term Risk	Long-term changes in climate patterns and frequencies (changes in precipitation patterns and average temperatures)	<ol style="list-style-type: none"> <li>1. Increased usage of hotel air conditioning and refrigeration equipment.</li> <li>2. Potential impact on consumer preference for tourism facilities, preferring indoor over outdoor activities, thus requiring additional indoor facilities.</li> </ol>	Increased operational costs and capital expenditure.	<ul style="list-style-type: none"> <li>● Insured with corporate liability insurance to transfer the risk of accidents and cover disaster losses.</li> <li>● Referenced various weather data to monitor changes in wind speed, rainfall, water levels, etc., and respond promptly.</li> <li>● Conducted fire drills, emergency evacuation training, and basic CPR training to enhance staff readiness.</li> <li>● Implemented equipment management systems to reduce resource wastage.</li> <li>● Increased options for indoor activities to cater to consumer preferences for indoor environments, enhancing facility attractiveness.</li> </ul>	
Opportunity Type	Opportunity Factor	Opportunity Description	Potential Financial Impact	Response Plans	Sustainability Axis
Resource Efficiency	Improve building energy efficiency	<ul style="list-style-type: none"> <li>● Reduce energy consumption and usage, thereby lowering operational costs.</li> <li>● Enhance the sustainable image of accommodation units, generating positive feedback from stakeholders and thereby increasing brand value.</li> </ul>	Reduced operational costs and increased brand value	<ul style="list-style-type: none"> <li>● Continuously manage energy resources used in hotel operations through energy management, reducing the use of energy during off-peak hours.</li> <li>● Achieved LEED and WELL certifications for healthy buildings, enhancing brand image.</li> <li>● Use energy-saving equipment to reduce energy consumption and costs.</li> <li>● Reduce the use of consumables, avoid providing disposable amenities, and use bulk packaging for bath products.</li> <li>● Select eco-friendly and recycled materials for amenities.</li> <li>● Digitize room notices to reduce paper consumption from printing.</li> <li>● Promote reduced frequency of changing bed sheets for guests staying multiple nights.</li> </ul>	<ul style="list-style-type: none"> <li>● Responsible Business Practices.</li> <li>● Sustainable Operations</li> </ul>
Products and Services	Public Transparency in Disclosing Sustainability-related Information	Publicly disclose data, information, goals, and strategies related to sustainability and environmental aspects to different stakeholders, enhancing brand visibility and reputation, and increasing confidence from investors/financial institutions for financing.	Increase in revenue; increase in brand value.	<ul style="list-style-type: none"> <li>● Communicate achievements to stakeholders through channels such as official websites, annual reports, shareholder meetings, and conferences, reinforcing the connection between brand and sustainability efforts.</li> <li>● Achieve SBT to enhance corporate image.</li> </ul>	<ul style="list-style-type: none"> <li>● Responsible Business Practices.</li> <li>● Sustainable Operations</li> </ul>



# Climate Risk Scenario Analysis

The Group conducted a climate risk scenario analysis based on TCFD recommendations, focusing on increased frequency of extreme weather events and enhanced oversight of existing products and services:

## 1 Physical Risks Scenario of Increased Frequency of Extreme Weather Events

Evaluate the financial impacts caused by increased frequency of extreme weather events such as typhoons, floods, and heavy rainfall. Based on the analysis results, appropriately plan and implement adaptation policies to mitigate risks, enhancing climate resilience and adaptive capacity.

### ▼ Reference: IPCC 6th Assessment Report (AR6)

Scenario Setting	Temperature Scenario	IPCC AR6 SSP5-8.5 (Temperature rise of 4.0°C)
	Impact Period	Short-term (1-3 yrs), analyzed for 2025
	Affected Parties	Company, upstream, downstream

Risk Issue	Increased frequency of extreme weather events
Operational Impact	Decreased willingness of customers to stay due to extreme weather, resulting in cancellations and decreased occupancy rates
Potential Financial Impact	Decrease in revenue
Estimated Impact on 2025 Revenue	0.01%
Response Strategy	Refer to strategies outlined for addressing significant climate change risks and opportunities.

## 2 Transition Risk Enhanced Regulation of Existing Products and Services

In response to national net-zero targets, there may be regulatory requirements or customer demands for the company to provide low-carbon warehousing, handling, and sales services, leading to increased costs.

### ▼ Reference: IPCC 6th Assessment Report (AR6)

Scenario Setting	Temperature Scenario	IPCC AR6 SSP1-2.6 (Temperature rise of 1.5°C), Taiwan achieves NDC goals
	Impact Period	Mid-term (3-5 yrs), analyzed for 2030 (Note 1)
	Affected Parties	Company

Risk Issue	Enhanced regulation of existing products and services
Operational Impact	Government carbon management regulations require payment of carbon fees, leading to increased costs
Potential Financial Impact	Increase in costs
Estimated Impact on 2030 Revenue (Note 2)	0.005%~0.084%
Response Strategy	Refer to strategies outlined for addressing significant climate change risks and opportunities.

Note 1: Due to limitations in accessing external data, estimates for 2028 are unavailable, hence the analysis is conducted for 2030.

Note 2: Estimation methods are categorized into two scenarios: SBT and BAU

### 3.1.2 Improving Energy Efficiency

Faced with the issue of environmental sustainability, on the matters of climate change and global warming, Chia Hsin Cement Group engages in energy-saving, carbon-reducing, and water-conserving practices and adopts various measures, such as continuing to or transitioning to the use of environmentally friendly and energy and water-saving products, avoiding disposable tableware, and decreasing the use of bottled water in order to diminish the negative impact of our operations on the environment. When introducing new business

projects, we actively incorporate environmental sustainability-related international quality certification standards and implement relevant environmental and ecological protection measures to ensure the environmental friendliness and livability of our buildings in aspects such as design, construction, and operational methods, thus promoting the concepts of health and quality of life and fulfilling our social responsibilities in environmental management and ecological protection.

#### Environmental and Energy Policy

- Complying with environmental protection and energy regulations, and minimizing environmental impacts
- Continuing to improve of environmental performance and resource utilization efficiency
- Reviewing the purchasing process, and prioritizing the purchase of energy-saving products with green mark
- 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 to achieve the development of environmental sustainability.

#### Environmental Management Approaches

Due to the Company's shift away from cement production, focusing instead on cement sales and reinvestment. In recent years, the majority of greenhouse gas emissions generated have come from electricity usage. We have implemented energy-saving and carbon reduction initiatives such as energy conservation, enhancing energy efficiency, replacing with high-efficiency products, reducing lighting intensity, and adjusting power contract capacity to promote energy efficiency and carbon reduction within the organization.

① Reduce carbon emissions

② Continuously expand environmental management certifications

③ Planning for the use of renewable energy

#### Key implementation results for 2023

1. We have implemented various energy-saving and carbon reduction measures, continuously updating high-energy-consuming equipment and improving energy efficiency. This year, approximately **NT\$8,270,000** has been invested in environmental protection and related expenditures.
2. The combined Scope 1 and Scope 2 carbon emissions per unit of revenue have **decreased from 3.39 to 2.74** tons per million(NT\$) last year .

1. The greenhouse gas inventory under ISO 14064-1 covers all locations of the group (100% scope in consolidated financial reporting).
2. In addition to the headquarters building, ISO 50001 and ISO 14001 have been implemented at five new locations.

To meet the Group's green energy goals, we plan to develop energy storage and photovoltaic projects. Starting from 2026, the planned solar panels are expected to generate approximately 2.2 million kWh per year.



## Environmental Expenditures

2023 ▶ **NT\$8,270,000** expended on environmental protection and energy conservation

2022 ▶ **NT\$1,720,000** expended on environmental protection and energy conservation

Unit: NTD thousands

Company/Unit	2023	2022	Remarks
Chia Hsin Cement Corp.	760	-	In response to climate change and global warming, the Group is implementing environmental sustainability by actively practicing energy conservation, carbon reduction, and water savings. We acquired five Watergen-GENNY devices, which were installed across various locations within the group. Note: The Watergen-GENNY devices have obtained certification including ASSE LEC-2004 from the US, NSF61/42/53 certifications, and compliance with US federal drinking water standards. They have also passed 78 inspections under Taiwan's SGS standards. Under conditions of 70% humidity and 24°C temperature, each device can produce 18.8 liters of weak alkaline drinking water with a pH of 7.8-8.2 per day. The energy consumption is 350 watts per liter of drinking water (approximately 1 kWh electricity cost), making it an advanced and environmentally friendly drinking water solution widely used in over 90 countries worldwide.
Tong Yang Chia Hsin Int'l Corp	337	115	The Taichung Port storage and handling station has upgraded to high-efficiency motors for the loading system, replaced air conditioning units with water-cooled and variable frequency units to conserve electricity. In the Keelung plant, the disposal of waste cement dry powder hoses from self-unloading ships has been significantly reduced, along with the replacement of dust collection bags, resulting in a substantial reduction in dust pollution.
Chia Pei Int'l Corp.	2,223	1,063	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.	4,950	-	The front and rear towers of the headquarter building have replaced all six elevators considering equipment lifespan and energy-saving benefits, with a total project cost of NT\$17.22 million.
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.		542	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 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. Note: The WELL Building Standard was published by the U.S. International WELL Building Institute (IWBI) in 2014 and the certification is managed by the Green Business Certification Inc. (GBCI)
Total	8,270	1,720	

## Major Environmental Protection Expenditures in the Next Three Years:

To accommodate the development of the resort hotel in located in Toyosaki, Okinawa, the Company will adopt high-standard specifications of the InterContinental Hotels Group (IHG) for international-level hotels. Focusing on energy saving and water saving, significant funds are expected to be invested in environmental protection measures over the next few years. The overall cost estimate is pending on the confirmation of final design.

\*Significant loss due to environmental pollution in FY2023: None (Definition of significant environmental loss: more than NT\$300,000)

## Greenhouse Gas Inventory

Since 2021, the Group has conducted annual greenhouse gas inventories following the ISO14064-1:2018 standard. These organizational-level inventories are verified by third parties each year. Additionally, the scope of operational sites included in the inventory has been expanded annually to ensure accurate monitoring 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 overseas.	✓	100%
April 2024	All locations in Taiwan and overseas.	✓	100%

\* Scope of consolidated financial statements

## Energy Management and Environmental Management System

The Group's headquarters has adopted the ISO 50001 energy management system in 2021 and the ISO 14001 environmental management system in 2022, and has merged the environmental and energy management system within the company, with the Chief Sustainability Officer serving as the head of the working group, and colleagues from the Office of Sustainability and each site serving as the working group, and has endeavored to expand the system to each of the Group's sites in Taiwan, and third-party certification of each of the sites in Taiwan was completed in Q4 of 2023.

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	✓	76%

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.

## 2023

Revenue coverage: about 24%

4 sites have passed international sustainable building certification.

### 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 (SDC) resolved to join TCFD Supporter and SBTi. Officially the Company signed up to become a TCFD Supporters 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 a mid-term goal. In addition to continuing to implement energy and environmental management systems at each location, to 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 2026 onwards, it is expected that the constructed solar panels will produce approximately 2.2 million kWh/year.

## 3.2 Incorporating Sustainable Thinking into Daily Operations

### 3.2.1 Risk Management

#### Risk Management Policy

On December 15, 2020, Chia Hsin Cement Group first formulated a risk management policy. In order to continuously improve and establish a comprehensive risk management system, we referred to the "Practical Guidelines for Risk Management of Listed and OTC Companies" issued by the Taiwan Stock Exchange on August 8, 2022, to revise this policy and procedures. The revisions were then approved by the Board of Directors(BOD) on December 15, 2023. For detailed information, please refer to the "Risk Management Policy and Procedures".

#### Risk Management Operation Status

- The update report on the management results of significant risk events in 2023 was submitted to the Audit Committee on August 8, 2023.
- The interim progress report of the risk control project for 2023 was presented to the BOD on November 8, 2023.
- The risk assessment report for 2024 was reported to the Audit Committee and the BOD on December 15, 2023.

#### Risk Management Framework



- The BOD serves as the highest governing body for risk management. It approves risk management policies and related regulations, oversees the overall implementation of risk management, and maintains effective risk control.
- The Audit Committee assists the BOD in carrying out its risk management duties and establishes a risk management taskforce conducting comprehensive assessments of the company's strategies, operations, legal compliance, finance, emerging and other risks. In response, the risk management taskforce reports the risk management operations to the Audit Committee and the BOD at least once a year.

- Members of the risk management taskforce are equipped with diverse professions from different departments, including macroeconomics, strategic management, investment, risk management, internal audit, human resources, finance, legal affairs, and sustainable development. This composition ensures various perspectives contribute to more comprehensive opinions during discussions and execution.

- Each operating unit (including subsidiaries):

1. Responsible for risk identification, analysis, assessment, and response.
2. Regularly report risk management information to the risk management taskforce.
3. Maintain the implementation of risk management effectiveness and related control procedures in accordance with the risk management policy.

- The Auditing Office is an independent organization in the company affiliated with the BOD. Annually, it reviews whether the risk management taskforce enforces the identification, analysis, response, and other related measures for various risk items consistent with risk management policy and procedure. During the execution of the annual audit plan, it also verifies the effectiveness of risk management activities to assist in properly managing significant operational risks

# Risk Management Procedures

- Thoroughly review whether the risk management process and related risk measures continue to operate effectively, and incorporate the results of relevant reviews into performance evaluations and reporting items.
- Risk management should be linked to key processes within the organization to effectively supervise and enhance the benefits of implementing risk management.

- Develop relevant treatment plans for risk responses, ensure relevant personnel fully understand and execute them, and continuously monitor the implementation of the corresponding response plans.
- Risk responses should consider company strategic objectives, internal and external stakeholder perspectives, risk appetite, and available resources to select the appropriate response methods. This ensures a balance between achieving goals and cost-effectiveness in the risk response plans.



