



嘉新企業團
CHIA HSIN CEMENT GROUP

2024 SUSTAINABILITY REPORT

CHIA HSIN CEMENT CORPORATION



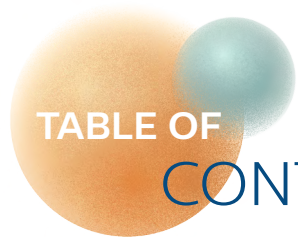


TABLE OF CONTENTS

2024 SUSTAINABILITY REPORT CHIA HSIN CEMENT CORPORATION

01 Sustainable Development

1.1 Annual Sustainability Highlights.....	2
1.2 Group Overview and About The Report	4
1.3 Message from the Chairman	6
1.4 Message from the Chief Sustainability Officer ...	7
1.5 70th Anniversary Feature.....	8
1.6 Sustainability Development Vision Blueprint	11
1.7 Sustainability Development Goals	12
1.8 Stakeholder Communication	13
1.9 Identification of Material Issues	17

02 Transparent Governance

2.1 Professionalism and Diversity	24
2.2 Risk Management	30
2.3 Ethical Corporate Management	34
2.4 Responsible Procurement	36
2.5 Digital Resilience	37
2.6 Regulatory Compliance	39

03 Environmental Collaboration

3.1 Climate Governance	42
3.2 Climate Action	44
3.3 Energy Efficiency.....	51

04 Talent Empowerment for a Sustainable Future

4.1 Inclusion	59
4.2 Well-being	68
4.3 Co-learning	83

05 Appendix

5.1 Financial Performance	93	5.8 Taiwan Sustainable Taxonomy.....	105
5.2 Greenhouse Gas Emissions and Energy Usage	94	5.9 UN Global Compact – 10 Principles Mapping Table	106
5.3 Participation in Trade and Professional Associations ..	95	5.10 External Assurance Statement	107
5.4 Workforce Statistics	96	5.11 Report Editorial Team.....	109
5.5 GRI Content Index	99		
5.6 SASB Standards Mapping Table	102		
5.7 TWSE Guidelines for Sustainability Reporting by Listed Companies	104		



Cover Design Concept

The cover's central illustration, composed of minimalist lines, outlines the landmarks of Chia Hsin Cement's headquarters and six key locations—Taipei, Kaohsiung, Shanghai, Jiangsu, Okinawa, and Rome—symbolizing the company's steady growth and global vision. The color scheme incorporates Pantone's 2025 Color of the Year, "Mocha Mousse", reflecting a growing desire for a connection with nature and a pursuit of personal well-being and comfort. The design also features blue and orange circles, representing Chia Hsin's core cement business and emerging service sectors, respectively. This combination not only conveys the stability and resilience of the cement industry but also aligns with Chia Hsin's commitment to crafting high-quality living experiences.

01 Sustainable Development

1.1 Annual Sustainability Highlights

2024 Key Sustainability Achievements and Milestones

Staying true to the core values and foresight upheld by our founder, we have remained committed to the principle of “Taken from the community, giving back to society.” continuously expanding our social impact.

Advocacy Initiatives

- Recognized by the Ministry of Education’s Sports Administration as a Sports Enterprise
- Recognized by Commonwealth Magazine as a 1.5°C-Aligned Manufacturer
- Joined “TALENT, in Taiwan” – Taiwan Talent Sustainability Action Alliance (3 consecutive years)

Environmental Commitment

- Chia Hsin Building earned both EEWH-EB Diamond Level and EEWH-BERSe Level 1+ green building certifications
- Became a TCFD Supporter and published our first TCFD Report
- Completed greenhouse gas inventory for all sites across the entire Group (3 consecutive years), with third-party verification.
- Certified by the Science-Based Targets initiative (SBTi)
- Achieved third-party certification for ISO 50001 Energy Management System and ISO 14001 Environmental Management System (4 consecutive years)

Social Impact

Since 2022

- ▶ CHC Elf Village: Group volunteers handwrite greeting cards and raise funds for gifts to support children in rural areas. Cumulative volunteers: **59**; total funds raised: NT\$**182,795**

Since 2023

- ▶ Beaver Project for Sustainable Education: Benefited **1,132** children in early childhood education
- ▶ Positive Adult Mentorship Program: **59** volunteers engaged activities with Good Friend Mission

Since 2024

- ▶ Purchased charity gift sets totaling NT\$**70,295**
- ▶ Sponsored theater production “Ama in the House” NT\$**500,000**
- ▶ Sponsored “Design With Nature Now” by Taiwan Institute of Landscape Architects NT\$**1,000,000**
- ▶ Sponsored Sustainability Hackathon NT\$**40,000**
- ▶ Sponsored UN SDGs Youth Leadership Forum NT\$**177,870**
- ▶ Hosted a Christmas Secondhand Market, raising NT\$**20,160** in donations

Education and Training

- ESG training hours for Board Members:
81 hours (well above regulatory recommendation)
- ESG internal promotion and training:
857 hours
- **100%** of Taiwan-based employees received business ethics training

Sustainability Ratings

- CDP Climate Questionnaire for SMEs: Grade B



- S&P Global CSA Score: 61 (industry average: 36)
- Finalist in Global Views ESG Corporate Sustainability Awards
- Top 6%-20% in TWSE Corporate Governance Evaluation (5 consecutive years)
- Top 20 in Commonwealth Talent Sustainability Awards (2 consecutive years)
- TCSA Sustainability Report Platinum Award (2 consecutive years)
- Ranked 7th in the Small Giants category of Commonwealth Magazine's Excellence in Corporate Social Responsibility Citizenship, with three consecutive years on the list.

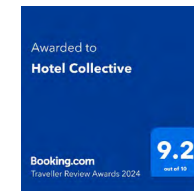
Customer Satisfaction

• Hotel Collective

- ▶ Agoda Guest Rating: **9.4**



- ▶ Booking.com Guest Rating: **9.2**



- ▶ JTB Japan Travel Awards: Gold in Hotel Voucher Sales



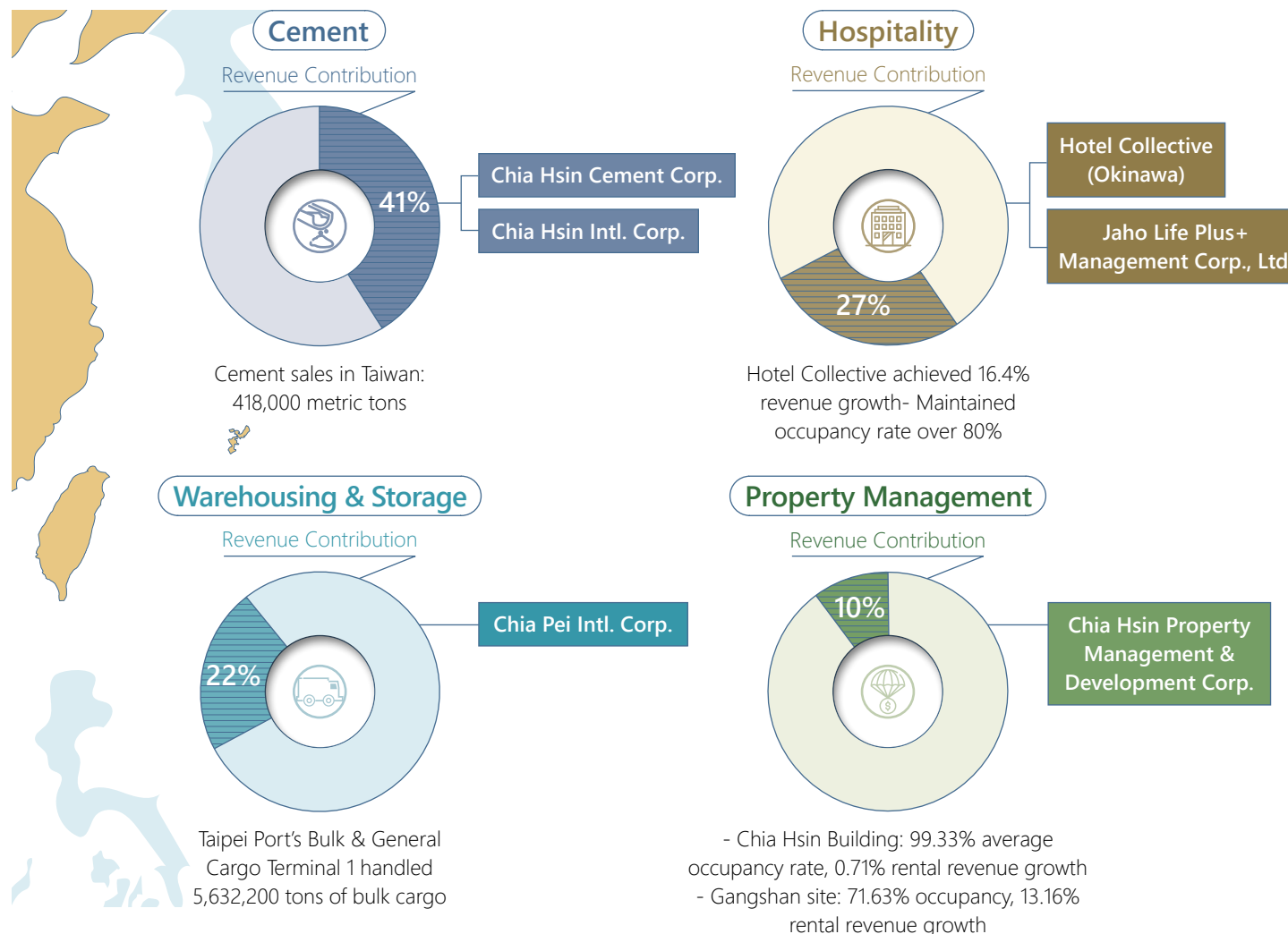
• Gemcare Podcast



- ▶ **76,673** total downloads
- ▶ Average rating: **4.8** stars

1.2 Group Overview and About The Report

1.2.1 Business Structure



For the full business structure and investment details, please refer to the 2024 Annual Report.

1.2.2 About the Report

Chia Hsin Cement Corporation (TWSE: 1103), together with its affiliates (collectively "CHC"), has published this 2024 Sustainability Report to enhance transparency for all stakeholders on its ESG performance. The report is based on integrity and aims to demonstrate our ongoing efforts across governance, society, and the environment.

Reporting Period

- Coverage: January 1 to December 31, 2024
- Previous report issued: June 2024
- Current report issued: May 2025 (9th edition)
- Next scheduled issue: May 2026

Standards and Principles

Publisher	Guidelines/Regulations
Global Report Initiative, GRI	GRI Standards 2021
Sustainability Accounting Standards Board, SASB	SASB (Building Materials & Lodging Sectors)
Task Force on Climate-related Financial Disclosures, TCFD	TCFD Recommendations
Taiwan Stock Exchange, TWSE	Guidelines for Listed Company ESG Reporting

Reporting Scope

- **Reporting Scope:** This report is prepared based on the consolidated financial statements of Chia Hsin Cement Corporation. However, the scope of employee benefits may vary according to the legal and policy frameworks in the respective regions where each subsidiary is located.
- **Financial Information and Reporting Standards:** The financial information disclosed in this report is based on the consolidated financial statements audited by certified public accountants and prepared in accordance with the International Financial Reporting Standards (IFRSs) recognized by the Financial Supervisory Commission for securities issuers.
- **Explanation of Report Data:** Unless otherwise specified, all monetary amounts in this report are denominated in New Taiwan Dollars (NTD). Certain employee benefits mentioned in the Employee Care section are implemented through the Employee Welfare Committee and are applicable to full-time employees of Chia Hsin Cement Corporation who have completed at least three months of service. All disclosed data or information is reviewed by senior management of respective departments and published after review and approval by the Sustainability Development Committee.
- **Responsible Department for the Report:** Sustainability 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.