- Based on company strategic objectives and business scope, each operational unit should consider internal and external risk factors, analyze stakeholder concerns, and comprehensively identify potential risk events that might hinder our company to achieve objectives or result in losses or negative impacts.

- Develop appropriate quantitative or qualitative measurement standards for different impact categories of risks.
- Each operational unit recognizes the features of identified risk events, considering the completeness of existing control measures, past experiences, industry cases, and other relevant factors. Subsequently, an analysis of the impact and likelihood of these risk events is conducted to calculate risk values.

- Compare the results of risk analysis with the risk appetite to determine the risk events that need prioritized handling. Responsible units will plan and execute subsequent risk response plans based on the risk level.



# Cultivate Risk-Aware Culture

## Training Program

330 Total Hours | 85% Senior Managers Attendance | 108 Employees(including managers)

The Group prioritizes fostering risk awareness and shaping it into their corporate culture. Therefore, starting in 2023, risk management has been integrated into training programs, with a total of 3 internal training sessions held. These sessions aim to encourage employees to apply risk awareness in their daily operational activities.

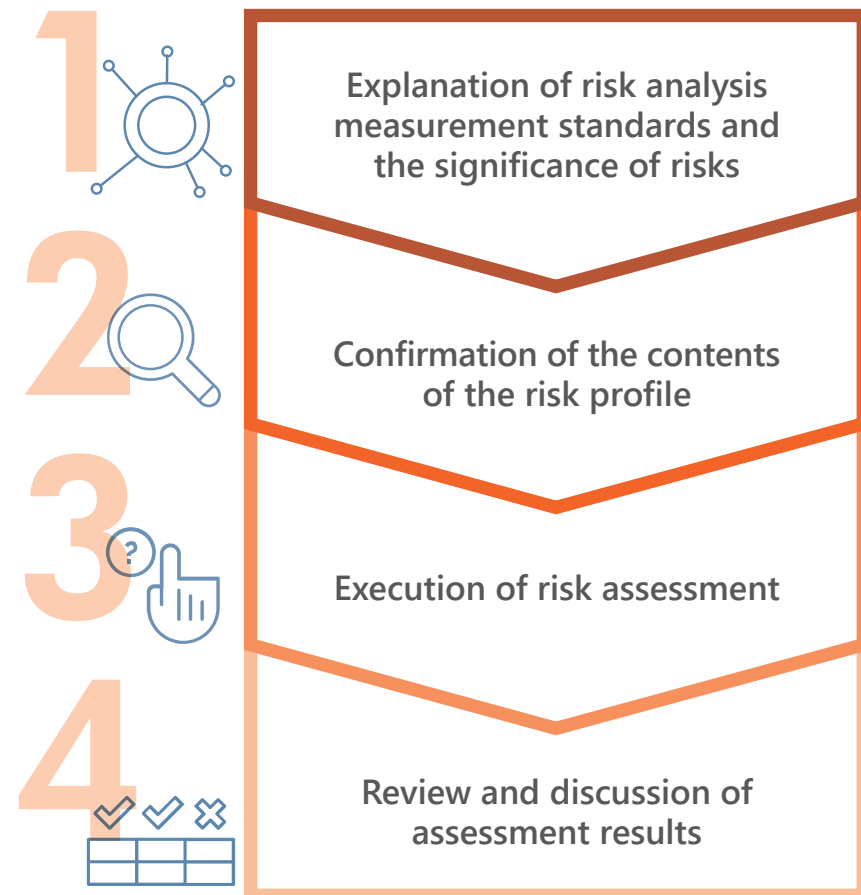
Date	Course	Hours	Target Participants
2023.06.26	Corporate Sustainability and Risk Management	3 hours	Managers and department heads of each company
2023.07.26	Global Future Risks and Opportunities for Sustainable Transformation	3 hours	All the board members, department heads, and designated colleagues
2023.08.01	Fundamental Concepts of Risk Management	3 hours	Sales and designated personnel in business and logistics

## Risk Assessment Workshop

630 Total Hours | 100% Senior Managers Attendance | 210 Employees(including managers)

In 2023, we held our inaugural risk assessment workshop, conducting 7 sessions tailored to different subsidiaries and industries to evaluate various risk factors and their respective levels.

## Execution Phase



## Important Risks and Emerging Risks

Risk Description	Impact	Effectiveness	Possibility	Solution
Building durability, safety, and legality	Revenue reduction	Medium	Medium	<ul style="list-style-type: none"> <li>Regularly review and assess the safety and legality of the building, and plan and execute relevant maintenance and repair projects</li> <li>Phased planning and updating of important equipment and systems in the building</li> <li>Introduce green building certification and conduct targeted marketing for the identified customer segments</li> </ul>
	Employee safety			
	Capital expenditure			
Policy changes towards achieving net-zero carbon emissions by 2050 ( ★ Emerging Risks )	Revenue reduction	Medium	Medium	<ul style="list-style-type: none"> <li>Actively seek new business opportunities and development directions</li> <li>Negotiate contract modifications with the Taiwan international ports corporation timely based on market demands and development trends</li> <li>Track and understand government policies and regulations, and duly propose responsive measures</li> <li>Implement a carbon reduction plan with the goal of obtaining SBTi certification</li> </ul>
	Increased operational costs			
	Corporate reputation			
Extreme climate	Property losses	Medium	Medium	<ul style="list-style-type: none"> <li>Establish comprehensive plans for ongoing operations, crisis management, and response plan, also conduct regular reviews</li> <li>Periodically assess and enhance the resilience of infrastructure</li> <li>Increase or ensure that insurance coverage meets the requirements</li> </ul>
	Employee safety			
Labor shortages due to issues such as declining birth rates and regional factors ( ★ Emerging Risks )	Impact on operations	Medium	High	<ul style="list-style-type: none"> <li>Enhance employer brand image, adopt a diverse hiring policy, and create an inclusive and equal workplace environment</li> <li>Continuously follow industry and workforce development trends, and regularly adjust recruitment and training plans</li> <li>Consider industry-standard salary rates and benefits conditions to provide attractive compensation packages</li> <li>Offer professional training and development plans for employees</li> <li>Conduct regular interviews with employees through various channels to gather feedback</li> <li>Continuously optimize operational processes to improve working efficiency</li> </ul>
	Rising personnel costs			
Ongoing business risks triggered by External factors such as geopolitical tensions or infectious diseases	Equipment losses	High	Medium	<ul style="list-style-type: none"> <li>Establish comprehensive plans for ongoing operations, crisis management, and response, and conduct regular reviews</li> <li>Build a diversified supply chain</li> <li>Regularly organize training courses and exercises to enhance employee response capabilities</li> <li>Continuously monitor government and relevant agency-issued alert information</li> </ul>
	Revenue reduction			
	Impact on reputation			
Increase in operational costs due to inflation or other external factors	Increased operational costs	Medium	Medium	<ul style="list-style-type: none"> <li>Regularly review costs and expenses, conduct cost-benefit analyses, and implement appropriate response measures</li> <li>Enhance operational efficiency through digitalization</li> <li>Expand cooperation with different suppliers, establish a high-quality vendor database, and ensure reliable and reasonably priced alternative sources</li> <li>Introduce energy-saving equipment to improve energy efficiency and reduce energy expenditures effectively</li> </ul>

## 3.2.2 Information Security Management

### 1. Information Security Risk Management Structure

The Company's headquarters office is responsible for information security management. The President is also the head of cyber security, who oversees the formulation of information security policies and the planning of information security measures. The Company also has a dedicated cyber security officer(CSO) who is responsible for the execution of cyber security operations.

The Company's IT division is the executive unit of information security. It establishes the information environment in accordance with the Company's cyber security policies and guidelines, and implements and continuously updates rigorous measures to effectively prevent and minimize risks.

The Company's Audit Office is the information security audit unit. If the audit reveals deficiencies, the audited unit will be required to propose an improvement plan and submit it to the Board of Directors, and the effectiveness of the improvement will be tracked on a regular basis to minimize the risk of internal information security.



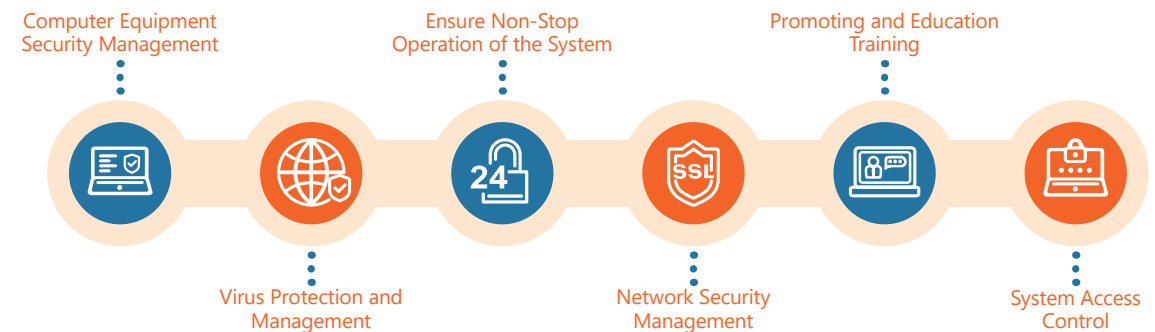
CPA audit is being conducted annually and if deficiencies are found during the annual audit, the CPA will request improvement measures and track the results.



In view of the importance of information security, the responsible unit regularly reports to the Board of Directors on the status of the Company's cyber security governance and implementation on an annual basis, with the most recent report due on December 15, 2023.

### 2. Information security Policy and Management Program

To strengthen the cyber security management and ensure the availability, integrity, and confidentiality of information, as well as to protect it from intentional or accidental threats from internal and external sources, the Company's cyber security facilities and management practices are categorized into six major items:



### 3. Commitment of resources to information security management

To fulfill the six major information security policies, the resources invested are as follows:

- 1 Network hardware equipment such as firewalls, email anti-virus, spam filtering, Internet behavior analysis, and network management hubs.
- 2 Software systems such as end-point protection systems, backup management software, VPN authentication and encryption software.
- 3 Telecommunication services such as multiple lines, cloud backup service, intrusion protection service, etc.
- 4 Investment in manpower such as: daily system status check, weekly regular backup and backup media off-site storage implementation, at least two times a year information security publicity and education courses, annual system disaster recovery exercise, annual internal audit of the information cycle, accountant audit, etc.
- 5 Information security manpower: A dedicated cyber security head and a dedicated information security officer are responsible for structure design, maintenance and monitoring, incident response and investigation, and review and revision of information security policies; the dedicated information security officer reports to the board of directors at least once a year.

## 4. Losses and Measures for Significant Security Incidents in Recent Years

From January 2023 to December 2023, there were no significant security incidents.

## 5. Information Security Escalation Procedure

In the event of a computer system abnormality, personnel should immediately notify the IT division for handling. IT personnel should be aware of information security when dealing with computer system abnormality or troubleshooting, and the following situations should be reported to the head of IT division, and those that are categorized as cyber security incident should be notified to the Executive Secretary of the Crisis Management Team (EST) in accordance with crisis management procedures to assess whether it is a major cyber security incident.

- (1) The external network is interrupted for 30 minutes and cannot be restored.
- (2) An information system anomaly has occurred and has not been restored after 3 hours.
- (3) The number of computers infected by computer viruses is found to be more than 3% of the total number of computers.
- (4) Signs of hacking, or system data being tampered with or exfiltrated for no reason are found.

## 6. Information Security Awareness

The Company conducts social engineering drills every year to raise employees' awareness of information security. The latest social engineering drill was held on October 13, 2023, and employees who have not passed the social engineering drill have to go through compulsory training session.

## 3.2.3 Intellectual Property Management

In the past few years, Chia Hsin Cement Group has been expanding and deepening into global markets. In addition to being devoted to brand management, we also aims to strengthen the supervision of its subsidiaries, continuously elevating employees' understanding of intellectual property protection. Furthermore, the Group has instituted an intellectual property management and protection plan by linking innovation with operation to improve the efficiency and effectiveness of intellectual property management.

### 1. Trademark Management

Annual reviewing and auditing brand and trademark registry by management. Establishing guidelines for the brand and trademark maintenance to broaden brand visibility. Moreover, promote corporate identity system of the Group for continuous improvement by coordinating with its subsidiaries.

### 2. Protection of Trade Secrets

The Group acknowledges that any breach or violation of trade secret will cause irrevocable damage. We value the protection of trade secret and take reasonable measures to maintain its secrecy. Not-disclosure agreements are included in employment contracts. Hence, all employees are responsible to comply with confidentiality obligations during the period of employment and after termination. Such employees shall be fully responsible for any breach or violation of the confidentiality obligations.