Internal audit

The sustainability information verification of this report was completed by Audit Office in April 2025.



Contact Information

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

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1.3 Letter from the Chairman



Jason K.L. Chang

Chairman
Chairperson of the Sustainable Development Committee



2024 marks the 70th anniversary of Chia Hsin Cement. This milestone not only highlights the company's long-standing legacy but also underscores our unwavering commitment to sustainability.

Over the past seven decades, we have constantly evolved to ensure the longevity of our business, with sustainability now deeply embedded in our corporate DNA—manifested in governance, environmental stewardship, and social responsibility.

In governance, we uphold transparency and accountability as core values and continue to strengthen ESG commitment at the leadership level through sound structures and performance evaluations.

In environment, we act with a global citizen's sense of responsibility. The Chia Hsin Building, standing for over 50 years, received both EEWH-EB Diamond and EEWH-BERSe Level 1+ certifications, a testament to our environmental efforts.

In society, our people-oriented mindset drives initiatives in education, community care, and employee well-being. We believe that by supporting our employees, we support the families behind them—ultimately amplifying our social impact.

We extend heartfelt gratitude to all colleagues, partners, and stakeholders for their continued support. Moving forward, we will deepen our ESG efforts to build a more resilient and sustainable future together—setting the course for Chia Hsin's next remarkable 70 years.

1.4 Letter from the Chief Sustainability Officer



Elizabeth Wang

CEO • Chief Sustainability Officer

Celebrating 70 Years of Impact and Vision

As we celebrate the 70th anniversary of our company, we honor the enduring values and vision of our founders, who lived by the principle of taken from society must be used for society. Over the decades, this philosophy has guided us in achieving not only business success but also meaningful contributions to the quality of life for our employees, their families, our communities, and all our stakeholders.

We have made significant strides toward our sustainability goals. This year marks a pivotal milestone as we deepen our commitment to enhancing quality of life—a principle we apply across our operations and relationships.

Achievements to Date

- **Board-Level Oversight:**
Our Sustainability and Risk Committees ensure comprehensive governance.
- **Early Completion of GHG Inventory:**
We have completed Scope 1 and 2 GHG inventories across all entities covered by our consolidated financial statements.
- **Science-Based Targets Initiative (SBTi):**
We are committed to ambitious 1.5°C-aligned targets of a 42% reduction of our carbon footprint by 2050.
- **Task Force on Climate-Related Financial Disclosures (TCFD):**
We've adopted its framework to enhance transparency on climate risks and opportunities.
- **Partial Scope 3 Calculations:**
We have begun addressing the complexities of our indirect emissions, advancing our understanding of the value chain's impact.
- **Employee Wellness:**
We prioritize their well-being by fostering an inclusive, supportive, and empowering workplace, offering comprehensive benefits and programs tailored to every stage of life and have received multiple accolades for fostering a supportive and exemplary work environment.
- **Communities:**
Through initiatives like our foundation and NGO partnerships, we have impacted over 100,000 people, promoting education, wellness, and essential care.

Interim and Long-Term Goals

By 2027, we aim to achieve full accounting of Scope 1, 2, and 3 emissions, implement IFRS S1 and S2 sustainability reporting, and complete a comprehensive biodiversity stocktake based on the Taskforce on Nature-related Financial Disclosures (TNFD). Looking further ahead, our goal for 2030 is to attain carbon neutrality across all office operations.

Despite gross profit increasing by 19% this past year, we are proud to report a nearly 5% reduction in carbon intensity—demonstrating that economic progress and environmental responsibility can go hand in hand. With global temperatures projected to temporarily exceed 1.5°C within the next five years, these milestones underscore the urgency of our mission and the critical need for immediate, collective action.

Confronting Global Challenges

According to NASA, 2024 was the warmest year on record, with global average temperatures exceeding 1.5°C for extended periods. The IPCC warns that failing to limit temperature increases beyond 1.5°C will result in catastrophic consequences for humanity and nature. The urgency of addressing climate change remains a global imperative, despite ongoing debates about the speed and scale of necessary action.

While the economics of reducing emissions remain challenging, we believe every company, every individual, and every action matters. Though our carbon footprint is modest compared to global corporations, we take pride in being part of the collective force driving meaningful change.

A Call to Action: Nemo Resideo

Inspired by the ancient ethos of Nemo Resideo—“leave no one behind”—we are committed to supporting not only our people but also those in need. Together with all stakeholders, we aim to drive meaningful change and create a sustainable future. Alongside reducing our carbon footprint, we pledge to integrate biodiversity considerations into decision-making, guided by frameworks like the TNFD.

Sustainable Governance: The Foundation of Success

Effective governance is the cornerstone of our sustainability journey, ensuring that our actions are rooted in integrity, accountability, and transparency. By embedding environmental, social, and corporate governance principles into every facet of our operations, we not only mitigate risks but also uncover opportunities for innovation and long-term growth.

Governance is further enhanced by our ongoing digital transformation, which equips us to collect, analyze, and forecast data with greater precision. This capability empowers informed, strategic decision-making for addressing complex sustainability challenges and achieving measurable outcomes. By uniting effective governance with actionable strategies, we ensure that our sustainability goals are both ambitious and achievable, driving positive change for all our stakeholders.

Our Promise

As we look to the future, we reaffirm our promise to sustainability: maintaining open and transparent communication with our stakeholders, championing environmental stewardship, and supporting our employees, communities, and underprivileged populations—leaving no one behind. These commitments reflect our belief that collective action can drive meaningful change.

On behalf of our entire team, we thank you for your continued support and partnership. Together, we will build a sustainable, inclusive future—leaving a lasting impact for generations to come.

Sincerely,

Elizabeth Wang

1.5 70th Anniversary Feature

From humble beginnings on uncharted ground, CHC has grown into a thriving tree—spanning industries and illuminating our path forward.

Through challenges, from cement to hospitality and wellness, we've continually pursued better living experiences for

humanity. The anniversary logo and slogan were created through collective staff efforts, symbolizing unity and our shared values.

70 years marks both a historic journey and a new beginning—reminding us to honor our founder's core philosophy: "Taken from the community, giving back to society."

Milestones

- First privately owned cement plant in Taiwan
- Chia Hsin Building is Taiwan's first office tower with central A/C, double-glazed aluminum windows, and composite curtain wall
- IBM Tower is Taiwan's first securitized Property Management project with smart building features
- First to integrate production, storage, logistics, and sales in China
- First eco-friendly unloading wharf and storage at Taipei Port
- Hotel Collective: First LEED-certified hotel in Okinawa
- Gemcare Maternity Center: First to introduce 5-star hotel service to maternity care
- First WELL Platinum-certified maternity care facility

Anniversary Logo & Slogan Concept



Slogan:
**70 years Built on Innovation,
Inspired by tomorrow**

Centered around the numeral "70," encircled by "CHC GROUP" to symbolize unity and collaboration among business units. The logo embodies our spirit of innovation while reflecting our foundation of trust, adaptability, and forward-thinking sustainability.

Anniversary Events



CHC Group Sports Day

2024.03.22



CHC Group Family Carnival

2024.11.30



CHC Group 70th Anniversary Retrospective Exhibition

2024.12.09

1.5.1 CHC Group Sports Day

To kick off the 70th anniversary celebrations, CHC Group Sports Day was held. Employees from all subsidiaries and partner companies were invited to compete together, fostering stronger bonds and teamwork across the group.

In the first half of the event, randomly assigned teams tackled a series of challenges testing intelligence, physical strength, and adaptability—quickly building trust and collaboration among participants from different departments. In the second half, participants played Kin-Ball, a Canadian sport that emphasizes coordination and teamwork, as it requires four players to strike a large ball simultaneously and adapt to unpredictable changes.

Chairman Jason K.L. Chang, President Elizabeth Wang, and subsidiary executives joined the fun in person. Whether cheering from the sidelines or competing on the field, everyone embodied the spirit of “There’s no ‘I’ in team.” The event was more than a competition—it was a celebration of teamwork and collective growth.



1.5.2 CHC Group Family Carnival

The 70th anniversary represents not only a corporate milestone but also a shared accomplishment among employees, their families, and long-term partners. To show appreciation and celebrate together, CHC organized a festive Family Carnival, also inviting partner NGOs that collaborate with the Group on social impact.

Attendees included recipients of scholarships from the Chia Hsin Foundation, partners from the Good Friend Mission, and beneficiaries of programs supported by the Taiwan Fund for Children and Families. CHC provided over 500 underprivileged children and their families with free access to the event.

Held at Taipei Children's Amusement Park, the day was filled with rides, games, delicious food, a magical night parade, and a dazzling drone and fireworks finale. The event reminded us to preserve our youthful ideals and strive for a brighter, more sustainable future.



1.5.3 CHC Group 70th Anniversary Retrospective Exhibition

To deepen employee appreciation of CHC's history and founding values, a month-long retrospective exhibition was held in the lobby of headquarters. The theme depicts a group standing atop a mountain, looking back over the paths already crossed before turning their gaze forward—ready for what's next.

The exhibition featured four thematic sections: Core Businesses, Emerging Ventures, Social Contributions, and “From the Chairman.” Fourteen key contributors—including former and current chairpersons, general managers, directors, factory managers, foundation leaders, and partners from Okinawa and Jaho Life Plus—shared stories and insights from each stage of the company's 70-year journey.

Their interviews were shown on a dedicated screen, offering a glimpse of the people and values behind CHC's enduring legacy. This exhibition was not just a reflection—it was a collective blessing for CHC's next chapter.



1.6 Sustainability Development Vision Blueprint

Pursuing Quality of Life

Strategy

Drive Competitive Operations and Social Impact with Sustainability as a Factor

Pillar

Responsible Business

- Responsible products
- Responsible services
- Responsible investment

Sustainable Operations

- Use of sustainable energy and energy efficiency
- Incorporating sustainable thinking into daily operations
- Transparent governance

Strengthening Partnerships

- The best platform for talent development
- Building a friendly, healthy and safe environment

Promoting Social Inclusion

- Strengthening connections with social partners
- Deepening social influence

Focus Areas

Related Chapters

2.4 Responsible Procurement

2.1 Professionalism and Diversity
2.2 Risk Management
2.3 Ethical Management
2.5 Digital Resilience
2.6 Regulatory Compliance
3.1 Climate Governance
3.2 Climate Action
3.3 Energy Efficiency

4.1 Inclusion
4.3 Co-learning

4.2 Well-being

SDGs



1.7 Sustainability Development Goals



Beaver Project for Sustainable Education

SDGs 3.4, 4.1, 4.2, 17.14, 17.17

In collaboration with the Taiwan Fund for Children and Families, CHC invited Keedle partnered with MEandMine to deliver social-emotional learning (SEL) courses to children undergoing early intervention.

346 children received afterschool tutoring

109 children received early intervention service

Total of **455** children benefited from the program



Positive Adult Mentorship Program

SDGs 17.14, 17.17

CHC has been rooted in Taipei's Zhongshan District for nearly six decades. Through activities such as basketball friendship games, shared dinners, and a cycling tour around the island, we aim to support the Good Friend Mission in rallying greater community involvement.

43 CHC volunteers participated

4 themed initiatives



Foundation's Talent Development Program

SDGs 4.3, 4.4, 4.5, 4.7, 8.2, 8.3, 17.17

Since 2023, Chia Hsin Foundation has actively partnered with top enterprises—including Google, Microsoft, and PDC Hotel—to organize training initiatives around three themes: career awareness, workplace culture, and professional competencies.

Activities Held:

2 corporate site visits

539 scholarship recipients

Total of **NT\$8,868,000** in scholarships awarded



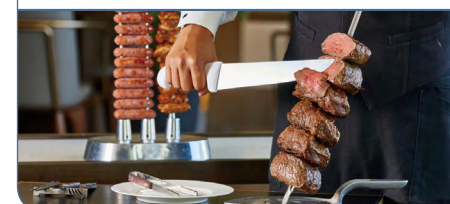
Hotel Collective – Local Support Program

SDGs 8.2, 8.4, 12.1, 12.3, 17.14, 17.17

As Okinawa's first LEED-certified green hotel, Hotel Collective actively promotes sustainable tourism by supporting local communities and preserving culinary traditions.

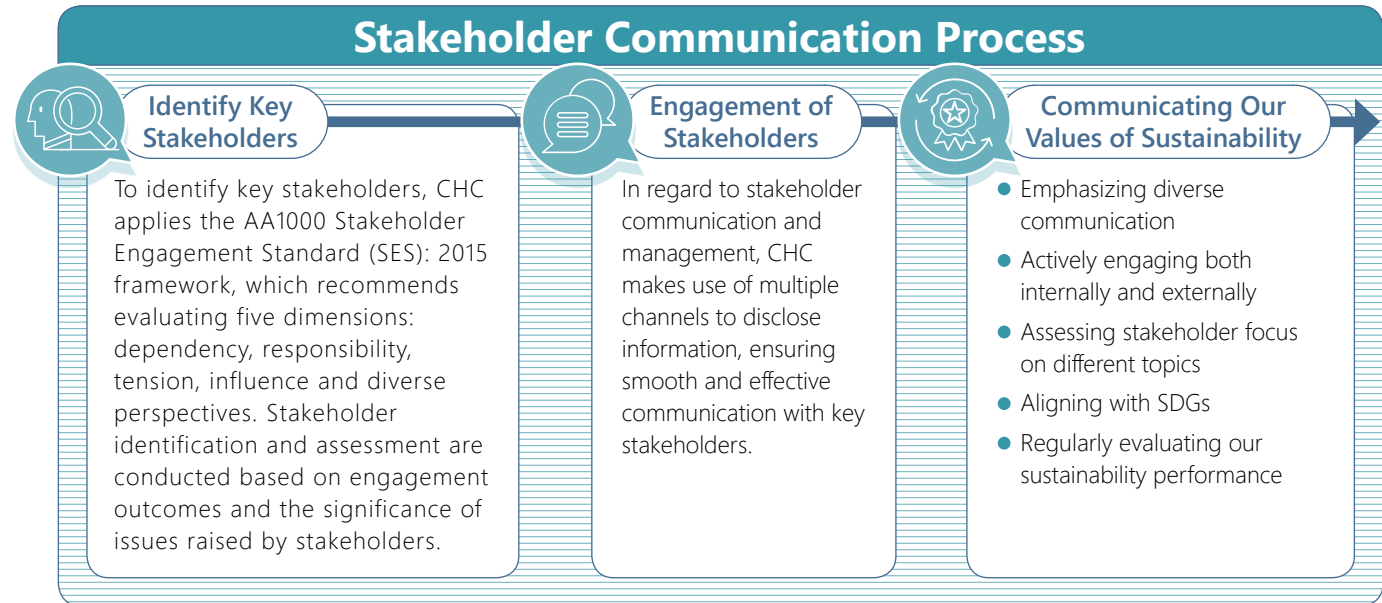
Key initiatives include:

- Food Waste Reduction: Launch of a post-service employee food surplus purchase program
- Support for Local Producers: Prioritizing seasonal and locally sourced ingredients, promoting traditional Ryukyu dishes
- Community Donations to the Naha Sakura Mother and Child Support Center:
 - Donated toilet paper valued at NT\$38,650
 - Contributed NT\$21,528
- Service Efficiency: Introduced a food delivery robot to enhance staff productivity



1.8 Stakeholder Communication


CHC has long cultivated expertise across regions and industries—from its origins in cement production and distribution to its current expansion into hospitality and wellness services. Throughout this evolution, we have consistently valued the perspectives of a wide range of stakeholders. We maintain multiple channels of communication to ensure effective and direct engagement, and we continuously enhance stakeholder participation to ensure that their input is meaningfully integrated into our development strategies and decision-making processes.









9



Categories of Stakeholders

- Shareholders / Investors • Customers / Consumers • Employees • Government Agencies
- Financial Institutions • Partners • Suppliers and Contractors • Media • Communities / NPOs

Stakeholder	Target Audiences	Significance	Main Communication Channels and Frequency	Communication Achievement	Topics of Interest	Chapters
 Shareholders / Investors	General shareholders, corporate shareholders	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.	<ul style="list-style-type: none"> • Spokesperson service hotline and email real-time • Stock transfer agency service hotline real-time • Investor conferences quarterly • Board of Directors meetings at least quarterly • General Shareholders' Meeting at least annually 	<ul style="list-style-type: none"> • Investor conferences: 4 times • Board of Director Meetings: 7 times • General Shareholders' Meeting: 1 time 	<ul style="list-style-type: none"> • Dividend policy • Financial performance • Corporate governance • New business development • ESG strategy and risk response 	2.1 Professionalism and Diversity 2.2 Risk Management 2.3 Ethical Management 3.1 Climate Governance

Stakeholder	Target Audiences	Significance	Main Communication Channels and Frequency	Communication Achievement	Topics of Interest	Chapters
 Customers / Consumers	Distributors, retail customers, tenants, consumers	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.	<ul style="list-style-type: none"> Website mailbox real-time Line@ or social media messaging real-time Customer service hotline and email real-time Corporate client visits every 2 months Online courses for maternity center clients occasionally 	<ul style="list-style-type: none"> Visit clients 2-3 times weekly. Maintain periodic communication with clients via phone or email. Conduct annual customer satisfaction surveys: 1 time 	<ul style="list-style-type: none"> Product pricing, quality, and service Reliability of logistics and storage services Property management responsibilities Customer feedback and complaint resolution Postpartum care and maternal wellness education Corporate brand and positioning 	1.8 Stakeholder Communication Annual Report- 4.2 Market, Production, and Sales Overview Website of Gemcare Maternity Center Website of CHC: Business Scope
 Employees	Employees	Employees are not only the backbone of CHC's operations but also the driving force behind innovation and growth. Their contributions are essential to the company's success, making them one of the most important stakeholders. By cultivating and retaining talent, CHC ensures long-term competitiveness in the market.	<ul style="list-style-type: none"> Workplace nurse consultations monthly Welfare Committee meetings quarterly Labor-management meetings quarterly Employee sharing forums semi-annually CEO's afternoon tea sessions annually Employee satisfaction survey annually People and Culture business partner interviews annually Employee Assistance Program EAP services irregularly Labor Pension Supervisory Committee meetings irregularly Group-wide communication platforms and bulletin boards irregularly People and Culture Division mailbox and dedicated hotline irregularly 	<ul style="list-style-type: none"> 4 labor-management meetings 4 Welfare Committee meetings 2 Labor Pension Supervisory Committee meetings 1 employee satisfaction survey 1 CEO's afternoon tea session 2 employee sharing sessions 2 issues of the CHC Journal 1 round of performance review and evaluation 	<ul style="list-style-type: none"> Talent attraction and retention Employee and family care and support Compensation and benefits Talent development and training Performance evaluation Occupational safety and health 	4.1 Inclusion 4.3 Co-learning
 Government Agencies	FSC, TDCC, Securities and Futures Bureau, Department of Environmental Protection, Ministry of Health and Welfare, Department of Labor, Tourism Bureau	Government agencies play a key role in regulating and guiding corporate operations. They establish the legal framework and sustainability policies that CHC must adhere to. CHC actively engages with government authorities to stay aligned with regulatory updates, support national sustainability goals, and ensure full legal compliance.	<ul style="list-style-type: none"> Attend courses held by the FSC irregularly Attend meetings of Taiwan Stock Affairs Association irregularly Attend courses, conferences or seminars held by labor and environmental protection authorities irregularly 	<ul style="list-style-type: none"> Attended seminars, exchanges, and courses Hosted video-assisted shareholders' meeting with the TDCC 	<ul style="list-style-type: none"> Regulatory compliance Business Ethical practices Environmental protection Labor policies Tourism contribution and employment creation Postpartum care center accreditation 	2.1 Professionalism and Diversity 2.2 Risk Management 2.3 Ethical Management 2.6 Regulatory Compliance 3.1 Climate Governance

Stakeholder	Target Audiences	Significance	Main Communication Channels and Frequency	Communication Achievement	Topics of Interest	Chapters
 Financial Institutions	Banks, securities firms, and Okinawa Development Finance Corporation	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.	<ul style="list-style-type: none"> Announcements of annual financial statements and quarterly reports real-time Project discussions or seminars as needed Liaisons and visits as needed 	<ul style="list-style-type: none"> Participate in seminars and meetings: 43 times Periodic visits: 17 times 	<ul style="list-style-type: none"> Financial performance Financial risk management Corporate governance and operations ESG development 	2.1 Professionalism and Diversity 3.2 Climate Action Annual Report: 4.2 Market, Production, and Sales Overview
 Partners	Ports Corporation, construction developers or hotel peers, other industries (e.g., social enterprise, aviation/tourism), and medical institutions and hospitals (designated for emergency purposes)	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.	<ul style="list-style-type: none"> Visits or telephone communication real-time Visits from partner medical institutions to the maternity centers weekly Investment partners: meetings and board meetings quarterly 	<ul style="list-style-type: none"> Actively participate in partner's board of directors or shareholders' meetings. Maternity center: Medical institution makes four rounds or more per week for immediate communication Visits from aviation and tourism agencies: More than once a month (online meetings) Written correspondence with TIPC 	<ul style="list-style-type: none"> Guaranteed service or rental fee commitments Future ESG development plans Workplace safety and environmental issues Business collaboration and future development 	2.4 Responsible Procurement 2.6 Regulatory Compliance
 Suppliers and Contractors	Suppliers and contractors	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.	Accountants <ul style="list-style-type: none"> Financial report reviews quarterly Participation in Board and Audit Committee meetings quarterly Evaluation of the financial impact of major projects as needed Internal control audits annual Suppliers and Contractors <ul style="list-style-type: none"> Meetings, site visits, and phone/email communications as needed Hotel amenities supplier real-time 	<ul style="list-style-type: none"> 33 suppliers participated in integrity training Ongoing communication via phone and email Tender coordination meetings conducted 	<ul style="list-style-type: none"> Bidding and price negotiation process Fair acceptance and inspection procedures Supplier management policy Ethical business conduct Regulatory compliance and risk management Financial status New business development 	2.4 Responsible Procurement 2.6 Regulatory Compliance

Stakeholder	Target Audiences	Significance	Main Communication Channels and Frequency	Communication Achievement	Topics of Interest	Chapters
 Media	TV, print and social network (Facebook, Instagram, Blogs, etc.)	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	<ul style="list-style-type: none"> Investor conference media briefings quarterly Media luncheons during the Shareholders' Meeting annually Blogger and influencer engagement as needed Media luncheons and interviews as needed Participation in media forums and networking events as needed 	<ul style="list-style-type: none"> 157 media coverages related to interviews, investor conferences, and the Shareholders' Meeting 39 posts published on Facebook 63 posts published on Instagram 4 media luncheons held 	<ul style="list-style-type: none"> New business development Financial and ESG performance Public image Social and environmental topics of public concern 	4.2 Well-being
 Communities / NPOs	Communities, non-profit organizations, and local shopping street and community associations	Collaborating with various non-profit organizations enables CHC to contribute to the community, strengthen local connections, and provide resources to rural and underprivileged students, fostering a cycle of goodwill.	<ul style="list-style-type: none"> Community or local chamber of commerce visits monthly Neighborhood joint evening gatherings twice a year Chia Hsin Foundation Scholarship Program annually Sponsorship of cultural and rural education initiatives annually Participation in charitable and public interest activities as needed 	<ul style="list-style-type: none"> Issued scholarships through the Chia Hsin Foundation Supported startups and green investment projects Participated in the "Christmas Letter Response" volunteer event organized by the Taiwan Santa Claus Association Collaborated with the Good Friend Mission to promote the Positive Adult Mentorship Program Partnered with multiple stakeholders to implement the Beaver Project for Sustainable Education 	<ul style="list-style-type: none"> Social welfare initiatives Local community engagement and reinvestment Cement industry policy updates and information sharing 	4.2 Well-being

1.9 Identification of Material Issues

1 Set Objectives

Purpose and Principle

CHC identifies material topics to ensure that its management approach reflects both business operations and stakeholder concerns. This process also enables stakeholders to understand the Company's sustainability strategy and performance outcomes.