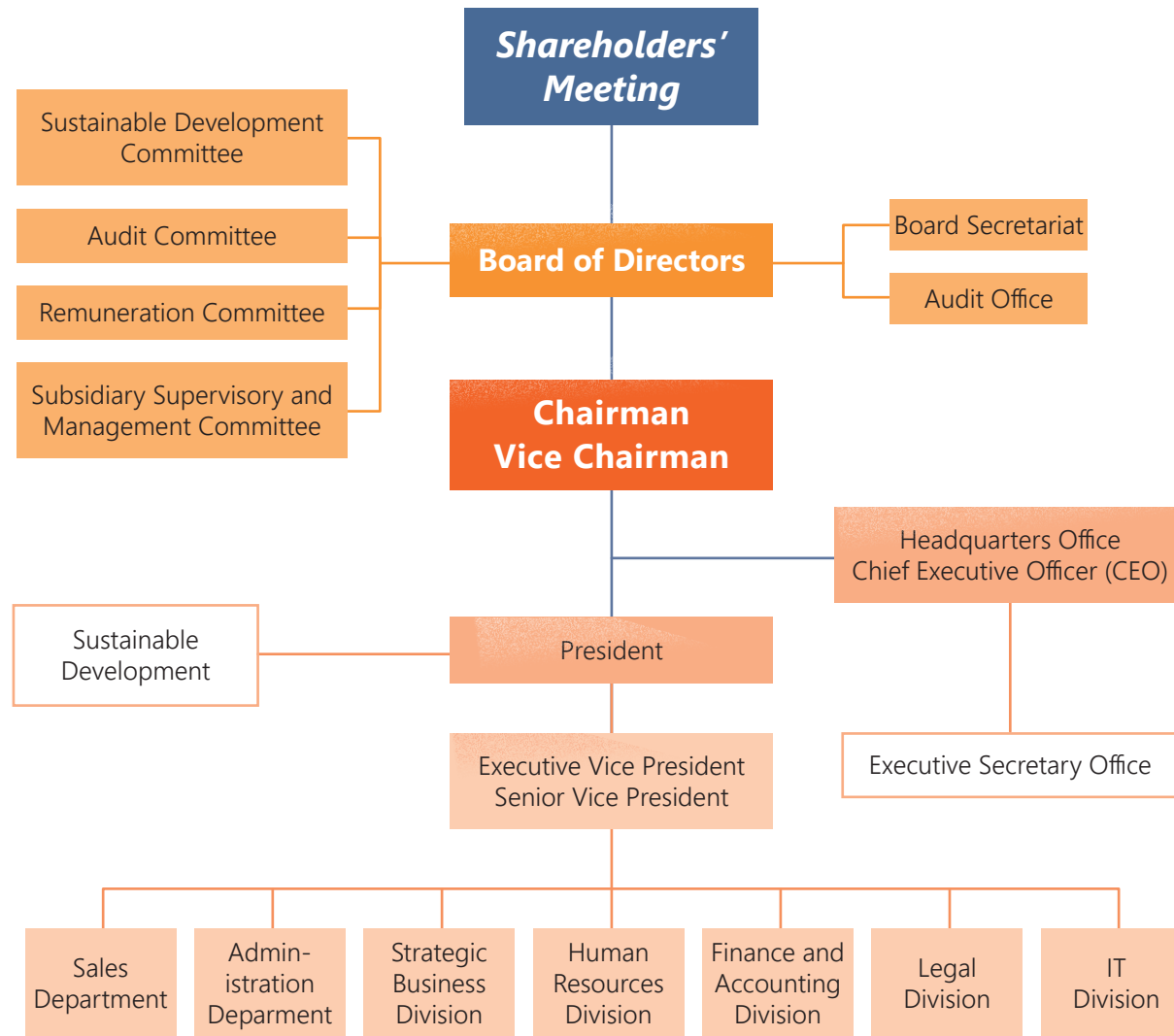
### 3. Copyright Management

The Group is greatly aware of copyrights and other intellectual property rights. All copyrights or other intellectual property rights of work created or developed within the workplace by employees shall be enjoyed by the Group; in the event of a third-party collaboration, we stand to confirm that legal rights are complied with all laws and regulations without any infringement.

### 4. Operation of the Intellectual Property Management

1. Report to the BOD the status of the intellectual property management scheme on a yearly basis. The latest report date is December 15, 2023.
2. The Group has been actively promoting intellectual property management, and the main implementation of this plan is as follows:
  - (1) Update intellectual property management policy and goal regularly to support overseas development and operation target.
  - (2) The trademark application process and management system will continue to be refined in 2023. Until December 31, 2023, the Group owns 82 trademarks in major countries (Taiwan, Japan, China, etc.).
  - (3) Optimize the trade secret management system to strengthen the Group's trade secret protection awareness.

# 3.3 Transparent Governance



Note: The new organizational 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 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. The composition of the board is diversified 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.



**9** meetings convened this year

Average attendance rate: **98.41%**

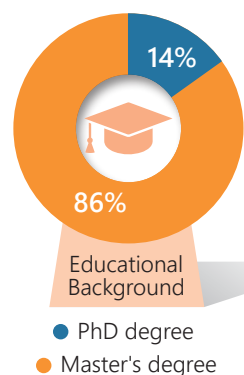
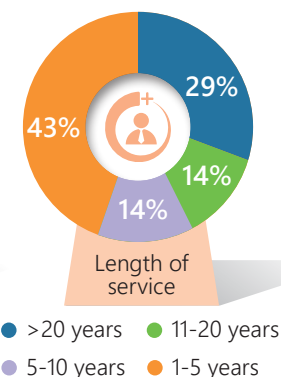
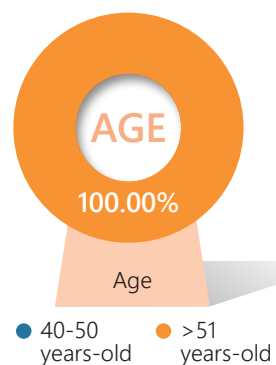
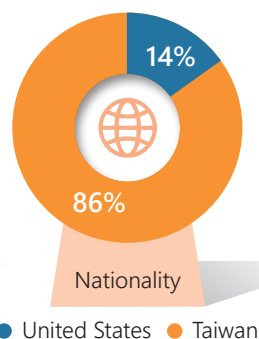
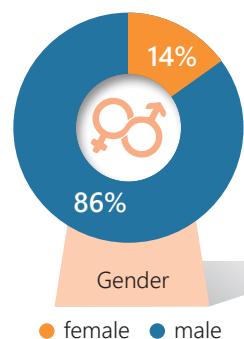
\*Tenure of the Board members expired and re-elected on June 14, 2022. Total of meetings of the Board of Directors held in the most recent year was: 8 times in 2022 (3 times before the re-election and 5 times after the re-election).



**7** board members

**3** independent directors

percentage of independent directors: **43%**



## Diversified Capabilities of the Directors

Title	Name	Diversified Capabilities							
		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	✓	✓	✓	✓				✓

## Board Members Continuing Education



Each director completed  
**9.86** hours of continuing education training in 2023.

The training courses include intellectual property protection, corporate mergers and acquisitions, risk and sustainable transformation, and sustainable governance strategies.

Members of the Company's board of directors possess the knowledge, skills, and various professional background required to fulfill their job responsibilities by actively participating in a diversity of courses and lectures. This will continuously strengthen their professionalism, maintain excellent communication, and exchange valuable information and experiences with management teams.

\* Please refer to the Company's 2023 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.

### The 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 all directors in the 51 years-old or above, and 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 both the board as a whole and as individual directors is conducted once every before the end of the first quarter of the following year.

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

### The Result of 2023 Performance Evaluation of the Board of Directors is as below

Self-evaluation  
of the Board of  
Directors

more than **98%** of the evaluation  
items in the above mentioned five  
aspects are evaluated

**Excellent**

Self-evaluation  
of the Functional  
Committee

more than **91%** of the evaluation  
items in the above mentioned five  
aspects are evaluated

**Excellent**

**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 2023 performance evaluation was reported to the board of directors and completed on February 27, 2024. The results were similar to the previous year, while the performance evaluation of the functional committees was slightly lower than the previous year. This was primarily due to the Sustainable Development Committee adjusting the questions to meet development needs, which resulted in slightly lower scores for some questions (though still rated "medium" or above). The results of the other committees were similar to the previous year.

## Implementation Status of Evaluation of Board of Directors in 2023



<b>Evaluation Cycle</b>	Once a Year
<b>Evaluation Period</b>	January 1, 2023 to December 31, 2023
<b>Evaluation Scope</b>	Board of directors and functional committees (including Audit Committees, Remuneration Committee and Sustainable Development Committee) and its individual members
<b>Evaluation Method</b>	Internal self-assessment of the Board of Directors and functional committees (including Audit Committees, Remuneration Committee and Sustainable Development Committee) and its individual members
<b>Contents of Evaluation</b>	With reference to the sample template published by the authority, herewith the Company has established following regulations governing the performance assessment:

- (1) Performance assessment of the Board of Directors
- 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
- 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:
- 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 individual members of the Functional committees
- 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

## Conflicts of Interest Avoidance Principles

Through meetings of the board of directors, important decisions are made in regard to business plans, key candidate selections, budget approval, final accounts, crucial contracts, and other critical matters. To ensure the Company's systematic development, directors exercise their due diligence to carefully assess the proposals presented in board of directors meetings, and when necessary, invite legal and financial professionals to deliver presentations, thereby strengthening the Company's corporate governance. In each meeting invitation, 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.

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 with board operations and improve performance in business decision-making and sustainability operations.



### Audit Committee

**7** meetings convened this year

Average attendance rate **95.24%**

**3** committee members **3** independent directors



### Remuneration Committee

**3** meetings convened this year

Average attendance rate **100%**

**3** committee members **2** independent directors



### Sustainable Development Committee

**2** meetings convened this year

Average attendance rate **100%**

**4** committee members **2** independent directors



### Subsidiary Oversight Committee

**3** committee members

Established in April 2003

Monthly review of the business status of the corporation

## Operational 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 numbers. 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.

# 04

## Strengthening Partnerships

### 4.1 The Best Platform for Talent Development 57

- 4.1.1 Personnel Overview 57
- 4.1.2 Talent Cultivation 62

### 4.2 Building a Friendly, Healthy and Safe Environment 68

- 4.2.1 Diversified Workplace 68
- 4.2.2 Employee Care 69
- 4.2.3 Human Rights Policies and Commitments 72



### 2023 Key Sustainability Performance

Responded to the "TALENT, in Taiwan" Taiwan Talent Sustainability Action Alliance

Selected as one of the top 50 in the first "Talent Sustainability Award" by CommonWealth Magazine and ranked among the top 5 in the "Family-Friendly Workplace Award" for SME

Awarded the "Sports Enterprise Certification" by the Sports Administration, Ministry of Education(from 2022 to 2025)

Enhanced employer branding and promoted sustainable talent through the "Chia Hsin Family Internship Program."

Introduced a competency model and the department head succession planning program

# 04 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 has made efforts to build a safe and healthy environment to provide employees with a quality workplace, which has been the core spirit of the Company. In addition, we provide higher compensation than market rates, conducting regular performance evaluations, providing education and training, and maintaining a complete promotion system to attract and retain talents. The Company has also worked hard to build a safe work environment, improve health facilities, and develop comprehensive welfare systems to safeguard the mental and physical health of employees and their dependents. It is the goal of the Company to create a friendly workplace that promotes work-life balance of employees, allowing them to steadily develop their careers and happily fulfill their aspirations, which in turn fosters 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 2023

**420**

In 2023, 65 employees or 15.48% of total employees were new hires.

**Male**  
50.24%

**Female**  
49.76%

**Stable employment**

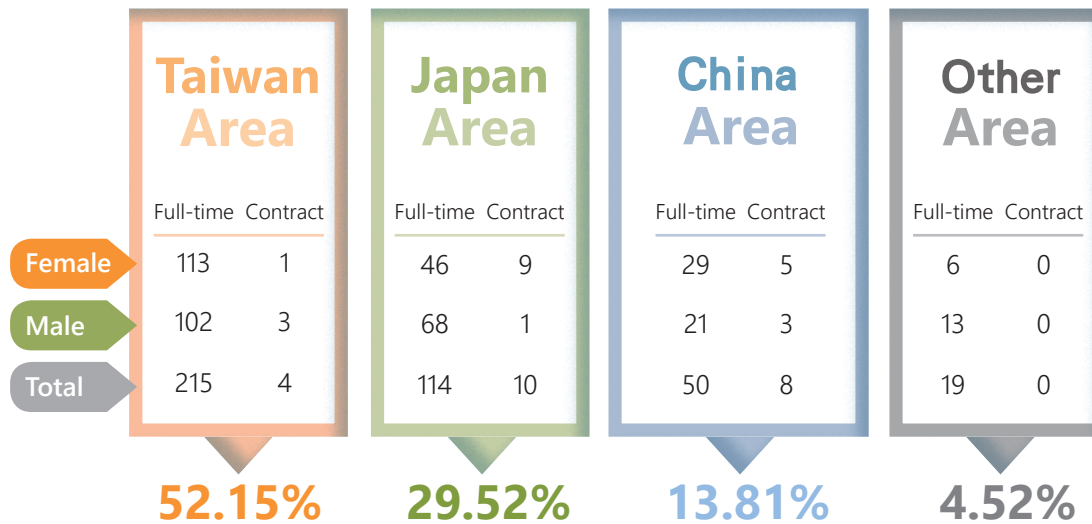
Percentage of full-time employees **94.76%**

**76.67%** of employees with a bachelor's or master's degree

#### Chia Hsin Cement Group Workforce Structure in 2023

Item	Type	Male	Female	Sum	Percentage of Total Employees
Position Type	Full-time	204	194	398	94.76%
	Contract	7	15	22	5.24%
	Total	211	209	420	100%
Managerial positions or Non-managerial positions	Managerial positions	73	43	116	27.62%
	Non-managerial positions	138	166	304	72.38%
	Total	211	209	420	100%
Age Distribution	Under 30	36	37	73	17.38%
	31-50	103	123	226	53.81%
	Over 50	72	49	121	28.81%
	Total	211	209	420	100%
Educational Background	Master's or higher	9	23	32	7.62%
	University	149	141	290	69.05%
	Senior high (vocational senior high)	42	35	77	18.33%
	Below senior high	11	10	21	5.00%
	Total	211	209	420	100%

GRI 2-7



### Employee Distribution (By Gender and Executive Position)

Gender	Male			Female		
Age	Under 30	31-50	Over 51	Under 30	31-50	Over 51
Executive Management Position	0	2	10	0	2	6
Mid-Level Management Position	1	4	14	0	4	7
Supervising Position	1	21	20	0	17	7
Non-managerial position	34	76	28	37	100	29
Sum	36	103	72	37	123	49
Percentage of Total Employees	8.57%	24.52%	17.14%	8.81%	29.29%	11.67%
Total	211			209		

\*Executive management positions include director level (inclusive) or the same level. Mid-level management positions manager level and above or the same level. Supervising Positions are above section chief (inclusive) or the same level.

GRI 2-7

Non-guaranteed hours employee: 0

Part-time employee: 0

GRI 2-8

Workers who are not employees: 15

Such as: security guards, cleaners, stationary air conditioning technicians on Headquarter floors of Chia Hsin Building

\*accounting Chia Hsin Cement Corporation only

### Workplace Diversity Policy

Chia Hsin Cement Group employ a total of 420 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 equality 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 (88 employees) employed one person with moderate disability.








### Female Employees in Executive Positions

Position	Number of Employees	As a Percentage of all Employees in the Executive Position
Senior Management	8	6.90%
Mid-Level Management	11	9.48%
Junior Management	24	20.69%

19 female revenue-related managers, accounting for 16.38% of all executive positions.



## Employee Distribution (By Nationality)

Nationality	Number of Employees	Percentage	Number of Employees in Executive Positions	Percentage of Employees in Executive Positions
 China	58	13.81%	16	13.79%
 Japan	124	29.52%	36	31.04%
 Canada	1	0.24%	1	0.86%
 Taiwan	219	52.14%	61	52.59%
 Nepal	13	3.10%	1	0.86%
 Other	4	0.95%	0	0.00%
 United States	1	0.24%	1	0.86%
Total	420	100.00%	116	

## 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

##### 1.Fixed pay:

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

##### 2.Variable Pay:

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

#### 2 Sign-on bonuses or recruitment incentive payments

##### 1.Sign-on bonuses:

None. However, we can exclusively sign employment benefits, such as: guaranteed annual salary, annual special leave privileges & etc.

##### 2.Recruitment incentive payment:

In accordance with 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 shall 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 evaluation, the payment shall be returned at the time when the year-end bonus or employee compensation is paid.
2. The claimback provision for the top management level and senior management shall be the 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 provides 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. Goal Setting: The President assists the Chairman in strengthening and implementing the Company's sustainable development and risk management strategies by setting operational goals. These goals are then extended to all levels of units and implemented by employees at all levels. They are used as indicators for evaluating the performance of the highest level of governance and senior management based on the Job Coefficient and the Operational Coefficient in order to ensure that the annual performance goals can be achieved.
2. The salary policy and payment standards are set with reference to the market salary and considering the overall economic and company operation and financial situation.
3. 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.
4. Annual salary adjustment: Annual salary adjustment will be made according to the fluctuation of price index and individual performance, and with reference to the company's operation and financial situation.

## Process to Determine Remuneration

(GRI) 2-20

### Remuneration policy and process to determine the remuneration

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).

13.91

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).

-7.68

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 Appraisal

Performance appraisal 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 achieve work goals, and strengthen the interaction and communication between supervisors and employees, in order to help employees' future career development.

The performance appraisal system covers two major elements, i.e., functional evaluation and goal management, and is designed to provide an important reference for the development of employees' duties and to serve as a key basis for the granting of rewards. At the beginning of the period, managers and employees will discuss goal setting, and in the middle of the period, we will begin to review the progress of accomplishing the goals set in the first half of the year, and at the end of the period, the annual performance appraisal will be conducted. Through the annual performance appraisal, we will enhance the function and work efficiency of employees, and assist them in accomplishing the established work goals. The process also emphasizes on the interaction and communication between managers and employees, thus promoting the career development of employees.

In the performance appraisal system, the President assists the Chairman in setting operational goals to strengthen and implement the Company's sustainability and risk management strategies. These operational goals are then rolled out to the various levels of the organization and progressively implemented by the employees at each level to ensure the goals can be successfully achieved.

Before conducting the annual performance review for their employees at the end of the period, managers will conduct performance interviews. The purpose is to ensure two-way communication, allowing employees to clearly understand their performance, and discuss future development and improvement measures. This process promotes the mutual growth of individuals and the company.

Gender	Male		Female	
Position	Managerial positions	Non-managerial positions	Managerial positions	Non-managerial positions
Number of employees getting the performance evaluation	49	95	32	134
Completion rate	100%	100%	100%	100%

Note 1: The above statistics do not include the 56 employees in overseas regions and 49 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 are as follows:

Those who have worked for less than three months before the evaluation date.

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.

## Employee Satisfaction Questionnaire

The Employee Satisfaction Survey (ESS) is conducted annually to gain deeper insights into employees' perceptions of the work environment and company policies. The survey covers six areas: leadership, compensation and benefits, coworker relations, workplace conditions, personal development, and the company's sustainability. In the recent survey, 74.4% of employees expressed positive feedback on their engagement. The complete results were shared in the department heads' monthly meeting, where areas for improvement were discussed to ensure continued enhancement of employee satisfaction. Currently, the questionnaire targets business units that account for 76% of the Group's revenue. The survey is expected to extend to other related companies next year, with plans to eventually encompass the entire Group.

2023 Employee Engagement		Target
Questionnaire Recovery Rate	70.00%	Above 75.0%
Employee Engagement Rate	74.40%	Above 75.0%

Note 1: The above questionnaire was distributed to 357 employees of Chia Hsin Cement Corp., Chia Hsin Property Management & Development Corp., YJ International Copr. and Hotel Collective.

Note 2: The actual number of questionnaires collected is 250, among which 186 of them gave positive feedbacks on the employee engagement.

Note 3: Employee engagement rate of 74.4% means that 74.4% of the respondents chose [Somewhat Agree], [Agree] or [Strongly Agree].

## 4.1.2 Talent cultivation

### Sustainable Talents Enhance employer brand awareness and increase the exposure of enterprise groups

#### ▼ Sustainable Talent - Chia Hsin Family Internship Program

##### Valuing Talent, Creating the Future

The "2023 Chia Hsin Family Internship Program" is dedicated to nurturing sustainable talent by creating a challenging and inspiring learning environment for interns. This program encourages them to integrate theoretical knowledge with practical experience while infusing the company with energy and innovative ideas, ultimately driving forward sustainable development.

##### ► Newcomer Training

Interns gain a comprehensive understanding of the company's culture and values, helping them quickly adapt to the new work environment. This training also provides interns with opportunities to interact with department partners, increasing their confidence for the upcoming internship journey.

##### ► Bonding Lunch

To promote communication and integration among interns, we organize casual gatherings for networking and relationship-building. These events foster team spirit and strengthen bonds among the interns.

##### ► Monthly Sharing Session

Monthly sharing sessions are held for interns to present their learning outcomes through presentations. Supervisors are invited to participate to ensure the interns' progress aligns with the department's learning goals.

They also enable interns to share their experiences and challenges, fostering cross-departmental interaction.

##### ► Challenge Task

During the challenge task segment, interns will combine the creativity of the new generation with the spirit of teamwork to collaboratively discuss and execute innovative projects. This includes working together to shoot videos and jointly present creative proposals. The aim is to develop the interns' problem-solving skills, execution abilities, and teamwork capabilities.

##### ► CEO's Afternoon Tea

The CEO's Afternoon Tea offers interns an relaxing platform to engage directly with the CEO and interns can freely share ideas and ask questions. This activity not only provides interns with guidance and advice but deepens their understanding of the company.



##### ► Final Presentation

Interns have the opportunity to present their work achievements and learning progress during the final presentation. Supervisors provide comprehensive feedback and encouragement at this stage to motivate interns to grow and improve in their future careers.



##### ► Closing Party

The closing party signifies the successful end of the program. During this gathering, interns and supervisors share meals together and celebrate the interns' growth. It's also a great moment to extend our sincere wishes to the interns, hoping for their continued success in their professional endeavors.

## ▼ Sustainable Talent - Talent Recruitment Plan

### Resonating with the Community: Building Talent Pools

In the current competitive recruitment landscape, we leverage various social media channels—such as Facebook, LinkedIn, Instagram, LINE@, and campus career platforms—to share job opportunities. Additionally, through our 'HR Talks' series and other audio-visual content, we communicate our company's transformative message and benefits policies. These efforts enhance our employer brand, broaden our talent pool, and attract top talent to join us.

### Academic Connections: Uncovering Talent

To foster future talent, we've initiated the "2023 Chia Hsin Family Internship Program" aimed at facilitating students' seamless entry into the workplace and establishing a solid foundation for their careers. Concurrently, through campus recruitment events, special lectures, competitions, and judging panels, we hope more students can understand Chia Hsin Cement Group's transformation and development. These efforts are intended to spark their interest, and facilitate talent discovery and nurturance.

### Diverse Recruitment and Flexible Interviews

We offer online and in-person interviews to accommodate candidates' personal needs. This approach attracts potential talent and ensures that each candidate is interviewed in their most comfortable environment, optimizing their interview experience.

\*The recruitment cost in 2023 is NT\$404828, with an average recruitment cost of NT\$6,228 per person.



## ▼ Sustainable Talent - Preparing for the Future

### Employer branding

#### ► CHC X Fu Jen Catholic University, Department of Finance and International Business

The Department of Finance and International Business at Fu Jen Catholic University acts as a bridge by inviting senior managers from leading enterprises across various industries to serve as guest lecturers. In 2023, CHC Group participated in the industrial internship course, sharing industry insights, workplace environments, and specific talent requirements with students. This initiative bridges the gap between academic learning and practical workplace skills, while also addressing students' concerns and uncertainties about their future career prospects.

#### ► CHC X National Formosa University Talent Training Course

The National Formosa University marked the inaugural industry-university cooperation program. Professional managers from Chia Hsin Cement Group were invited to deliver lectures on English resume writing and interview skills. They shared extensive recruitment experience, bridged graduates' practical skill gaps, and enhanced students' interview proficiency. This initiative strengthens the industry-university partnership cultivation mechanism, providing crucial support to graduates in their job search.

#### ► Pregnant Mommy Parenting Program

Chia Hsin Cement Group attaches great importance to the balance between family and work life. Moreover, we celebrate the joy of new life. Through a variety of welfare initiatives, especially during the important moments of parenting, every employee and their spouse receive meticulous care and support throughout pregnancy and childcare. This includes preferential meals from our five-star central kitchen, and special postpartum teas for mothers.

In addition, we offer discounts on our self-owned brand "Gemcare" and free prenatal classes to help them prepare for parenthood. To further support our employees, we also provide a parent-child happiness gift package valued at NT\$5,000. This package includes recommended mother and baby products from professional nursing teams.

As a special care for employees, we also provide a maternity incentive of NT\$10,000 per child, adding warmth and blessings to each employee's new life and welcoming a better future together.



# Talent Cultivation

Sustainable Co-Learning, Cultivating Talent, Successor Plans and Inclusive Training Plans

## Key performance in 2023

Promote the online learning platform (the Group education and training system diagram)

Introduce competency models and departmental development plans

Initiatiate succession plan for the head of department

## ▼ Online Learning Platform

The usage rate of colleagues on the online learning platform is 97.8%, significantly higher than the platform average of 67.3%. In 2023, the average number of classes taken per employee was 15 units per month, also surpassing the platform average. This high engagement indicates that colleagues actively acquire new knowledge and enhance their competence. Notably, 91% of the learning was self-directed without strong promotion, with most indicators higher than industry averages.

The courses have been viewed 20,400 times, with nearly 5,000 certificates earned, focusing on "team building", "communication skills", "case analysis", etc. In 2024, we will continue using the platform, inviting managers to recommend courses based on the competency model. Monthly task assignments will promote learning and strengthen their competency. Additionally, these assignments foster physical and mental well-being, encouraging comprehensive use of resources.

## ▼ Traning Program

New recruits - less than 3 months		All Employees									
01 Genera Education Courses											
011 Newcomer Category		012 Occupational Safety and Health			013 Policy Advocacy				014 Corporate Culture		
0111 Newcomer Orientation Training	0112 Orientation Training	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 Sustainable Parter Action	0142 Core Competence Training	0143 Self-Enrichment

Professionals				
02 Professional Skill Courses				
021 Professional Certificates		022 Professional Practice Development		023 Professional Knowledge
0211 Certificates	0212 Advanced Certificates	0221 Accounting Managers	0222 Auditors	0231 Professional Skills

Management Levels			
03 Management Courses			
031 Management Trainee / Entry level Managers		032 Middle-level Managers	033 Senior Executive Class
0311 Mindset	0312 Skills	0321 Knowledge	0331 Managerial Training

\*0111-0134 are required courses for working colleagues



## ▼ Competence Modeling

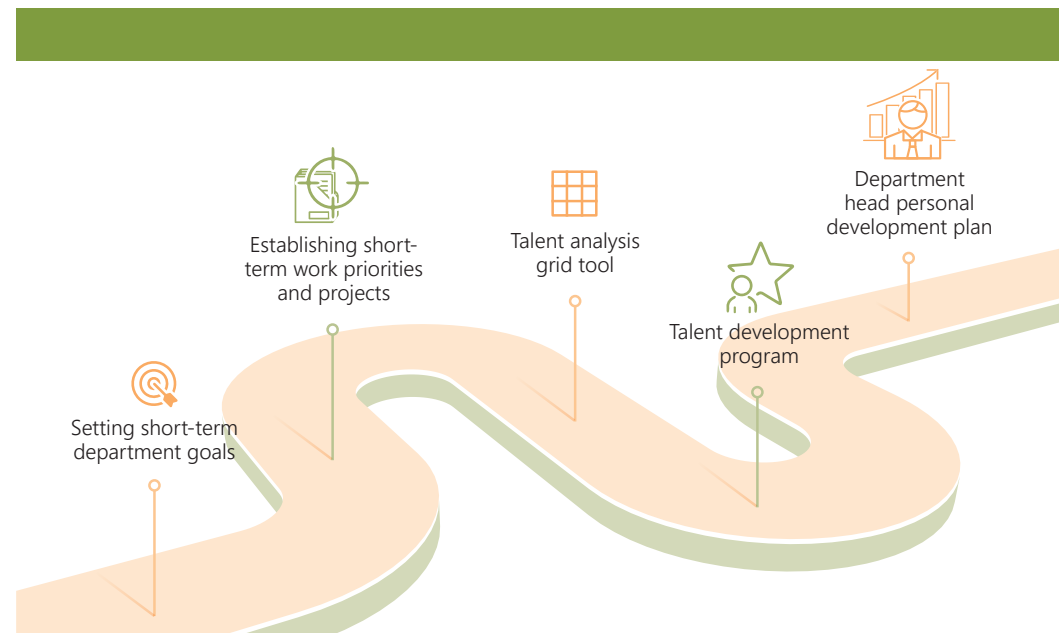
To identify potential talent and demonstrate employees' competencies, we initiated a competency model project. Through professional analysis and database comparison by a third-party organization, we established the requirements for the company's core, managerial, and professional competencies.