In 2024, CHC officially adopted the **Double Materiality Principle**, in accordance with the GRI Standards and industry trends. This involves a cross-evaluation of:

- Topics with significant impact on the Company's business development and performance.
- Topics where the Company's activities have a substantial impact on the economy, society, or environment from the perspective of key stakeholders.

Note: Core topics such as "Ethical Business Conduct," "Regulatory Compliance," and "Financial Performance" are long-standing operational priorities and were not included among the 14 material topics. See sections 2.3, 2.6, and 5.1 for further disclosure.

Frequency of Identifying Material Issues

CHC 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.

2 Identify and Refine Issues

Issue Collection

The Sustainable Development Office compiled a list of sustainability issues by referencing stakeholder feedback, international ESG benchmarks, ISO 26000 guidelines, and best practices from leading companies. A total of 47 sustainability topics were initially identified.

Issue Refinement

Based on prior-year stakeholder communication results, current operational conditions, and potential future developments, CHC refined this list down to 14 key sustainability topics.

3 Analyze Impact

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.

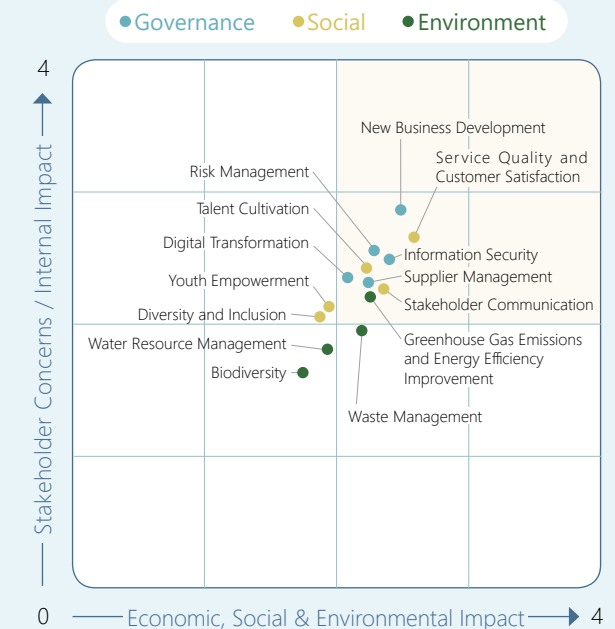
Questionnaire Distribution

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.

4 Analyze Questionnaires and Identify Issues

According to the survey results, we conducted analysis by combining "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 CSO, 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



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: < 1% Medium: 1-5% High: > 5%</small>	Management Methods	2024 Performance	2025 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
New business development	●	●	●	<p>Potential positive impact: Enhance market competitiveness and corporate image</p> <p>Potential negative impact: Risk of being rejected by consumers or the market if business practices do not align with sustainability principles</p>	Medium	<p>◆ Incorporate environmental, social, and economic factors into new business evaluations.</p> <p>◆ Align business strategies with carbon reduction goals and low-carbon product deployment.</p> <p>◆ Apply responsible investment principles by considering social value creation.</p>	<p>Low-Carbon Cement Logistics Facilities: Additional low-carbon cement delivery facilities were installed at the Keelung Port Logistics Center.</p> <p>Green Building Certifications (Completed): The CHC Headquarters building received Taiwan's two highest-level green building certifications (EEWH-EB Diamond and EEWH-BERSe Level 1+).</p>	<p>Green Building Certifications : Renovation of the 1st and 2nd floors of the CHC Building is underway to pursue LEED and WELL certifications, moving toward carbon neutrality for office spaces by 2030.</p> <p>Solar Energy Plan: Rooftop solar panels will be installed on tenant-leased buildings at the Gangshan site, targeting 2MW capacity and generating over 2 million kWh of electricity annually.</p> <p>Hospitality Sector: Plans are underway to launch a Taichung center, further expanding brand influence and reinforcing its leadership in the postpartum care industry.</p>	<p>● Shareholders / Investors ● Customers / Consumers ● Employees ○ Financial Institutions ○ Partners ● Suppliers and Contractors ○ Communities / NPOs</p>	<p>GRI 201-1: Direct economic value generated and distributed</p> <p>GRI 201-2: Financial implications and other risks and opportunities due to climate change</p>	3.2 Climate Action 5.1 Financial Performance
Service Quality and Customer Satisfaction	●	●	●	<p>Potential positive impact: Drive revenue growth and strengthen brand market share</p> <p>Potential negative impact: Failure to meet customer expectations in service quality may reduce satisfaction and hinder revenue growth</p>	Medium	<p>◆ Build strong customer relationships through attentive and professional service, despite market uncertainty.</p> <p>◆ Integrate brand values into products and services to enhance brand reputation and positive brand perception.</p>	<p>Hotel Collective achieved high ratings on Agoda (9.4) and Booking.com (9.2); awarded the Gold Prize for Accommodation Voucher Sales by Japan's largest travel agency, JTB.</p> <p>Gem Care's Weekly podcast updates with a total of 76,673 downloads and an average rating of 4.8 stars per episode.</p>	<p>Hospitality Sector: Continue to enhance customer experience and emotional warmth in service delivery.</p> <p>Warehousing and Storage Sector: Strengthen employee training programs to reduce equipment maintenance frequency and improve operational efficiency.</p>	<p>○ Shareholders / Investors ● Customers / Consumers ● Employees ● Suppliers and Contractors</p>	Custom Topics	1.1 Annual Sustainability Highlights 1.2 Group Overview and About The Report

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: < 1% Medium: 1–5% High: > 5%</small>	Management Methods	2024 Performance	2025 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Information Security	●	○	●	<p>Potential positive impact: Preserve corporate reputation and credibility</p> <p>Potential negative impact: Declining customer ratings, trust, and satisfaction may negatively affect revenue growth</p>	Low	<ul style="list-style-type: none"> ◆ Daily system health checks and regular off-site backups. ◆ At least two information security awareness sessions per year. ◆ Annual disaster recovery drills for core systems. ◆ Annual audits by internal teams and external accountants on IT lifecycle controls. ◆ Regular personal data protection training. ◆ Annual reporting to the BOD on information security governance and implementation. 	<ol style="list-style-type: none"> 1. Established the Information Security Management Review Committee as the governing body for cybersecurity. 2. Launched ERP replacement project and initiated system requirements assessment. 3. Built cybersecurity management framework based on international standards 4. Conducted 6 information security awareness sessions and 1 personal data protection training workshop. 	<ol style="list-style-type: none"> 1. Replace the ERP system with SAP and integrate across three subsidiaries. 2. Relocate the company's server infrastructure to an ISO 27001-compliant IDC data center to meet data center standards. 3. Regularly update intellectual property (IP) policies and objectives to support overseas operational development goals. 4. Hold quarterly Information Security Management System (ISMS) review meetings to assess implementation performance, propose improvement actions, and uphold the PDCA cycle. 5. Continuously identify and assess potential cybersecurity risks using tools such as website risk scoring and vulnerability scanning services; formulate and implement mitigation measures approved by the Information Security Committee. 	<ul style="list-style-type: none"> ● Customers / Consumers ● Employees ○ Suppliers and Contractors 	Custom Topics	2.5 Digital Resilience 2.6 Regulatory Compliance
Risk Management	●	●	●	<p>Potential positive impact: Enables timely response to risk events and rapid recovery of business operations</p> <p>Potential negative impact: Inability to reduce risk uncertainty or respond promptly to risk impacts</p>	Medium	<ul style="list-style-type: none"> ◆ Identify and assess risks across all sectors based on likelihood and impact. ◆ Develop and implement response strategies led by designated risk management units. Strengthen monitoring through risk-based internal audits. 	<ol style="list-style-type: none"> 1. Established the Risk Management Committee 2. Board of Directors approved the revised "Risk Management Policy and Procedures" 3. Submitted the 2025 Risk Assessment Report to the Audit Committee and the Board 4. Published CHC's first TCFD Report 	<ol style="list-style-type: none"> 1. Strengthen risk management mechanisms and promote training to cultivate a risk-aware culture across the CHC Group 2. Complete risk identification and assessment for 2026 3. Enhance data integrity and its connection to financial disclosures 	<ul style="list-style-type: none"> ● Shareholders / Investors ● Customers / Consumers ● Employees ○ Financial Institutions ○ Partners ● Suppliers and Contractors 	Custom Topics	2.2 Risk Management 3.2 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: < 1% Medium: 1–5% High: > 5%</small>	Management Methods	2024 Performance	2025 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Talent Cultivation	-	○	○	<p>Potential positive impact: Build a friendly work environment and promote work-life balance</p> <p>Potential negative impact: Risk of talent attrition and recruitment challenges"</p>	Low	<p>◆ Inclusion</p> <ol style="list-style-type: none"> 1. Workforce Diversity – Optimizing Structure and Embracing Inclusion 2. Fairness – Pay Equity and Compensation Mechanism 3. Engagement – Promote Employee Participation and Feedback 4. Retention – Attract and Retain Top Talent <p>◆ Well-being</p> <ol style="list-style-type: none"> 1. Respect Every Step – Human Rights and Fair Treatment 2. Care Every Moment – Comprehensive Employee Support and Wellbeing 3. Connect Every Heart – Social Engagement and Public Welfare <p>◆ Co-learning</p> <ol style="list-style-type: none"> 1. Strengthen Every Journey – Sustainable Talent Strategy and Growth 2. Build Every Talent – Innovation-Driven Talent Development System 3. Lead Every Level – Leadership Development and Career Planning 4. Deepen Every Capability – Cultural Transmission and Core Competency Development 	<ol style="list-style-type: none"> 1. Refined performance appraisal and promotion procedures 2. Linked executive performance evaluations with ESG targets 3. Expanded employee satisfaction surveys across more affiliated companies 4. Promoted application of core competency frameworks 5. Strengthened sexual harassment prevention and revised grievance/ disciplinary procedures 6. Implemented employee stock ownership trust plan 7. Partnered with social welfare groups for community engagement 8. Procured goods from social enterprises 	<ol style="list-style-type: none"> 1. Talent: Enhance talent development and management through improved strategies to attract, cultivate, and retain top talent, ensuring long-term organizational growth 2. Culture: Embed inclusion, well-being, and co-learning into the corporate culture to foster belonging and reinforce social responsibility 3. Innovation: Leverage digital tools and strategies to elevate employee experience, organizational agility, and responsiveness to market change 	● Employees	<p>GRI 401: Employment 2016</p> <p>GRI 404: Training and Education 2016</p> <p>GRI 405-1: Diversity of governance bodies and employees</p>	<p>2.1 Professionalism and Diversity</p> <p>4.1 Inclusion</p> <p>4.2 Well-being</p> <p>4.3 Co-learning</p> <p>5.4 Workforce Statistics</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: < 1% Medium: 1–5% High: > 5%</small>	Management Methods	2024 Performance	2025 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Stakeholder Communication	-	-	○	<p>Potential positive impact: Enhance customer satisfaction, trust, and corporate reputation while reducing operational risks</p> <p>Potential negative impact: Loss of stakeholder trust may negatively impact business performance and customer satisfaction</p>	Low	<p>◆ Conduct annual reviews and schedule regular stakeholder engagement.</p> <p>◆ Provide timely updates and address concerns via official website and social media.</p>	<ol style="list-style-type: none"> 1. Stakeholder engagement performance disclosed in Section 1.8 2. Implemented double materiality survey; collected 342 valid stakeholder responses on sustainability topics 3. Integrated CHC's 70th anniversary into themed stakeholder activities and communications aligned with corporate sustainability strategy 4. Planned updates to website and social media to enhance diversity and richness of content 	<ol style="list-style-type: none"> 1. Redesign the official website and optimize social media presence for greater immediacy and content variety 	<ul style="list-style-type: none"> ● Shareholders / Investors ● Customers / Consumers ● Employees ○ Government Agencies ● Financial Institutions ● Partners ● Suppliers and Contractors ● Medias ● Communities / NPOs 	Custom Topics	1.3 Message from the Chairman 1.4 Message from the Chief Sustainability Officer 1.8 Stakeholder Communication 1.9 Identification of Material Issues
Supplier Management	●	●	●	<p>Potential positive impact: Ensure suppliers comply with ESG standards, thereby enhancing corporate image</p> <p>Potential negative impact: Suppliers failing to reduce carbon emissions on schedule may impact the Group's overall carbon footprint</p>	Medium	<p>◆ Select and manage suppliers based on the Supplier Management Policy and Ethical Corporate Management Best Practice Principles</p> <p>◆ Conduct regular supplier inventory and evaluations, covering quality, pricing, delivery timelines, business ethics, labor and human rights, and green procurement</p>	<ol style="list-style-type: none"> 1. Completed core supplier evaluations, covering business ethics, labor and human rights, and green procurement – with 100% completion rate for cement and central kitchen suppliers 2. Hosted a 2-hour integrity training session for key suppliers, with 54 participants in attendance 	<ol style="list-style-type: none"> 1. Revise the Supplier Management Policy 2. Complete supplier mapping covering 89% of total procurement value 3. Plan to initiate upstream and downstream carbon inventory across the supply chain 	<ul style="list-style-type: none"> ● Suppliers and Contractors 	Custom Topics	2.4 Responsible Procurement