In the first phase, core and managerial competencies were defined through interviews with senior executives and department heads, as well as through questionnaires and meetings for determining professional competencies.

In the second phase, a comprehensive assessment of all employees was conducted to confirm the normative standards and establish the company's competency model and competency dictionary (including key behaviors, interview questions, and individual development plans). This model will be applied to talent development, performance evaluation, and new employee recruitment. The final report includes an analysis of the current state of company competencies compared to external benchmarks, differences between high-performing and general staff, and future training recommendations.

Core Competence	
All Employee	
No.	model recommendation
1	Proactiveness
2	Innovation
3	Responsibility
4	Integrity
5	Teamwork
6	Adaptability

## ▼ 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 so as 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 situation.
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 head with the colleagues, and included in the annual personal performance key objectives.

## Hours of professional development completed by employees in 2023

Employee Category	Executives	Non-Executives	Total
Actual attendance (A)	167	197	364
Total course hours (B)	1800	1912	3712
Average hours of training per person (B)/(A)	10.78	9.71	20.49
Total investment in training (C)	1,048,274	1,038,565	2,086,839
Average investment in training per person (C)/(A)	6,277	5,272	5,733

Gender	Male	Female	Total
Actual attendance (A)	220	144	364
Total course hours (B)	1860	1853	3713
Average hours of training per person (B)/(A)	8.45	12.87	21.32
Total investment in training (C)	1,014,753	1,073,858	2,088,611
Average investment in training per person (C)/(A)	4,613	7,457	5,738

\*Including overseas operating locations

This fiscal year, utilizing internal and external resources, we offer 16 elective in-person or online courses. These include office skills such as advanced Excel operations, application of ChatGPT, and advanced professional knowledge in topics such as "Global Future Risks and Sustainable Transformation Opportunities", "Comprehensive Intellectual Property Protection Strategies", "AI-Assisted Innovation Technology Intellectual Property Layout", and "Governance Strategies for Information Security in Listed Companies from the perspective of ESG corporate sustainability development". These courses are open for colleagues to freely enroll and choose.

## Routine Training & Overseas Learning

► Pre-job Training ► Competence Training ► Overseas Study Programs

## Regulations Establishment

We establish regulations to align with operational and safety needs across units, encouraging employees to participate in job-related further education. We also arrange and guide employees in obtaining relevant certifications. Additionally, to enhance awareness of human rights and workplace safety, we regularly conduct courses on labor safety and health, labor standards law, prevention of sexual harassment, and gender equality in the workplace.

## ▼ Initiating Departmental Succession Planning

### Define Talent

Tool: KSAO

Using the competency model system, generate individualized reports aligned with internal job descriptions to identify the knowledge, skills, abilities, and personal qualities required for departmental leadership.

### Identify Talent

Tool: 9 Box Grid

Utilizing the 9 box grid, assess past performance and future potential to position talents accordingly, identifying core talents within the department and selecting successors for department heads.

### Develop Talent

Tool: IDP (Individual Development Plan)

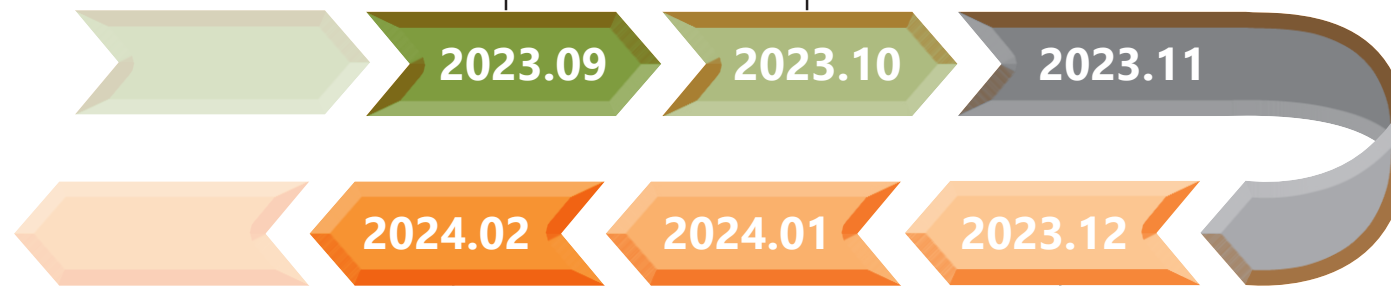
Based on competency model reports, conduct annual performance appraisals and set annual development goals. Use the IDP form to track development progress through project-based timelines.

**Department Succession Plan (9/25-10/15)**

Talent Inventory: Define, Identify, and Develop Talent

Outputs: Departmental Successor KSAO Profiles,  
9 Box Grid, Department Successor IDPs,  
Department-wide Staff Development Plan**2023 Annual Performance Appraisal (10/16-12/22)**Assessment of Core, Professional, and Management Competencies  
accounting for 50% of individual evaluations

Outputs: Evaluation forms for Department Heads and Employees

**Recruitment- Competency Interviews (From February 2024)**

Talent acquisition based on competencies

Outputs: Competency Interview Question Bank,  
Interview and Compensation Recommendation Sheets**2024 Goal Setting (From December 2023)**

Departmental and Individual Goal Setting (including IDPs)

Outputs: 2024 Departmental KPI Setting Form (Department),  
2024 Performance Setting Form (Individual)

## 4.2 Create A Friendly, Healthy, and Safe Environment

### 4.2.1 Diversified Workplace -----



#### Advocate Diversity Policy in Workplace

Chia Hsin Cement Group employ a total of 420 employees in Taiwan, China and Japan. Given the diversity of our employees, we strive to create an open and inclusive workplace environment that emphasizes equality and enables employees to embrace cultural differences, respect each other, learn together, and form stronger bonds with others in the workplace.

#### Establishment of Diverse Communication Channels

Chia Hsin Cement Group provides diverse and comprehensive communication channels to ensure that employees can work with peace of mind and maintain high levels of productivity. These channels enable us to better hear the voices and suggestions of our employees, address their concerns, and optimize the company's implemented systems, thereby deepening our people-oriented management philosophy. 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:

#### 2023 Workplace Friendly Activities and Achievements

Happy Workplace	HR Business Partner (HRBP) System	From 2022 October
	New Employee Buddy System	From 2022 August
	Employee Relationship Promotion Program	From 2023 January
	Festival Events	Annual festivals
Talent Cultivation	e-learning online platform	From 2022 October
	Talent Inventory	2023 September
	Competence Modeling	2023 September
Salary and Employee Benefits	Optimization of education and training methods	2023 July
	Reward system optimization	2023 September
	Attendance system optimization	2023 August
	Optimization of business trip management	2023 August
Employee Well-being	Employee Assistance Program	From 2023 January
	CEO afternoon tea	From 2022 October
	Occupational Health	Every Month
Social Participation	Employee communication meeting	Twice per year
	Christmas Little Elf Village Letter Return Event	From 2022 November



#### CEO Afternoon Tea

Regularly promote barrier-free 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 of communication between colleagues, supervisors, and the company when needed, aiming to enhance the timeliness of problem-solving.



#### Employee Satisfaction 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.

## Prevention of Workplace Harassment



### Regulations on Sexual Harassment in the Workplace Prevention Measures, Appeals, and Discipline

[ Workplace Equality and Prevention of Sexual Harassment ]

Chia Hsin Cement Group prohibits any form of sexual harassment, whether in or outside the workplace, and is committed to ensuring that employees are not subjected to sexual harassment or stalking by individuals outside the Group's control. We strive to provide a workplace and service environment free from sexual harassment for employees, job seekers, and third parties on a gender-equal basis. The following are measures to prevent sexual harassment in the workplace:

- ▶ **Publicly disclose the channels and methods for complaints:** In accordance with relevant laws and regulations, we amend the "The Regulations on Sexual Harassment in the Workplace Prevention Measures, Appeals, and Discipline" from time to time, and announce them on the bulletin board, internal sharing platform, or by e-mail.
- ▶ **Organize regular education and training:** Staff and personnel involved in investigating and handling sexual harassment complaints should receive regular educational training every year.
- ▶ **Establishment of a Sexual Harassment Complaint Handling Committee:** The committee should include professionals with gender awareness, with female members making up no less than half and any single gender comprising at least one-third of the committee. External professionals should be appointed as committee members as needed. Investigations of sexual harassment cases should be conducted confidentially, protecting the privacy and personal rights of the individuals involved.
- ▶ **Corrective and Remedial Measures:** We provide necessary work adjustments and support to ensure that the person concerned is not subject to secondary victimization. Additionally, we offer or refer appropriate assistance, including but not limited to counseling, medical or psychological consultation, social welfare resources, and other essential services.

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

## 4.2.2 Employee Care

A happy workplace is only possible with happy employees.

Embracing the core value of being people-centric, Chia Hsin Cement Group is dedicated to providing comprehensive care for its employees. Upholding the philosophy of work-life balance, the group offers a wide range of benefits that exceed legal requirements, tailored to the needs of employees at various stages of their careers.

This commitment aims to enhance employee productivity and create a friendly, healthy, and happy workplace.

Chia Hsin Cement Group plans and regularly reviews the employee welfare and care policies of its affiliates, taking into account their industrial attributes, local laws and regulations, and social conditions. Chia Hsin Cement Co., Ltd. offers employee welfare policies that exceed legal requirements, including:

Stage	Highlighted Benefits	Content
Onboarding	Flexible working hour	<ul style="list-style-type: none"> <li>● We provide a flexible schedule from 7:30-9:30 AM for start times and 4:30-6:30 PM for end time, accommodating family needs, transportation arrangements, and educational pursuits, with a reduction in working hours to 7.5 hours per day, which is better than the Labor Standards Law requirements. This allows employees to align their work hours with their personal arrangement, promoting work-life balance.</li> <li>● To support colleagues who need to travel home during festivals, employees can flexibly adjust their afternoon work hours on the business day preceding major holidays to avoid traffic congestion.</li> </ul>
	Friendly leave	<ul style="list-style-type: none"> <li>● <b>Bereavement Leave:</b> Employees who have lost their parents or spouse can apply for 10 days of bereavement leave, which is more generous than the original regulations. This policy aims to alleviate the pressure on employees dealing with the death of their loved ones.</li> <li>● <b>Full-Paid Ordinary Injury and Sick Leave:</b> Employees are entitled to full pay for up to 3 days a year of ordinary injury and sick leave if they have no special leave remaining. This provision ensures employees receive appropriate rest and care during illness while reducing their financial burden.</li> <li>● <b>Full-Paid Family Care Leave:</b> Employees can take up to 3 days a year of full-paid family care leave if they have no special leave remaining. A corresponding support mechanism is provided based on employee care needs.</li> <li>● <b>New Employee Leave:</b> After completing the probationary period, new employees are granted 2-day off.</li> <li>● <b>Birthday Leave:</b> Employees are given half a day of paid leave during their birthday month.</li> <li>● <b>Volunteer Leave:</b> Employees can apply for up to six days of volunteer leave per year, based on the actual number of public service hours performed.</li> </ul>
	Telecommuting	Employees are offered 3 remote working days per month to promote consistent and regular remote work.

Stage	Highlighted Benefits	Content
Onboarding	Health, Safety and Care Practices	<ul style="list-style-type: none"> <li>● <b>Health Check Leave:</b> Employees are entitled to 1 day of health check-up leave per year.</li> <li>● <b>Health Care Measures:</b> Regular health check and free influenza vaccinations are provided annually. The company supports four major programs: prevention of ergonomic hazards, prevention of diseases caused by abnormal workload, prevention of illegal infringement during official duties, and maternal health protection plans. We also focus on employee health interviews and provide personalized health education based on various health indicators.</li> <li>● <b>Health Examination Subsidy:</b> Employees can choose a clinic and receive a subsidy for optional health examination items, with a maximum subsidy of \$5,000.</li> <li>● <b>Employee Assistance Program (EAP):</b> The program creates a 24-hour communication channel and a warm, caring working environment, ensuring proper protection of employee privacy. It also provides third-party consulting assistance.</li> <li>● <b>Safety Measures:</b> The company is equipped with AED devices and conducts AED and CPR first aid training courses. Fire drills and life-saving lectures are organized annually.</li> </ul>
	Subsidies for Sports Clubs and Programs	<ul style="list-style-type: none"> <li>● To promote work-life balance and cultivate a healthy workplace, the company has set up more than four sports clubs. Each club activity receives \$6,000 in subsidies from the Welfare Committee for coaches or venues.</li> <li>● The Company has invested in a five-star gym, offering free consultations with professionals and complimentary access to various equipment.</li> </ul>
	Financial Planning	Employee stock ownership trust: allocating 100% of the incentive money to encourage employees to share in the company's performance results. This initiative helps employees accumulate long-term wealth through regular, fixed contributions, providing clearer retirement benefits and protection. Currently, 83% of eligible employees participate in the program.
Marriage	Wedding Gift	Marriage grants are available for employees up to \$11,600 and up to \$2,600 for employees' children.

Stage	Highlighted Benefits	Content
Pregnancy and childbirth	Maternity Leave	<ul style="list-style-type: none"> <li>● <b>Pregnancy Checkup and Pregnancy Checkup Accompaniment Leave:</b> To encourage childbirth and create a family-friendly environment, employees (including but not limited to all genders) are provided with paid leave during pregnancy. This leave has been increased from 7 days to 10 days by law, applicable for both employees and their spouses.</li> <li>● <b>Rest Leave:</b> If a physician diagnoses that treatment, care, or recuperation is required during pregnancy and there are no special leave days remaining, we will provide 7 days of paid leave within one year, ensuring employees can prepare for childbirth with peace of mind.</li> </ul>
	Pregnancy Blessing	Employees will receive a \$10,000 maternity gift and a happiness package worth \$5,000 containing newborn necessities. Additionally, affiliated companies offer free motherhood classes, discounted postpartum housing, soup, and postpartum mother's tea.
	Child Care Allowance	Employees who meet the eligibility criteria of the "Employee Childcare Welfare Subsidy Regulations" will receive a subsidy of NT\$3,000 per semester for each child under the age of 12. The maximum annual subsidy per employee is NT\$6,000.
	Child Education Subsidy	Under the Welfare Committee's scholarship and bursary program, educational subsidies and scholarships are available to employees' children from primary school through tertiary education.
Retirement	Retirement Ceremony	Retirement ceremonies are organized to honor retiring employees for their contributions. Senior executives personally present them with flowers and gifts. It also provides an opportunity for colleagues who have worked together for many years to reminisce and share their memories. This occasion creates a memorable closing for the retiring colleagues on their final day of work.
	Retirement Life	We conduct exit interviews and assist employees during their transition period before retirement. We encourage them to engage in various company-organized public welfare activities and clubs after retirement, supporting them in maintaining their exercise routines and social connections.



## Organize in-house activities to build friendly employee relations.

### Mother's Day activities

On the eve of Mother's Day, we invited senior executives to dress up as flower fairies and distribute carnations to all colleagues. This gesture aimed to extend wishes of health and happiness to all dedicated caregivers. During the flower distribution event, we also organized a group photo session, encouraging colleagues to take creative photos together to promote physical activity among those who spend most of their time at their desks.



### Halloween Events

For the first time, we organized a Halloween party and invited our colleagues to participate in a costume parade to showcase their creative and eccentric costumes. This event created a lively and enjoyable atmosphere.



### Fruit Day

To promote a balanced diet and encourage colleagues to consume a variety of fruits and vegetables for their nutritional benefits, we organized Fruit Day. This initiative aims to promote overall health, and safeguard the well-being of all colleagues.



### Snack Day

Positive energy phrases are affixed to snacks to uplift and relax all colleagues diligently working, fostering an efficient completion of tasks in a joyful atmosphere!



## 4.2.3 Human Rights Policies and Commitments

Chia Hsin Cement Group is committed to upholding the basic human rights of employees. We endorse and support international human rights standards such as the United Nations Global Compact, Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. In January 2020, we established a Human Rights Policy focusing on diversity, inclusion, equal employment opportunities, open communication channels, safe and healthy work environment, personal data protection, and regular review of human rights-related policies and practices. We pledge to actively prevent human trafficking, forced labor, child labor, and discrimination through practical actions, while respecting freedom of association, collective bargaining rights, and equal pay for equal work.

Supplier management policies include human rights policies, please refer to 2.2.2 Supply Chain Management

### 1 Human Rights Due Diligence

Chia Hsin Cement Group adheres to its human rights policy by regularly reviewing and assessing human rights-related systems and actions. When issues are identified, we promptly implement corresponding risk mitigation measures and conduct periodic reviews to evaluate their effectiveness. Internal audits and employee feedback mechanisms are utilized to ensure the policy's effective implementation.

### 2 Human Rights Due Diligence Process



2023 Human Rights Due Diligence Results and Mitigation Plan:

In 2023, Chia Hsin Cement Group did not experience any incidents of human rights violations or discrimination. Based on the investigation findings and potential human rights risk issues, we implemented the following mitigation measures:

Concerned Parties	Concern Issues	Risk Identification Sources	Current Mitigation Measures		Future Mitigation Measures
Employee	Diversity and Inclusion Ensuring Equal Job Opportunities:  1. Maternal Well-being 2. Promoting a Diverse and Inclusive Workplace Environment	1. Pregnant women, women who have given birth within the past year, and women who have been advised by a physician to adjust their workload or work hours based on a suitability assessment.  2. Employee awareness of Diversity, Equity, and Inclusion (DEI).	1. Ensure compliance with the Labor Standards Act, the Gender Equality Act, the Implementing Measures for the Protection of Maternal Health of Laborers, and Articles 30 and 31 of the Occupational Safety and Health Act. 2. The Company provide flexible measures for pregnant employees, including flexible working hours, telecommuting, and breastfeeding rooms. 3. Regularly implement educational training to prevent sexual harassment in the workplace. 4. Organize DEI awareness lectures occasionally.		1. Optimize parenting programs for pregnant mothers and proactively provide employees with information on care and corporate support policies.  2. Integrate DE&I values into all employee relations activities.
	Open Communication Channels	Internal and external communication or complaint channels	1. Labor-Management meetings. 2. Employee satisfaction survey questionnaire. 3. Employee Welfare Committee. 4. Labor Retirement Fund Oversight Committee. 5. Employee Sharing Meeting. 6. Afternoon tea with CEO.	7. HRBP. 8. HR email newsletter. 9. HR Supervisor Hotline. 10. Employee Assistance Program. 11. Official Line@. 12. Internal announcements.	Implementation of staff opinion sharing and satisfaction surveys
	Providing a Safe and Healthy Working Environment	1. Survey results of the four major occupational safety programs. 2. Occupational disaster reporting information. 3. Information on working hours.	1. Occupational health interviews. 2. Health check. 3. Influenza vaccine. 4. Equipped with an automatic external defibrillator (AED) and a blood pressure monitor. 5. Annual CPR and AED first aid training, fire drills training. 6. Occasional health talks and safety and health training sessions. 7. Provide a flexible commuting system to help employees promote work-life balance and reduce the risk of prolonged working hours.		Establish a mechanism for notifying and supporting employees in unusual situations, and proactively provide them with information on care and corporate support policies.
	Personal Data Protection	1. Interview information of the applicant. 2. Basic information about the employee.	Establishment of a Personal Data Protection Management System and a Personal Data Protection Management Committee.		Enhance awareness of personal data and protection.

# 05

## Promoting Social Inclusion

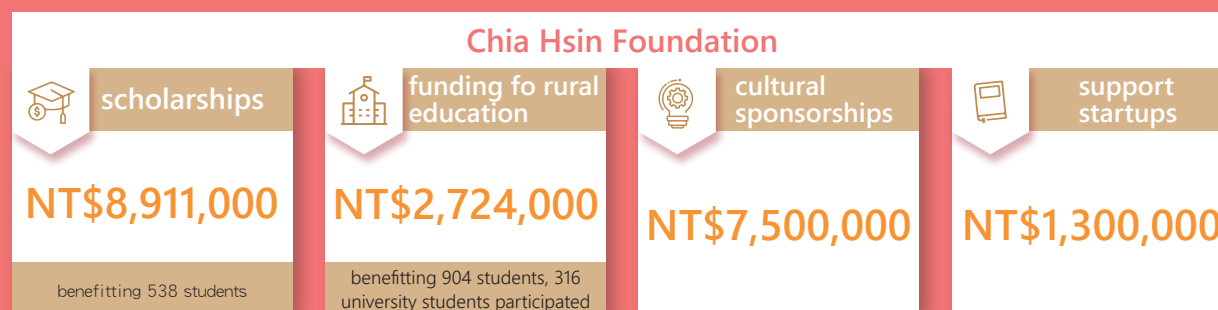
### 5.1 Strengthening Connections with Social Partners 74

5.1.1 Scholarships and Charitable Sponsorships 74

### 5.2 Strengthen Social Influence 76

5.2.1 Youth Empowerment and Startup Support 76

5.2.2 Equity and Inclusion and Community Involvement 79



# 05

## Promoting Social Inclusion

### 5.1 Strengthening Connections with Social Partners

#### 5.1.1 Scholarships and Charitable Sponsorships

#### Achievements in 2023



Awarded **NT\$ 8,911,000** in scholarships



Granted **NT\$ 2,724,000** 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 as the Chairman of the foundation.



#### Purpose

"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**  
Scholarship Starting Year **in 1960**



**96,780** students have benefitted



**NT\$ 222,627,000** Chia Hsin Scholarships awarded  
**NT\$ 46,526,160** Sports Scholarships awarded  
**NT\$ 1,300,000** Sustainability Scholarships Awarded





## Scholarships

Benefited **538** school children in 2023



The Chia Hsin Foundation has a long history of promoting education and culture, dedicated to providing underprivileged children with the opportunity to receive an education. Over the past decades, nearly 100,000 individuals have received

awards and support from the Foundation. Since its inception in 1960, the Chia Hsin Scholarship attracted more than 5,000 applications in its inaugural year, with 1,200 students ultimately receiving \$350 each, equivalent to one month's salary for a civil servant at the time. Despite changing times, the program has been in existence for over a century and has set many records, establishing itself as a pioneer among privately-run foundations in Taiwan.

Starting in 2022, the Foundation launched the "Sustainability Scholarships" to encourage university students to actively participate in and support sustainable development. In 2023, 7 students were awarded Sustainability Scholarships. This marks a gradual shift in the Foundation's mission: from solely supporting underprivileged students to also encouraging those who aspire to sustainability and innovation. The Foundation continually adapts to meet the needs and challenges of contemporary society, nurturing a new generation of forward-thinking and sustainability-minded individuals.

## 4 優質教育



## SDGs 4 Quality Education

### 1) 64th (2023) Chia Hsin Scholarship Awards

Awarded **NT\$ 6,870,000** in scholarships, benefitting **425** students

### 2) 59th (2023) Chia Hsin Sports Awards

Awarded **NT\$ 1,341,000** in scholarships, benefitting **106** students

### 3) 2nd (2023) Sustainability Scholarship Awards

Awarded **NT\$ 700,000** in scholarships, benefitting **7** students

## In 2022, the Sustainability Scholarship was established.

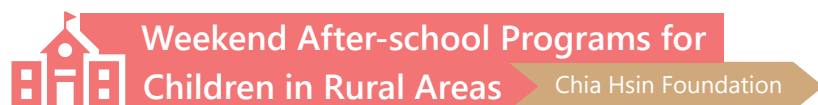


In light of the monumental environmental crisis currently facing humanity, which threatens the lives and well-being of billions of people on Earth, as well as the survival of millions of species, the Chia Hsin Sustainability Scholarship was established. Its purpose is to inspire the new generation to 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 is offered in collaboration with the Epoch Foundation, allowing students to participate in 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.

## 5.2 Strengthen Social Influence

### 5.2.1 Youth Empowerment and Startup Support



- ① 2023 Taiwan University of Education (TUE) system program to provide after-school assistance to students in rural areas.

**Taiwan University of Education (TUE)**  
(2023 academic year)

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

Total funding: **NT\$ 1,946,880**

**235** university students participated

Benefited **821** schoolchildren

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 engaging in various recreational activities to help children learn happily and enrich their spiritual life.

#### (i) University of Taipei

2023/07/07-07/12

##### Ming Duo Educational Service Club: Detective Conan's Creative Arts Experimental Growth Camps

Theme	To learn about marine ecological issues and to stimulate students' creativity, creative thinking and verbal expression.	<b>16</b> university students participated
School	Lugu Elementary School, Lugu Township, Nantou County.	benefited <b>32</b> schoolchildren

#### (ii) National Taichung University of Education

2024/01/22-01/26

##### 2023 After-school Program for Underprivileged Schoolchildren

Subject	Winter vacation tutoring program	<b>29</b> university students participated
School	Hsieh-Cheng Elementary School, Taichung City	benefited <b>37</b> schoolchildren

#### (iii) National Chiayi University

2023/07-2024/02

##### Don't underestimate 0.1

Subject	Winter and Summer Vacation Camps, Semester Programs and Life Education	<b>29</b> university students participated
School	Tuku Elementary School, Lantan Elementary School and Shiuan Shin Elementary School	benefited <b>164</b> schoolchildren



**(iv) National University of Tainan:  
After-class Program ①**

2023/07/01-2024/01/13

**NTU Rural Classroom Support ~ Tucheng and Jiangong - Bilingual  
Interdisciplinary Program**

<b>Subjec</b>	Weekly physical classroom tutorials, cross-curricular literacy orientation and activity design that integrates bilingualism and character education.	<b>20</b> university students participated
<b>School</b>	Jiangong Elementary School in Qigu District and Tucheng Elementary School in Annan District	benefited <b>46</b> schoolchildren

**(v) National Pingtung University:  
Classroom Support Program ①**

2023/10/14-12/09

**Multi-faceted Support Program for School Children in Rural Areas**

<b>Subjec</b>	8 weekend counseling sessions organized by the Department of Educational Psychology and Counseling.	<b>26</b> university students participated
<b>School</b>	Si Shih Elementary School in Pingtung County	benefited <b>32</b> schoolchildren

**(iv) National University of Tainan:  
After-class Program ②**

2023/09-2024/01

**Tainan University Department of Mandarin Chinese Language and  
Literature, National Elementary School Student Care and Counseling  
Classroom Support Program**

<b>Subjec</b>	Offer classes on calligraphy and reading and writing.	<b>5</b> university students participated
<b>School</b>	National University of Tainan Affiliated Primary School	benefited <b>27</b> schoolchildren

**(v) National Pingtung University:  
Classroom Support Program ②**

2023/09/01-2024/02/29

**2023 Support Program for Disadvantaged Students**

<b>Subjec</b>	The Department of Applied Chemistry organized a program to provide care and counseling to students in rural areas.	<b>11</b> university students participated
<b>School</b>	Laiyi Elementary School, Kuljaljau Elementary School, Vungalid Elementary School, and Wutan Elementary School	benefited <b>372</b> schoolchildren

**(vi) National Dong Hwa University**

2023/07/03-07/21

**Dreaming of Pinghe - Spirit of Schweitzer Educational Service Project**

<b>Subjec</b>	120 hours of tuition support teaching by service groups of students in the education program.	<b>18</b> university students participated
<b>School</b>	PingHe Elementary School and PingHe Junior High School	benefited <b>37</b> schoolchildren

(vii) National Taitung University:  
Curriculum Support Program ①

2023/07/01-2024/01/31

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

Subject

Digital tutoring program, with 120 tutoring sessions and accumulated tutoring hours amount to 180 hours.