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: < 1% Medium: 1-5% High: > 5%</small>	Management Methods	2024 Performance	2025 Goals	Impact on Stakeholders ● Direct Impact ○ Indirect Impact	Material Issues Corresponding to GRI Standards	Corresponding Sections
	Expense	Income	Risk								
Greenhouse Gas Emissions and Energy Efficiency Improvement	○	-	-	Potential positive impact: Strengthen corporate sustainability competitiveness Potential negative impact: Increase in carbon-related operational costs	Low	<ul style="list-style-type: none"> ◆ Conduct annual greenhouse gas (GHG) inventory and third-party verification across all domestic and overseas sites ◆ Actively adopt international environmental certification standards, promote energy-saving and carbon-reduction practices, and enhance energy efficiency to reduce potential negative environmental impacts 	<ol style="list-style-type: none"> 1. Completed GHG inventory and verification for all global operations 2. Replaced 50% of elevators at CHC Building and installed regenerative power systems 3. Approved science-based targets under the SBTi initiative 	<ol style="list-style-type: none"> 1. Renew ISO 50001 and ISO 14001 certifications 2. Complete phased Scope 3 GHG inventory 3. Replace all elevators at CHC Building and install regenerative power systems 4. Fully implement the Energy Management System (EMS) at CHC Building 	○ Shareholders / Investors ○ Customers / Consumers ○ Financial Institutions ● Suppliers and Contractors	GRI 302-1: Energy consumption within the organization GRI 302-3: Energy intensity GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: Reduction of energy consumption	3.3 Energy Efficiency 5.2 Greenhouse Gas Emissions and Energy Usage
Digital Transformation	○	-	○	Potential positive impact: Streamline business processes and improve energy efficiency, thereby enhancing operational performance Potential negative impact: Increased costs or potential talent attrition	Low	<ul style="list-style-type: none"> ◆ Assess opportunities to optimize internal communications and customer service processes ◆ Enhance data quality and enable cross-functional digital integration and process streamlining 	<ol style="list-style-type: none"> 1. Introduced a digital platform for carbon inventory management 2. Implemented Microsoft Office suite across the organization 3. Upgraded ERP system to SAP to support modern digital transformation needs 	<ol style="list-style-type: none"> 1. Completed the implementation of the EMS (Energy Management System) at CHC Building 	● Customers / Consumers ● Employees	Custom Topics	2.5 Digital Resilience 2.6 Regulatory Compliance 3.3 Energy Efficiency

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.

02 Transparent Governance

Embedding accountability into the Company's cultural DNA

- Prioritizing transparent disclosure and proactively completing external information reporting ahead of schedule
- Strengthening corporate governance and actively participating in both domestic and international evaluations
- Engaging proactively with shareholders, investors, and other stakeholders

PURSUE QUALITY OF LIFE



Strategy

Drive Competitive Operations and Social Impact with Sustainability as a Factor

Responsible business

Sustainable operation

Strengthening partnership

Promoting social inclusion

2.1	Professionalism and Diversity	24
2.2	Risk Management	30
2.3	Ethical Management	34
2.4	Responsible Procurement	36
2.5	Digital Resilience	37
2.6	Regulatory Compliance	39

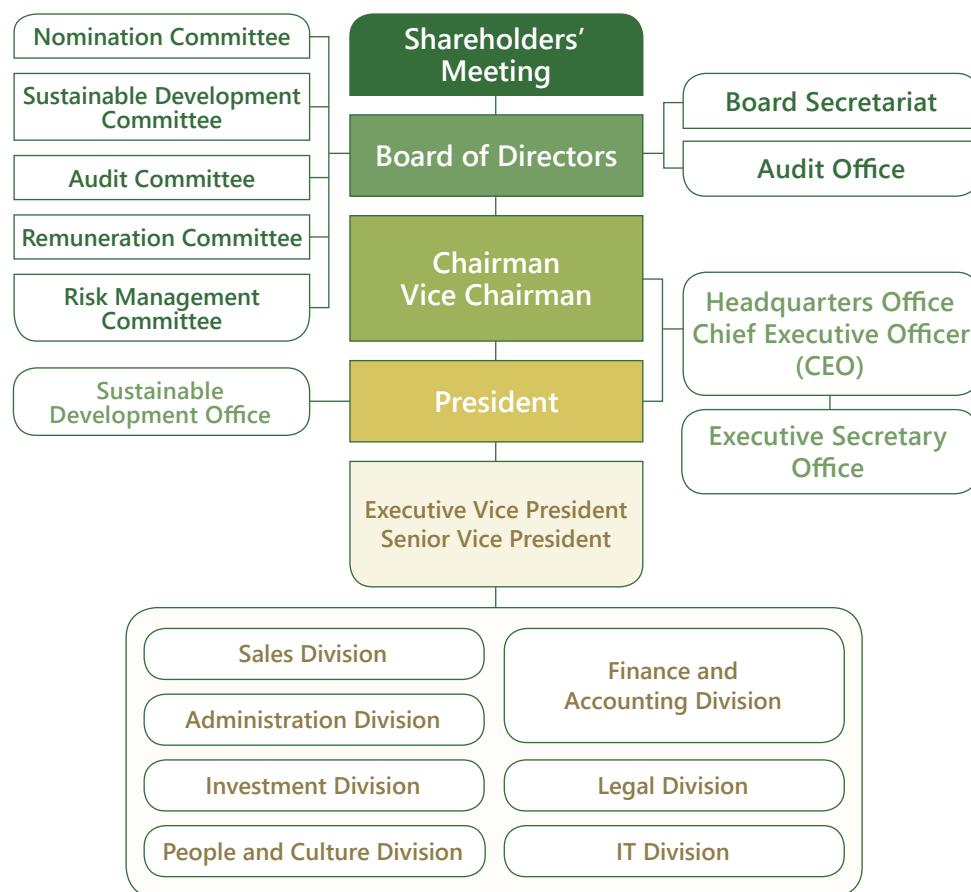


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02 Transparent Governance

2.1 Professionalism and Diversity

Organizational Chart of Chia Hsin Cement Corporation



Note: CHC's new organization chart was approved at the 465th meeting of the Board of Directors on December 12, 2024, and took effect on January 1, 2025.

2.1.1 Board of Directors

Board members of CHC serve three-year terms and are eligible for re-election. The Company adopts a candidate nomination system for Board elections. The professional qualifications, shareholding and concurrent post limitations, independence criteria, nomination procedures, and other compliance matters for both directors and independent directors are handled in accordance with applicable regulations of Financial Regulatory Commission and TWSE. In addition, relevant governance provisions are stipulated in the "Corporate Governance Best Practice Principles," including Chapter 4, Section 1 on Board Structure and Section 2 on the Independent Director System.

The CHC Board of Directors consists of 7 members, including 3 independent directors. Directors are elected using the candidate nomination system in accordance with Article 192-1 of the Company Act. At least one Board meeting is held quarterly, with additional meetings convened as necessary.

The Board comprised 6 male directors and 1 female director. Members hold diverse backgrounds and professional experience, contributing to a well-rounded decision-making process. All significant Board resolutions are published on the Market Observation Post System and disclosed in the Corporate Governance section of the Company's website.

For detailed information on Board members' backgrounds, operations, and conflict of interest policy, please refer to the 2024 Annual Report, p. 4 and 25.



Total number of Board meetings in 2024: **7**



7 board members
3 independent directors

Attendance rate: **95.92%**

Independent director ratio: **42.8%**

Diversified Capabilities of the Directors

Title	Name	Nationality	Gender	Educational Background	Age			Tenure	Diversified Capabilities							
					21-30	51-60	61-70		Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Business	Information Technology	Sustainability Management
Chairman	Jason K. L. Chang	ROC	M	Master		✓		24 years	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chi-Te Chen	ROC	M	Master			✓	37 years	✓	✓	✓	✓	✓			✓
	Pan Howard Wei-Hao	USA	M	Master		✓		12 years	✓	✓	✓	✓	✓		✓	✓
	Alec Jun-Ci Chang	ROC	M	Bachelor	✓			0.5 year			✓	✓		✓		✓
Independent Director	Robert K. Su	ROC	M	PhD			✓	9 years	✓	✓	✓	✓	✓			✓
	Pao-Chu Lin	ROC	F	Master			✓	3 years	✓	✓	✓	✓	✓			✓
	Kevin Kuo-I Chen	ROC	M	Master			✓	3 years	✓	✓	✓	✓				✓

Note: Director Pan Howard Wei-Hao and Director Alec Jun-Ci Chang serve as representatives of the corporate shareholder Tong Yang Chia Hsin International Corporation.

Director Training

2024 Director Training

All director training courses focused on ESG-related topics, with a total of **81 hours** of instruction and an average of **11.57 hours** per director.