6 university students participated

School

Jhong Siao Elementary School and National Taitung Girls' High School

benefited 24 schoolchildren

(vii) National Taitung University:  
Curriculum Support Program ②

2023/10/22-12/03

Eastern Disadvantaged Students' Mountain and Sea Education  
Experience Learning Program in rural areas

Subject

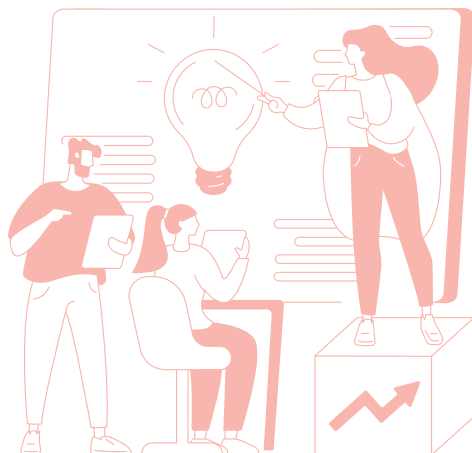
Mountain and sea education experience courses

75 university students participated

School

Zhongxiao Elementary School, Taiyuan Elementary School, Changbin Junior High School, and Fengtian Junior High School

benefited 50 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\$ 777,200  
(2023 academic year)

81 university students participated

Benefited 83 schoolchildren

2023/1/1-2023/12/31 (The program was conducted for 3,138 hours)

Teaching side:

College chaperones are recruited mainly from NYCU and UTaipei, and there are 6 other schools such as NCUE, CCU, NTHU, and MCU, etc. Among the college chaperones, 2 volunteers are scholarship winners.

Learning side:

Pingtung Sailiao Branch, Shiliu Junior High School, Meilin Elementary School and many other tribal classrooms.

	First semester	Second Semester
Volunteer university students participated	51	30
School children benefited from the program	44	39



## Support for startups

Chia Hsin Foundation



### 2023 Results

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

## Garage+ Program with the Times Foundation

### 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 providing the "Garage+ Chia Hsin Space" in the current year.

On October 24th, 2014, the "Garage+ Chia Hsin Space" was established in cooperation with the Epoch Foundation to provide nearly 1223 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. **In 2023**, we counseled **72** new start-up teams (the cumulative number reached **549**), and **22** physical teams on site.

Industry Sectors	Percentage
BigData / Computing	34%
IoT / SmartDevice / AR & VR / Robotics	31%
Healthcare / MedicalDevice	20%
Lifestyle	6%
Green tech/Agriculture/Social Enterprise	5%
Fintech	4%

## Epoch School Talent Education Program

The Epoch School, a talent education program of the Epoch Foundation, offers the "International Professions Internship Program." In 2023, Chia Hsin Cement Group, among two other companies, participated as a program reviewer. Through case analysis of Chia Hsin Cement Group, we engaged with young students, helping them conduct in-depth investigations and develop innovative, concrete, and feasible solutions to current challenges. This program aims to cultivate students' analytical and proposal skills, enabling them to understand the big picture and propose effective solutions.

## 5.2.2 Equity, Inclusion and Community Involvement



### Stand with Neighbors

CHC Group

Community Care

### Good Friend Mission Christmas Feast



On the Christmas Eve, our colleagues went to the Good Friend Mission Center to cook a sumptuous Christmas dinner for the children.

### CHC x Hao Wo Girls' Basketball - Basketball Tournament



On 12/23, Chia Hsin Basketball Club had its first basketball game with Hao Wo Girls' Basketball Club, which was jointly established by Good Friend Mission Center and Spreading Good Award. We fostered friendships while passing the basketball to each other, regardless of age or gender.





## Support for the Disadvantaged

CHC Group

Community Care

### Rice-carrying activity - Climbing Stairs for Charity



To fulfill the goal of "Pursuing a Better Life," We held a rice-carrying activity in 2023. The event featured Star Wish Rice, sourced from the Star Child Handicraft Workshop established by the Taiwan Association for the Care of Families with Autistic Children. Colleagues were invited to join the event, symbolically spreading love through their physical efforts. Each bag of rice carried by participants was donated to CHF scholarship recipients and children at the Good Friend Mission Center.

### Father's Day Ice Cream for Love



On this special day, we express our gratitude to all fathers and share the delicious and low-fat "Mama Kung's Ice Cream," created by Exist For Love, an organization dedicated to supporting the underprivileged

### CHC x MEandMine x TFCF, Yingge Branch - Little Beaver Sustainable Education Program



Sponsorship NT\$ 50,000

CHC Group and Taiwan Fund for Children and Families (TFCF) collaborated with Silicon Valley education start-up MEandMine to sponsor SEL's Emotional Education Discovery Box at the end of 2023. This initiative reached 14 Family Support locations across various counties and cities, impacting 23 classes and benefiting a total of 677 children who received the Discovery Box as a Christmas gift.

On January 24, 2024, our colleagues had the opportunity to spend quality time with these children, helping them understand their emotions—a crucial aspect of their growth and development.

During the games, we witnessed the children's intelligence, flexible thinking, and potential. With proper guidance and support, they will undoubtedly thrive, realize their potential, and improve their self-confidence, perseverance, and social skills.





Dream Project

CHC Group

## Christmas Letter Response Event

Sponsored **\$100,000**  
to print Christmas postcards



We collaborated with the Taiwan Santa Claus Association, inviting our colleagues to respond to letters from children across Taiwan. Through heartfelt words, we conveyed warmth and joy. As we read the children's letters, we felt a sense of delight and healing.

## Gift Giving Event



Since 2022, CHC has called on our members fulfilling children's wish lists every Christmas. In 2023, the proceeds from our fundraising efforts were used to sponsor the "Ride of the Shadows" program at the Good Friend Mission Center's care sites. This program enables children to channel their energy and develop time management and self-care skills through positive activities. Cycling gear such as jerseys, pants, lights, and helmets, are purchased to provide care and support to children and families in need, thereby enriching their childhood experiences!

## Jiehhuey Social Welfare Charitable Foundation

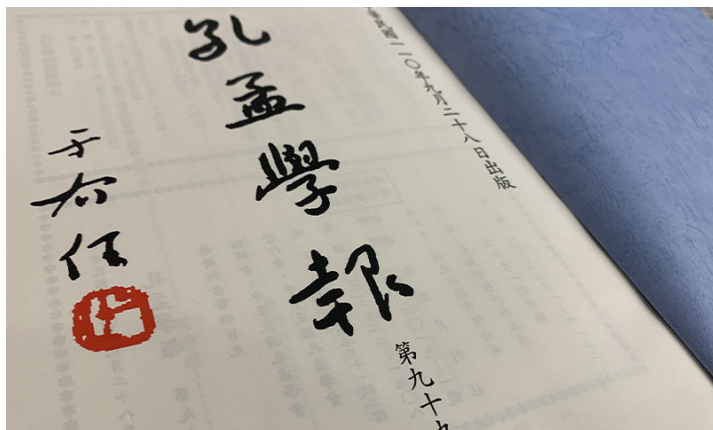


### Community Care

Sponsorship of **\$100,000** in 2023

Over the past 36 years, the Jiehhuey Social Welfare Charitable Foundation has evolved from providing charitable relief services to offering home care services for the elderly in remote villages. Embracing the concept of "local people serving local people," the Foundation encourages local women and youth to become caregivers, thereby creating employment opportunities. In 2023, CHC Group will continue our commitment by donating \$100,000 to the Foundation, contributing to the care of the disadvantaged and disabled in remote villages.

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



◎ Cultural heritage

CHF

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.

## Sponsored the publication of "Dictionary of Western Zhou Inscriptions"

◎ Cultural heritage

CHF

Sponsorship NT\$ 1.1 million

Mr. Shenkai has long been devoted to studying the construction of the Chinese writing system, and his "Western Zhou Bronze Scripts Illustrated Dictionary" is one of the rare works that clearly describe the history of bronze inscriptions. This significant contribution to the inheritance of Chinese culture has led CHF to sponsor the book's publication in three-year phases, with a total of NT\$3.35 million. The hope is that the research results can soon be disseminated worldwide. The book has been printed and is now a valuable resource for both academia and the general public in exploring the construction of the Chinese writing system, analyzing and reconstructing characters from the Western Zhou Jinwen, and understanding the development process of Chinese culture.

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

◎ Sponsorship of culture and the arts

CHC Ryukyu



The 15th generation of Shiroma Red Kobo, Shingma's work "Phoenix".

In April 2021, Hotel Collective began exhibiting Bingata works in the lobby and on each floor's elevator lobbies. Bingata is a traditional Okinawan craft with a long-standing history, a dyeing technique used to create fabric for kimonos and dresses worn by Ryukyu Kingdom royalty when entertaining guests. The exhibits included works from the Shiromabingata Workshop, Chinen Bingata, and Yafuso Bingata Workshop.



## Sponsorship of the 1st "Cinema at Sea The Okinawa Pan-Pacific Film Festival - Festival Highlights



### ○ Sponsorship of culture and the arts

2023.11.23-11.29



Festival Ambassador Shogen and Board Member Aika Higashimori (left) on the red carpet at the festival. (Location: Hotel Collective, 1st floor).



Opening Ceremony of the Festival. (Location: Hotel Collective 2nd Floor Ballroom).



CHC Group

Sponsorship **NT\$ 1,800,000** (Including in-kind sponsorships)

The inaugural "Cinema at Sea - The Okinawa Pan-Pacific Film Festival" was held in Naha, Okinawa, from November 23 to 29, 2023. This festival, centered around a cultural framework that transcends land borders, featured 40 productions from 16 Pacific islands and seaside countries. A star-studded aisle, opening ceremony, and gala dinner took place at the Hotel Collective, a subsidiary of CHC Group. Taiwan-based director Huang Yin-Yu served as the director, and film critic Weng Huang-Te will act as the curator. The festival team included film professionals from Japan, Taiwan, France, Germany, and other countries, with internationally recognized Okinawan actor Shogen being the ambassador.

This year's film festival features six major sections: "Main Competition," "Focus on Director: Christopher Makoto Yogi," "Pacific Islands Showcase," "Outdoor Screenings," "Special Screenings," and "VR Unit." Highlights include the opening documentary set in Okinawa, showcasing profound cultural expressions, and the revolutionary VR screenings from the Japan Film Festival, as well as unique outdoor screenings on the beach. Under the evaluation of the international jury, two Chinese-language films, "Youth of Fudu" and "The Imitation Turtle," achieved

outstanding results. The Lifetime Achievement Award will be presented to veteran Okinawan director Takamine Gō, with screenings of his classic films "Paradise View" (1985) and "Untamagiru" (1999).

Hotel Collective, a wholly-owned subsidiary of CHC Group, was formerly the site of the National Cinema. When meeting director Huang Yin-Yu, who is also from Taiwan, the concept of "Open the vision of viewers" resonated with the hotel's core philosophy of "Opening the Emotion of our customers." Chia Hsin Cement Group celebrates its 70th anniversary in 2024, and aim to support further cultural enrichment and cross-border cultural exchanges with this film festival as a start.

As its name suggests, Hotel Collective is committed to becoming a place where travelers can experience communion with local culture and art. It is proud to support the growth and development of the Okinawa Pacific Rim Film Festival, aiming to convey the power of imagery and the voices of creators to the world. The festival seeks to connect the South Island's language, marine culture, and art with the world, broadening the public's senses and horizons to "Open the Emotion".

# Appendix

## 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, 2023).

GRI 1 used | GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) | N/A

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices			
2-1	Organizational details	1.5 About the Report	p.20
2-2	Entities included in the organization's sustainability reporting	1.5 About the Report	p.20
2-3	Reporting period, frequency and contact point	1.5 About the Report	p.20
2-4	Restatements of information	No restatement of information	-
2-5	External assurance	1.5 About the Report	p.20
		Appendix 9: External Assurance Statement	p.97
2. Activities and workers			
2-6	Activities, value chain and other business relationships	2.1.1 Business Model	p.22
		2.3 Responsible Investment	p.31
2-7	Employees	4.1.1 Personnel Overview	p.57
2-8	Workers who are not employees	4.1.1 Personnel Overview	p.57
3. Governance			
2-9	Governance structure and composition	3.3 Transparent Governance	p.51

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
2-10	Nomination and selection of the highest governance body	*Please refer to "3.4.1 Board of Directors Meetings" in the 2023 Annual Report	p.34
2-11	Chair of the highest governance body	3.3 Transparent Governance	p.51
2-12	Role of the highest governance body in overseeing the management of impacts	3.3 Transparent Governance	p.51
2-13	Delegation of responsibility for managing impacts	3.3 Transparent Governance	p.51
2-14	Role of the highest governance body in sustainability reporting	3.3 Transparent Governance	p.51
2-15	Conflicts of interest	3.3 Transparent Governance	p.51
2-16	Communication of critical concerns	*Please refer to "3.4 Corporate Governance Implementation" in the 2023 Annual Report	p.34
2-17	Collective knowledge of the highest governance body	3.3 Transparent Governance	p.51
2-18	Evaluation of the performance of the highest governance body	3.3 Transparent Governance	p.51
2-19	Remuneration policies	4.1.1 Personnel Overview	p.57
2-20	Process to determine remuneration	4.1.1 Personnel Overview	p.57
2-21	Annual total compensation ratio	4.1.1 Personnel Overview	p.57

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
<b>4. Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	1.1 Letter from the Chairman	p.7
		1.2 Letter from the Chief Sustainability Officer	p.8
2-23	Policy commitments	1.1 Letter from the Chairman	p.7
		1.2 Letter from the Chief Sustainability Officer	p.8
2-24	Embedding policy commitments	1.1 Letter from the Chairman	p.7
		1.2 Letter from the Chief Sustainability Officer	p.8
2-25	Processes to remediate negative impacts	3.2.1 Risk Management	p.45
2-26	Mechanisms for seeking advice and raising concerns	1.5 About the Report	p.20
2-27	Compliance with laws and regulations	2.2.1 Ethical Corporate Management	p.27
2-28	Membership associations	Appendix 2: Participation in Public Associations	p.87
<b>5. Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication	p.10
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 Standard	Disclosure	Corresponding Section/ Explanation	Page No.
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	1.4 Identification of Material Issues	p.14
3-2	List of material topics	1.4 Identification of Material Issues	p.14
3-3	Management of material topics	1.4 Identification of Material Issues	p.14

**GRI 200: Economic topics****Material Issue "New business development"****GRI 201 : Economic Performance 2016**

201-1	Direct economic value generated and distributed	2.1.1 Business Model	p.22
		2.1.2 Financial Performance	p.26
		2.3 Responsible Investment	p.31
201-2	Financial implications and other risks and opportunities due to climate change	3.1.1 Climate Action	p.34

**Material Issue "Greenhouse Gas Emissions and Energy Efficiency Improvement"****GRI 201 : Economic Performance 2016**

201-2	Financial implications and other risks and opportunities due to climate change	3.1.1 Climate Action	p.34
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**GRI 300: Environmental topics****Material Issue "Greenhouse Gas Emissions and Energy Efficiency Improvement"****GRI 302 : Energy 2016**

302-1	Energy consumption within the organization	Appendix 8: Energy Efficiency in Operations	p.96
302-3	Energy intensity	Appendix 8: Energy Efficiency in Operations	p.96

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
<b>GRI 305 : Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.96
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.96
305-3	Other indirect (Scope 3) GHG emissions	Appendix 8: Energy Efficiency in Operations	p.96
305-4	GHG emissions intensity	Appendix 8: Energy Efficiency in Operations	p.96
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

<b>Material Issue "Talent Cultivation"</b>			
<b>GRI 401 : Employment 2016</b>			
401-1	New employee hires and employee turnover	Appendix 7: Workforce Statistics	p.92
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.2.2 Employee Care	p.69
401-3	Parental leave	Appendix 7: Workforce Statistics	p.92
<b>GRI 404 : Training and Education 2016</b>			
404-1	Average hours of training per year per employee	4.1.2 Talent Cultivation	p.62
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Employee Care	p.69

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Talent Cultivation	p.62
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	4.1.2 Talent Cultivation	p.62
		3.3 Transparent Governance	p.51

#### Custom Topics

<b>Material Issue "Service Quality and Customer Satisfaction"</b>	2.1.1 Business Model	p.22
	2.1.2 Financial Performance	p.26
	2.3 Responsible Investment	p.31
<b>Material Issue "Information Security"</b>	3.2.2 Information Security Management	p.49
	3.2.3 Intellectual Property Management	p.50
	3.1.1 Climate Action	p.34
<b>Material Issue "Risk Management"</b>	3.2.1 Risk Management	p.45
	1.1 Letter from the Chairman	p.7
<b>Material Issue "Stakeholder Communication"</b>	1.2 Letter from the Chief Sustainability Officer	p.8
	1.3 Stakeholder Communication	p.10
	1.4 Identification of Material Issues	p.14
	2.2.2 Supply Chain Management	p.30
<b>Material Issue "Supplier Management"</b>	3.2.2 Information Security Management	p.49
	3.2.3 Intellectual Property Management	p.50
	3.1.2 Improving Energy Efficiency	p.42

## 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
Jaho Life Plus+ Management Corporation	Taiwan Stock Affairs Association
	Global Views ESG Alliance
(Strategic partner) Gemcare Maternity Center	Social Impact Institute of Taiwan
(Strategic partner)	Industrial Association of Taipei City
Dunhua Branch of Gemcare Maternity Center	Taipei Nurses Association
Tong Yang Chia Hsin International Corp.	Taipei Nurses Association
	Taipei Dietitian Association
Chia Hsin Property Management and Development Corp.	Importers & Exporters Association of Taipei
	The Real Estate Development Association of Taipei
YJ International Corporation	Economic and Trade Development Association of Kaohsiung
	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.45
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.34

## 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 <sup>3</sup> )	
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: Workforce 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	



## Appendix 5

## Sustainability Accounting Standard (SASB)

## 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.96
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	3.1.2 Improving Energy Efficiency Appendix 8: Energy Efficiency in Operations	p.42 p.96
Air Quality	EM-CM-120a.1	Quantitative	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (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.96
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 Chia Hsin Cement Group's operating locations are in a high water resource pressure area.	p.96
Waste Management	EM-CM-150a.1	Quantitative	Amount of waste generated, percentage hazardous, percentage recycled	Appendix 8: Energy Efficiency in Operations	p.96
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.42
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: Workforce Statistics	p.92
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.42
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.96
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.96
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	p.42
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.57
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.68
Climate Change Adaptation	SV-HL-450a.1	Quantitative	Number of lodging facilities located in 100-year flood zones.	* The hotel is not located in a 100-year flood zone.	-

## Appendix 6

## 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

## Workforce Statistics

### New Employees and Departed Employees

	Gender			Age			
	Men	Women	Total	≤ 30 years	31–50 years	≥ 51 years	Total
New Employees	26	39	65	22	40	3	65
As a Percentage of Total Employees	9.29%	6.19%	15.48%	5.24%	9.53%	0.71%	15.48%
Departed Employees	39	55	94	26	49	19	94
As a Percentage of Total Employees	9.29%	13.10%	22.39%	6.19%	11.68%	4.52%	22.39%
Voluntarily Departed Employees	36	45	81	24	44	13	81
As a Percentage of Total Employees	8.57%	10.71%	19.28%	5.71%	10.48%	3.09%	19.28%

\* Not including contract/part-time employees

\* Turnover rate calculation: (Number of terminated employees [94 employees] ÷ Total number of employees for the year [420 employees]) × 100 = 22.38%

\* Including overseas locations\* Terminated employees who were in an executive position as a percentage of total employees: 0.24%; mid-level management as a percentage of total employees: 1.67%; junior management as a percentage of total employees: 2.14%

\* Number of involuntarily departed employees in 2023: 5

### Departed Employees Categorized by Management Level

	Senior Executive Manager	Middle Manager	Junior Manager	Non-Management Staff	Total
Number of Departures	1	7	9	77	94
	0.24%	1.67%	2.14%	18.33%	22.38%
Voluntary Departures	1	5	9	66	81
	0.24%	1.19%	2.14%	15.71%	19.28%

### New and Departed Employees by Region

	Taiwan	Japan	Mainland China	Total
New Hires	26	32	7	65
New Hires (%)	6.19%	7.62%	1.67%	15.48%
Departed Employees	44	44	6	94
Departed Employees (%)	10.48%	10.48%	1.42%	22.38%

### Number of Employees in Each Business

	Male	Female	Total	Male Managers	Female Managers	Total Number of Managers	Male Managers (%)	Female Managers (%)
Cement Warehousing and Storage	97	82	179	31	21	52	17.32%	11.73%
Property Development / Management	8	3	11	3	0	3	27.27%	0.00%
Health Care	16	57	73	4	10	14	5.48%	13.70%
Hospitality	84	66	150	32	11	43	21.33%	7.33%
Other	6	1	7	3	1	4	42.86%	14.29%
Total	211	209	420	73	43	116	17.38%	10.24%

\* Cement Warehousing and Storage: Chia Hsin Cement Corporation, Chia Pei International Corporation, Tong Yang Chia Hsin International Corporation (TYCH), SJH, SGH, JGC

\* Property Development / Management: Chia Hsin Property Management & Development Corporation(CHPMD)

\* Health Care: Jaho Life Plus+ Management Corporation, Ltd, Shanghai Chia Peng, Chia Peng(Yangzhou)

\* Hospitality: Hotel Collective, Yj International Corporation

\* Other: CHBC

### Proportion of New and Departed Employees in Each Age Group

Category	Male	Female	Category	Male	Female
Under 30 (Total)	36	37	Under 30 (Total)	36	37
Under 30 (New)	13	9	Under 30 (Departed)	13	13
New/Total (Under 30)	36.11%	24.32%	Departed/Total (Under 30)	36.11%	35.14%
31-50 (Total)	103	123	31-50 (Total)	103	123
31-50 (New)	11	29	31-50 (Departed)	18	31
New/Total (31-50)	10.68%	23.58%	Departed/Total (31-50)	17.48%	25.20%
Over 51 (Total)	72	49	Over 51 (Total)	72	49
Over 51 (New)	2	1	Over 51 (Departed)	8	11
New/Total (Over51)	2.78%	2.04%	Departed/Total (Over51)	11.11%	22.45%

### The Number of Employees by Gender and Age GRI 401-1

	Male	Female	Total
under 30	36	37	73
31-50	103	123	226
over 51	72	49	121
Total	211	209	420

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

	2020		2021		2022		2023	
	Male	Female	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	3	2
The number of people that applied for unpaid parental leave that year (B)	0	2	1	1	0	0	0	1
The number of people scheduled to resume work that year (C)	0	2	0	1	0	1	0	0
The number of people actually resuming work (D)	0	1	0	1	0	1	0	0
The number of people that remained with the company 12 months after resuming work (E)	0	0	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
2023	Total number of employees: 104 (88 people gainfully employed for over six months; 16 people employed for less than six months)	75	65,157	869	800
Compared to last year		1.35%	0.86%	-0.46%	-0.62%

\* "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)	62,614	65,156
Non-executive position (gross salary)	36,147	39,041

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

### Chia Hsin Cement Corporation

Gender	Female	Male
STEM enrollment	3	5
%	37.50%	62.50%

(Unit: NT\$)

Item	2019	2020	2021	2022	2023
ROI/ unit of salary	5.34	5.64	5.78	7.01	9.51

### Occupational Injuries Statistic

In 2023, the FR among domestic and overseas employees was **5.84**, and the SR was **52.54**. Moving forward, we will strive to reduce both the frequency and severity of these injuries.



Number of occupational injury-related deaths

0



Number of disabling injury

4



Work days lost due to disabling injury

36



Total work hours (hour)

685234



Disabling injury frequency rate (FR)

5.84



Disabling injury severity rate (SR)

52.54




\* 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	2023	Remarks
Scope 1	Category 1 Direct GHG emissions and Removals	Carbon emission (t-CO2e)	30.5912	209.1565	834.850	972.763	
		Per capita (ton/person)	0.07	0.48	1.88	2.32	
		Carbon emission per unit of revenue (ton/NT\$M)	0.01	0.09	0.37	0.33	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	
Scope 2	Category 2 Indirect GHG emissions and removals from imported energy	Carbon emission (t-CO2e)	77.1415	4007.197	6807.564	7015.324	
		Per capita (ton/person)	0.18	9.28	15.33	16.70	
		Carbon emission per unit of revenue (ton/NT\$M)	0.04	1.80	3.02	2.41	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	
Scope 3	Category 3 Indirect GHG emissions generated from transportation	Carbon emission (t-CO2e)	5.2667	71.7138	103.123	369.150	
		Carbon emission per unit of revenue (ton/NT\$M)	0.00	0.03	0.05	0.13	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	
	Category 4 Indirect GHG emissions from products used by the organization	Carbon emission (t-CO2e)	29.4578	835.6744	1187.496	1506.944	
		Carbon emission per unit of revenue (ton/NT\$M)	0.01	0.38	0.53	0.52	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	
	Category 5 Indirect GHG emissions associated with the use of products from the organization	Carbon emission (t-CO2e)	-	446.5579	666.078	620.088	
		Carbon emission per unit of revenue (ton/NT\$M)	-	-	0.2956	0.2130	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	
	Category 6 Indirect GHG emissions from other sources	Carbon emission (t-CO2e)	-	-	-	-	*Non-material after identification
		Carbon emission per unit of revenue (ton/NT\$M)	-	-	-	-	
		Data coverage ratio (Revenue)	-	-	-	-	
Total GHG emissions		Carbon emission (t-CO2e)	142.46	5570.30	9599.111	10484.269	
		Data coverage ratio (Revenue)	48.92%	92.33%	100%	100%	

Environmental Indicators		2020	2021	2022	2023	Remarks
 Energy	Total non-renewable energy consumption (MWh)	14,513	16,310	11,771	12,053	*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	43,391.74	*1 GJ = 0.277778 MWh
	Per capita (GJ)	-	-	95.4405	103.3137	
	Per unit of revenue (Kwh/NT\$ thousand)	-	-	5.2231	4.1398	
	Per unit of revenue (GJ/NT\$M)	-	-	18.8030	14.9031	
	Data coverage (Revenue)	48.92%	92.33%	100%	100%	
 Water	Total water use (ton)	97,612	122,369	147,492	172,835	
	Data coverage (Revenue)	48.92%	92.33%	99.9%	100%	
 Waste	Total waste generated (ton)	361.97	364.21	344	378	*All waste data for each year includes those by the tenants of the Chia Hsin Building.
	Total waste reused / recycled / sold (ton)	-	-	4.8	82.04	*In 2023, the newly added statistic shows that hotel waste recycling accounts for 38% of its total volume.
	Data coverage (Revenue)	48.92%	92.33%	100%	100%	
Number of employees		434	432	444	420	
Revenues (NT\$M)		2,058	2,220	2,254	2,912	





Chia Hsin Cement Group  
Business Scope

B to B

Sales of Cement  
Chia Hsin Cement Corp.

B to C

Asset Development  
Chia Hsin Property Management & Development Corp.

Storage & Logistics

Tong Yang Chia Hsin International Corp.  
Chia Pei International Corp.

Hospitality & Tourism

Health Care

Hotel



HOTEL COLLECTIVE



GemCare  
Maternity Center

Collective Elements  
Restaurant

Fit Collective  
GYM

InterContinental Okinawa  
Chura SUN Resort



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