Board members of CHC possess the knowledge, skills, and diverse industry backgrounds required for their roles. They actively participate in a wide range of lectures and seminars to continuously strengthen their professional competencies. The Board maintains close communication with the management team to exchange insights and share valuable experiences. To address rapid changes in the external environment, the

Company continues to enhance directors' expertise through multidisciplinary courses, including:

- Aligning executive compensation with ESG performance
- Artificial intelligence (AI) and governance
- Cybersecurity threats and protection strategies
- Internal control and risk management systems

For a detailed list of director training programs in 2024, please refer to the 2024 Annual Report.

2.1.2 Board Diversity Policy

Defined Goals

CHC's Board diversity strategy emphasizes a balance of professional expertise, industry experience, and gender representation. Specific objectives include:

1. At least one certified accountant and one licensed attorney on the Board
2. At least one of Board members representing any one gender
3. At least two members possessing expertise in each of the following: finance/accounting, legal affairs, investment and M&A, risk management, business operations, hospitality services, information technology, sustainability, and international market insight



Implementation Status

The current Board meets these targets with a broad range of qualifications. Members hold degrees across disciplines (PhD, master's, bachelor's) and span age groups from 21 to 70. This diversity has enhanced governance and improved the Board's strategic oversight capabilities.

2.1.3 Board Performance Evaluation

To strengthen corporate governance and enhance Board effectiveness, CHC established the "Board Performance Evaluation Policy" at the 422nd Board meeting on May 9, 2019. Under this policy:

- Internal evaluations of the Board, its functional committees, and individual directors are conducted annually
- External evaluations by independent professionals or third-party experts are carried out at least once every three years

The evaluation results are reported to the Board during the first quarter of the following year

The latest external evaluation was completed in 2024, in line with the triennial cycle.

2024 Board Evaluation Results

Board self-evaluation rating

Excellent

Functional committee self-evaluation rating

Excellent

The evaluation covered five key dimensions

1. Participation in company operations
2. Quality of decision-making
3. Board composition and structure
4. Director selection and ongoing education
5. Internal control systems

The 2024 evaluation results were reviewed by the Nomination Committee on February 18, 2025, and reported to the Board on February 25, 2025. Based on these results, CHC refined its ESG-linked performance and remuneration system, resulting in improved scores across all dimensions compared to 2023.

Implementation of Evaluation of BOD in 2024

Evaluation Cycle

Annually

Evaluation period

January 1 to December 31, 2024

Evaluation scope

Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members

Evaluation method

Self-assessment from the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members

Contents of Evaluation

With reference to the sample template published by the authority, the assessments of the Company are as follows:

CHC engages an independent professional institution to conduct external performance evaluations of the Board and its functional committees at least once every three years. In 2025, the evaluation of 2024 performance was conducted by the Chinese Corporate Governance Association, an independent third-party organization. The assessment covered four major dimensions:

Dimensions	Score (out of 5)
Professional competencies	5.00
Decision-making effectiveness	4.97
Internal control oversight	4.98
Commitment to sustainability	4.98



1. Board Performance Assessment

- 1-1 Participation in Company operations
- 1-2 Quality of decisions
- 1-3 Structure and organization
- 1-4 Election and continuing education
- 1-5 Internal control

2. Individual Director Performance Assessment

- 2-1 Alignment of the goals and targets of the Company
- 2-2 Understanding of director duties
- 2-3 Participation in Company operations
- 2-4 Management of internal communication and relationships.
- 2-5 Director professional qualifications and continuing education
- 2-6 Internal control

3. Functional Committee Performance

- 3-1 Participation in Company operations
- 3-2 Understanding of functional committee duties
- 3-3 Quality of decision
- 3-4 Structure and election
- 3-5 Internal control

4. Functional Committee Individual Member Performance

- 4-1 Function of functional committee
- 4-2 Understand of functional committee member duties
- 4-3 Participation in functional committee operations
- 4-4 Management of internal relationships and communication

2.1.4 Functional Committee

To support Board operations and enhance the effectiveness of business decision-making and sustainable development, CHC has established multiple functional committees under the Board.

Commit-tee	Audit Commit-tee	Remunera-tion Commit-tee	Sustain-able Develop-ment Commit-tee	Risk Manage-ment Commit-tee	Nomina-tion Commit-tee
Number of meetings held in the current year	6	3	2	Approved by the Board at its 465th meeting on December 12, 2024. As both committees were newly established, no meetings were held in 2024.	
Average attendance rate (%)	100	88.89	100		
Number of committee members	3	3	4	4	3
Including independent directors (persons)	3	2	2	3	2

Note:

1. The Subsidiary Supervisory and Management Committee was officially dissolved following approval at the 465th meeting of the Board of Directors on December 12, 2024. Its oversight responsibilities have since been transferred to relevant departments across the CHC, effective January 1, 2025.
2. For details on the composition and operation of each committee, please refer to the CHC website under "Corporate Governance – Committees."

Audit Committee

Purpose:

To supervise financial reporting, accounting practices, internal controls, regulatory compliance, and risk oversight.

Key Responsibilities

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluate the effectiveness of the internal control system.
3. Establish or amend procedures for the acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, and endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Review matters involving conflicts of interest for directors.
5. Review major asset or derivative transactions.
6. Review major loans of funds, endorsements, or guarantees.
7. Review offerings, issuances, or private placements of equity-related securities.
8. Review the appointment, dismissal, or remuneration of the certified public accountant.
9. Review the appointment or dismissal of financial, accounting, or internal audit officers.
10. Review quarterly financial reports signed or sealed by the chairperson, managerial officers, and accounting officers.
11. Review merger and acquisition matters of the Company.
12. Review other significant matters as prescribed by the Company or regulatory authorities.

Remuneration Committee

Purpose:

To review and advise the Board on the compensation policies and practices for directors and managerial officers.

Key Responsibilities

- The Committee shall faithfully perform the following duties with the care of a prudent manager and submit its recommendations to the Board of Directors for discussion:
1. Formulate and periodically review the policies, systems, standards, and structure for performance evaluation and remuneration of the directors, independent directors, and managerial officers of Chia Hsin Cement.
 2. Regularly assess and determine the remuneration of the directors, independent directors, and managerial officers of Chia Hsin Cement.

Sustainable Development Committee

To align with international trends and sustainability imperatives, the Sustainability Development Committee was established at the 441st meeting of the Board of Directors on December 14, 2021. The Committee consolidates the functions of the Company's original corporate governance structure, established in 2019, and continues to oversee their execution. A Chief Sustainability Officer (CSO) role was created, supported by a dedicated Sustainability Office responsible for carrying forward all governance-related functions.

In line with evolving sustainability priorities, the Committee has expanded its scope to support the Board in achieving long-term sustainable business goals and in advancing ESG initiatives. Since 2020, Chia Hsin has provided regular updates to the Board on the implementation progress of its sustainability projects.

Purpose:

To institutionalize ESG oversight, promote sustainability culture, and monitor implementation of sustainability strategies.

Key Responsibilities

1. Define the Company's sustainability vision, mission, and development policies
2. Review sustainability execution results and report regularly to the Board
3. Oversee responses to stakeholder concerns and supervise communication plans
4. Address additional matters assigned by the Board

Risk Management Committee

Established December 12, 2024

Purpose:

To enhance risk governance and assist the Board in executing its risk oversight responsibilities.

Key Responsibilities

1. Reviewing risk management policies, procedures, and frameworks, and periodically assessing their applicability and effectiveness;
2. Approving risk appetite (risk tolerance) to guide resource allocation;
3. Ensuring that the risk management mechanism effectively addresses the risks faced by the company and integrates them into daily operational processes;
4. Approving the prioritization and grading of risk controls;
5. Reviewing the implementation of risk management, providing necessary improvement recommendations, and reporting to the Board of Directors periodically (at least once a year);
6. Executing the risk management decisions of the Board of Directors.

Nomination Committee

Established December 12, 2024

Purpose:

To improve Board functionality and strengthen the nomination, evaluation, and succession planning process.

Key Responsibilities

1. Establish the criteria for the professional knowledge, skills, experience, gender diversity, and independence required of board members, and accordingly identify, review, and nominate candidates for directorship.
2. Construct and develop the organizational structure of the Board and its committees; conduct performance evaluations of the Board, each committee, and individual directors; and assess the independence of independent directors.
3. Formulate and regularly review the board succession plan.

2.2 Risk Management

2.2.1 Risk Management Policy

CHC first established its **Risk Management Policy** on December 15, 2020. To enhance and refine its enterprise-wide risk management (ERM) system, the policy was revised in 2023 with reference to the "Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange listed Companies" and was approved by the Board on December 12, 2024. On the same date, the Risk Management Committee was officially established to strengthen oversight and implementation of risk-related operations.

2.2.2 Risk Management Implementation

- August 1, 2024: Progress report on key risk management efforts submitted to the Audit Committee
- November 7, 2024: Interim progress report of the risk management project for 2024 and Preliminary 2025 Risk Assessment Report presented to the Audit Committee
- December 12, 2024: Final 2025 Risk Assessment Report submitted to the Audit Committee and Board of Directors

2.2.3 Risk Governance Structure



■ Board of Directors:

The highest governance body, responsible for approving policies and monitoring enterprise-wide risk management effectiveness

■ Auditing Office:

Independently reports to the Board and annually evaluates the effectiveness of risk identification and response, ensuring that significant operational risks are properly managed

■ Risk Management Committee:

Assists the Board and supervises the Risk Taskforce in overseeing comprehensive assessments of strategic, operational, compliance, financial, and others, such as environmental, energy, and emerging risks.

■ Risk Taskforce:

Composed of cross-functional representatives from macroeconomics, investment, internal audit, human resources, legal, sustainability, and more, responsible for risk planning, execution, and supervision

■ Operating Units (CHC and subsidiaries):

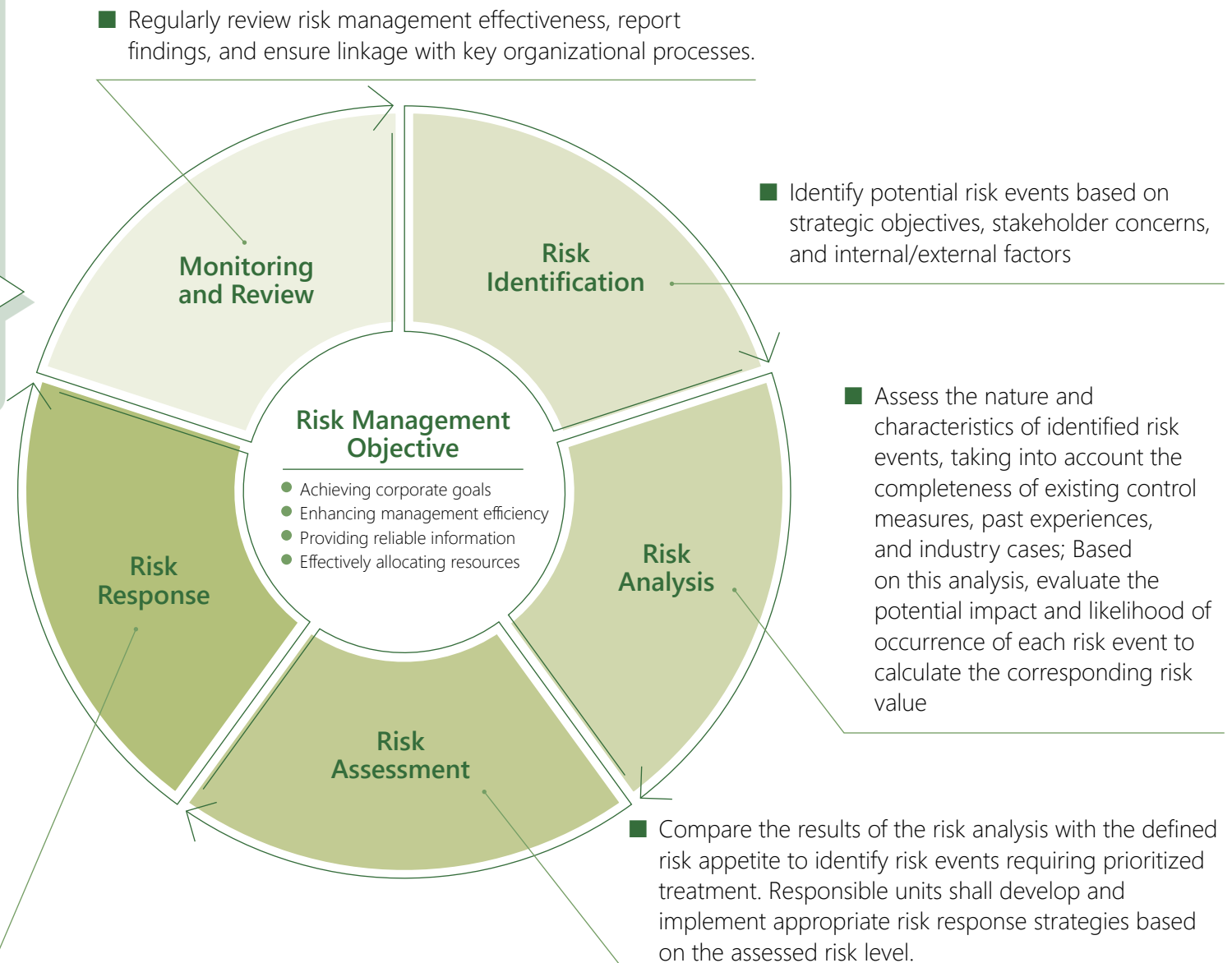
1. Responsible for risk identification, analysis, assessment, and response;
2. Regularly report risk management information to the taskforce;
3. Maintain the implementation of risk management effectiveness and related control procedures in accordance with the risk management policy.

2.2.4

Risk Management Procedures

The primary objective of CHC's risk management process is to support the achievement of corporate goals by enhancing management efficiency, ensuring the reliability of information, and enabling effective resource allocation.

■ Select appropriate risk response strategies by taking into account the company's strategic objectives, the perspectives of internal and external stakeholders, the defined risk appetite, and available resources. This ensures a balanced approach between achieving objectives and maintaining cost-effectiveness.



2.2.5 Cultivate Risk-Aware Culture

Since 2022, CHC has engaged external consultants annually to deliver risk management training for the Group. Through tiered training and system development, the Company aims to embed risk awareness into daily operations and enhance overall organizational resilience.

In 2024, in addition to appointing dedicated risk personnel, CHC introduced a structured and categorized risk identification process. Risk management was further integrated with internal control systems, enabling the establishment of a comprehensive risk database.

Tiered Training – Building Risk Awareness Across the Organization

Entry-level employees received foundational training in risk identification and prevention, while management personnel participated in advanced courses focused on control mechanisms and strategic response to improve decision-making and crisis response capabilities.

Risk Taskforce – Strengthening Organizational Resilience

A cross-functional risk taskforce was established, composed of representatives from various departments. The team is responsible for risk monitoring, establishing evaluation criteria and early warning indicators, and working with external consultants to institutionalize risk management practices throughout core operations.

Training Program: 676 Total Hours Accumulated, 168 Participation Count

2024 Training Program		
Training Topics	Hours	Training Recipients
How Directors Can Oversee and Promote Risk Management Systems (Digital Technology & Privacy Protection Trends)	3	Board Directors, Department Heads, and Designated Personnel
New Forms of Cross-Border Cybersecurity Threats, Governance Trends, and Protection Strategies	3	Board Directors, Department Heads, and Designated Personnel
Artificial Intelligence (AI) Driving Industry Transformation and Business Innovation	3	Board Directors, Department Heads, and Designated Personnel
The Meaning and Practical Implementation of Risk Management (Note)	2	Risk Management Taskforce
Optimization of Risk Management Methodology and Establishment of an Operational Process Risk Inventory (Note)	9	Risk Management Taskforce
Risk Assessment Interview Meetings (Note)	18	Managers, Department Heads, and Designated Personnel, in collaboration with the Risk Management Taskforce
Review of Risk Management Fundamentals	By Notes and Test Questions	Managers, Department Heads, and Designated Personnel

Note:

To strengthen risk awareness and foster a risk-informed culture, CHC engaged external consultants in 2024 to collaborate with the Risk Management Taskforce. A total of six risk assessment interviews and discussion workshops were held. These sessions facilitated in-depth dialogue among participants, building consensus across departments and ensuring the effective execution of the risk assessment process.

2.2.6 Important Risks and Emerging Risks (★Emerging Risks)

Risk Description	Impact	Effective-ness	Possibi- lity	Solution
Building durability, safety, and legality	Revenue reduction/ Employee safety/ Capital expenditure	Medium	Medium	<ul style="list-style-type: none"> Regularly review and assess the safety and legality of the building, and plan and execute relevant maintenance and repair projects Phased planning and updating of important equipment and systems in the building Introduce green building certification and conduct targeted marketing for the identified customer segments
Policy changes towards achieving net-zero carbon emissions by 2050 (★ Emerging Risks)	Revenue reduction/ Increased operational costs/ Corporate reputation	Medium	Medium	<ul style="list-style-type: none"> Actively seek new business opportunities and development directions Negotiate contract modifications with the Taiwan international ports corporation timely based on market demands and development trends Track and understand government policies and regulations, and duly propose responsive measures Implement a carbon reduction initiative to achieve the committed SBTi-aligned targets
Extreme climate	Property losses/ Employee safety/ Impact on operations	Medium	Medium	<ul style="list-style-type: none"> Establish comprehensive plans for ongoing operations, crisis management, and response plan, also conduct regular reviews Periodically assess and enhance the resilience of infrastructure Increase or ensure that insurance coverage meets the requirements
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"> Enhance employer brand image, adopt a diverse hiring policy, and create an inclusive and equal workplace environment Continuously follow industry and workforce development trends, and regularly adjust recruitment and training plans Consider industry-standard salary rates and benefits conditions to provide attractive compensation packages Offer professional training and development plans for employees Conduct regular interviews with employees through various channels to gather feedback Continuously optimize operational processes to improve working efficiency Expand industry-academia collaboration to strengthen talent reserves
Business continuity risks triggered by external factors such as disasters, accidents, or infectious diseases	Equipment losses / Revenue reduction / Impact on reputation	High	Medium	<ul style="list-style-type: none"> Establish comprehensive plans for ongoing operations, crisis management, and response, and conduct regular reviews Build a diversified supply chain Regularly organize training courses and exercises to enhance employee response capabilities Establish effective internal and external communication mechanisms to ensure accurate and timely dissemination of emergency messages and response measures
Increase in operational costs due to inflation or other external factors	Increased operational costs	Low	High	<ul style="list-style-type: none"> Regularly review costs and expenses, conduct efficient analyses, and implement appropriate response measures Establish a systematic supplier management mechanism to build a resilient supply chain Introduce energy-saving equipment to improve energy efficiency and reduce energy expenditures effectively, enhance service value through equipment optimization while implementing reasonable cost structure adjustments
Strategic New Market Expansion Risk	Property losses / Impact on reputation	High	Medium	<ul style="list-style-type: none"> Conduct feasibility assessments Establish a project team to ensure timely progress and task completion Implement brand value strategies and differentiation measures

2.3 Ethical Management

2.3.1 Codes of Conduct and Policy Commitments

To foster a culture of integrity and establish sound business practices, CHC has adopted the “Ethical Management Best Practice Principles” and the “Code of Ethical Conduct”, both approved by the Board of Directors. These policies are regularly reviewed and updated, with the latest versions approved on November 11, 2020. They are publicly available on both the internal and external websites.

The Company explicitly includes clauses in external contracts addressing violations of ethical conduct policies to underscore its commitment to integrity.

Dedicated Unit for Promoting Ethical Management

CHC’s Headquarters Office is responsible for planning, promoting, and overseeing matters related to Ethical Management. The designated unit reports to the Board of Directors on the implementation status at least once per year.

2.3.2 Reporting to the Board

In March 2021, all directors and senior executives signed a “Declaration of Compliance with the Ethical Management Policy,” reaffirming their commitment to comply with CHC’s integrity policies and related legal obligations. Following the 2022 Board re-election, newly appointed directors and executives completed the signing in 2023, achieving a 100% signing rate.

In 2024, the designated integrity unit reported on the implementation status of Ethical Management to the Board at the 465th Board meeting held on December 12, 2024.

2.3.3 Implementation and Internal Mechanisms

CHC has formulated an “Operating Procedures and Behavioral Guidelines for Ethical Management” that outlines standards of conduct, as well as disciplinary and grievance mechanisms. These are further reinforced in employee work rules and operating regulations.

Since 2020, CHC has required suppliers to sign Integrity Pledges and Corporate Social Responsibility Commitments and extended anti-corruption and ethical training to key suppliers starting in 2022.

2.3.4 Employee and Supplier 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 2024 progress on the promotion of integrity management education and training:

For employees	A hybrid in-person and online training session was held on November 21. The course covered key topics such as corporate governance and integrity, greenwashing risks in sustainability reports, and insider trading prevention. 235 employees participated, completing 2 hours of training. 100% of Taiwan-based employees, including new hires, received the training.
For suppliers	33 core suppliers (covering over 89% of annual procurement) participated in a two-hour training session 54 representatives attended
For new employees	1. “Preventing Insider Trading Awareness Course” This training is provided to all newly hired employees within the CHC Group. In 2024, sessions were held on May 17 and July 19, with 10 participants per session, totaling 20 employees. The participation rate for new hires reached 100%. 2. Participation in Annual Integrity Training Newly hired employees are also required to attend the Group’s annual Ethical Management training, and their attendance is included in the total annual training count.

2.3.5 Insider Trading Prevention Education

- CHC has established procedures for handling material internal information and preventing insider trading, with quarterly briefings for insiders and monthly regulatory updates via email. New directors are required to sign a compliance declaration within five days of appointment and file a copy with the Taiwan Stock Exchange within ten days.
- The Corporate Governance Best Practice Principles prohibit directors from trading CHC securities during blackout periods (30 days before the announcement of annual financial report, 15 days before quarterly reports). These rules were reaffirmed through a 2022 update to CHC's internal procedures.
- To strengthen internal awareness, CHC conducted insider trading and ethical management training in 2024, including case studies and preventive practices. Presentation materials were made available through the employee portal for continued learning.

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



Whistleblower Mechanism

To uphold sound corporate governance and deter unethical behavior such as fraud or bribery, CHC has adopted a Whistleblower Policy, applicable to CHC and its subsidiaries.

No internal or external whistleblower cases were received in 2024.

Channels include

01 Phone



Calls may be recorded for accuracy and confidentiality

+886-2-2551-2317

02 Mail



Head of the Audit Office, Chia Hsin Cement Corporation,

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

03 Email



chcgroup.audit@gmail.com

(attachments must be encrypted)

2.4 Responsible Procurement



2.4.1 Supplier Management Policy

In 2020, CHC established a Group-wide Supplier Management Policy applicable to all subsidiaries. The policy emphasizes green procurement principles such as energy efficiency and environmental protection and requires suppliers to respect human rights and labor rights, including a prohibition on child labor. It also reinforces CHC's commitment to ethical business conduct and corporate social responsibility (CSR) by requiring suppliers to sign an Integrity Commitment and a CSR Commitment. Depending on the supplier category, CHC conducts regular supplier evaluations, education or coaching programs, and performance assessments. Since 2022, CHC has extended anti-corruption and integrity training to key suppliers to deepen awareness and implementation of its ethical procurement standards. The Company will continue to use contract clauses to ensure compliance with principles such as labor rights, integrity, and green procurement.



2.4.2 Policy Implementation and Performance

Supplier Evaluations

- In 2024, evaluation was conducted on the quality, delivery time, cooperation degree, price, integrity management, labor and human rights, and green procurement of cement and paper bag packaging-related products, and the implementation ratio is 100%.
- In 2024, evaluation was conducted on a total of 20 suppliers for Central kitchen suppliers, and the implementation ratio is 100%.

Supplier Training

- In 2024, the Company invited suppliers and affiliates to attend the supplier education course on integrity management. (courses were offered in December of 2024) 33 suppliers attended the courses, with a total of 54 attendants, and each course lasted for 2 hours.

Supplier Contracts

- In 2024, the Company continues to require suppliers to abide by the principles of labor and human rights, business integrity, and green procurement through various contracts. 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".

2.4.3 Practical Applications by Business Units



Cement Sector

- Operates as a distributor in Taiwan, sourcing cement domestically and internationally
- Ships materials to bulk storage facilities at Keelung and Taichung Ports, then distributes in bulk or bags
- Major suppliers: Taiwan Cement and Asia Cement—both emphasize quality control, human rights, and environmental stewardship



Hospitality and Food Service Sector

- Does not use shark fins or ingredients from protected species
- Avoid disposable or melamine tableware
- Prioritize local sourcing to reduce carbon emissions from transportation
- Promotes organic and regional sourcing, including partnerships with Gping and Yonglin Farm

2.5 Digital Resilience

2.5.1 Information Security Governance Framework

CHC has established an Information Security Management Review Committee chaired by the President as the highest decision-making body for cybersecurity governance. The Committee is supported by a designated Chief Information Security Officer (CISO) under the Headquarters Office, while the IT Department executes daily security operations in accordance with CHC's cybersecurity policies and guidelines.

The Audit Office serves as the supervisory unit. When deficiencies are identified, corrective action plans must be submitted and reviewed by the Board, with follow-up tracking conducted to mitigate internal cybersecurity risks.



Additionally, external auditors conduct annual information system audits, with deficiencies addressed and improvements tracked.



Given the critical importance of information security, the unit responsible reports to the Board of Directors on the Company's cybersecurity governance and implementation at least annually. The most recent report was presented on December 12, 2024.

CHC also engaged an external cybersecurity consulting firm to assist the IT Department in developing an information security management system based on international standards. The process included the completion of four-tier documentation, a risk assessment, and a risk treatment plan, with improvement actions carried out accordingly.

For details, please refer to Section 4.6 "Information and Communication Security Management" in the 2024 Annual Report.

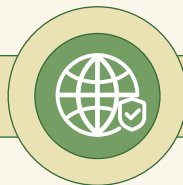
2.5.2 Cybersecurity Policies and Management Plan

To safeguard the availability, integrity, and confidentiality of information systems and prevent both internal and external threats, CHC has implemented six major cybersecurity management areas:

Computer Equipment
Security Management



Ensure Non-Stop
Operation of the System



Virus Protection
and Management



Network Security
Management



Promoting and
Education Training



System Access
Control



2.5.2 Cybersecurity Investmentn

CHC has invested in:

- | | |
|--|--|
| <p>1 Hardware:
Firewalls, email antivirus filters, spam filters, behavioral analytics, and managed switches</p> | <p>2 Software:
Endpoint protection, backup systems, VPN authentication, and encryption tools</p> |
| <p>3 Telecom services:
Multi-line redundancy, cloud backup, intrusion prevention systems</p> | <p>4 Personnel:
Daily system checks, weekly backups with off-site storage, biannual cybersecurity training, annual disaster recovery drills, and internal/external audits</p> |
| <p>5 Human Resources:
One dedicated cybersecurity officer and one specialist, responsible for architecture, maintenance, monitoring, incident response, and policy review. Reports to the Board at least annually</p> | <p>6 Infrastructure:
Migrated company servers to an ISO 27001-certified IDC data center; upgraded ERP system to SAP with multi-layer security architecture to enhance system resilience</p> |

Please refer to 2024 Annual Report, Section 5.6.5: Impact of and Response Measures to Changes in Technology (including information security risks) and Industry Relating to Corporate Finance and Operation.



No major cybersecurity incidents occurred during the reporting year.

2.5.4 Incident Reporting Procedure

Employees must report system anomalies immediately to the IT department. If a cybersecurity incident compromises confidentiality, integrity, or availability, it must be escalated to the cybersecurity officer and, if confirmed, handled in accordance with CHC's crisis management procedures.

2.5.5 Cybersecurity Drills

CHC conducts annual social engineering drills to enhance employee cybersecurity awareness. The most recent drill took place on November 13, 2024. Employees who failed the test were required to undergo remedial training. Completion rate: 100%.

2.6 Regulatory Compliance

2.6.1 Compliance Management

The Legal Division of CHC is responsible for reviewing all company contracts to ensure legality, consistency, and risk mitigation. It also monitors legal developments and incorporates relevant updates into CHC's standard contract templates, while handling and coordinating contract disputes.

In 2024, four Legal Division staff members completed 68 hours of external compliance-related training. Internally, CHC conducted three training sessions for employees on:

- Trade Secret Protection
- Basics of Copyright and Intellectual Property Rights
- Personal Data Protection Act

These sessions totaled 95 participants, each one hour in duration. CHC continues to strengthen legal awareness and compliance implementation across the organization.

From 2023 to 2024, no major regulatory violations occurred, as defined by fines exceeding NT\$1 million.

2.6.2 Personal Data Protection Policy

1 Personal Data Protection Management Policy

To comply with the Personal Data Protection Act and related regulations, CHC has established internal rules governing the collection, processing, and use of personal data to ensure information security, prevent unauthorized use, and promote the responsible and legal use of personal information.

The Legal Division has formulated the Personal Data Protection Management Policy, which applies to all CHC employees and affiliated companies and all third parties engaged in business with CHC, including both legal and natural person.

To oversee the effective implementation of this policy, CHC established a Personal Data Protection Management Committee, chaired by the President. The Committee is composed of the Chair and designated personnel, along with department heads from across the Group. It is responsible for planning, supervising, auditing, maintaining, and continuously improving CHC's personal data protection system. Specific procedures for personal data collection, processing, and use are defined under this framework.

A separate set of Organizational Guidelines for the Personal Data Protection Management Committee governs the structure and operation of this body.

2 Personal Data Protection Management Committee

The Personal Data Protection Management Committee convenes at least once every 3rd quarter to evaluate and advance personal data protection initiatives. A designated contact window has been set up to serve as the point of communication, incident reporting, and coordination in the event of any data-related incidents.

The Committee's key responsibilities include:

- ① Developing and promoting CHC's personal data protection policy
- ② Evaluating and managing risks associated with personal data
- ③ Coordinating data protection activities and managing emergency responses
- ④ Conducting irregular audits to assess the appropriateness and implementation of data protection across departments
- ⑤ Reviewing and evaluating the legal compliance and suitability of data protection systems
- ⑥ Responding to suspected or actual personal data breaches, including initiating investigations

No personal data breaches occurred during the reporting year.

2.6.3 Intellectual Property Management Policy

In recent years, CHC has continued to expand and deepen its presence in both domestic and international markets. In addition to cultivating its external brand image, the Company has enhanced the oversight of its subsidiaries and strengthened employee awareness of intellectual property (IP) protection. CHC has also established IP Management Guidelines to improve the efficiency and effectiveness of IP operations.



03 Environmental Collaboration

Embracing our mission as global citizens, striving for continuous improvement

- Proactively addressing carbon reduction by conducting comprehensive carbon inventories and disclosing reduction targets
- Enhancing energy efficiency by implementing energy and environmental management systems across all sites in Taiwan
- Advancing diverse green initiatives and cultivating long-term sustainability competencies

PURSUE QUALITY OF LIFE



Strategy

Drive Competitive Operations and Social Impact with Sustainability as a Factor

Responsible business

Sustainable operation

Strengthening partnership

Promoting social inclusion

3.1	Climate Governance	42
3.2	Climate Action	44
3.3	Energy Efficiency	51



Chia Hsin Building earned both EEWB-EB Diamond Level and EEWB-BERSe Level 1+ green building certifications

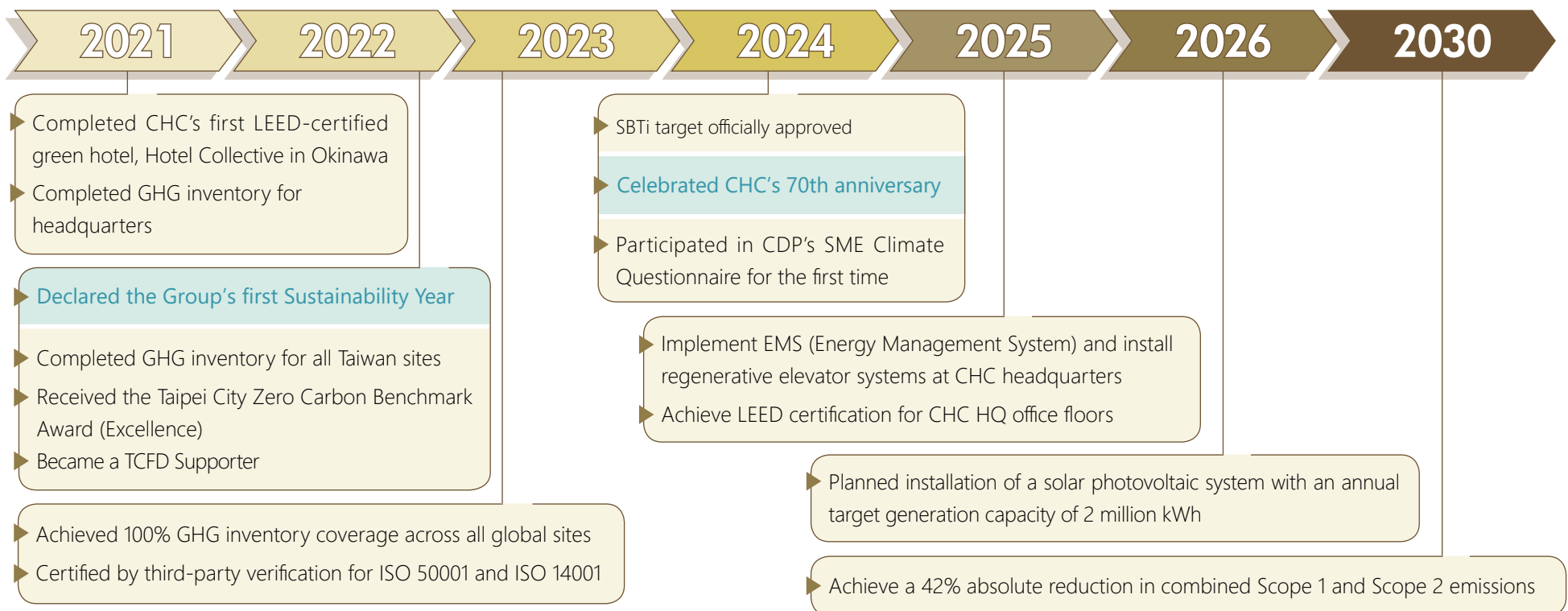
03 Environmental Collaboration

3.1 Climate Governance

Toward Net Zero – Carbon Reduction Strategy

In response to global climate change, CHC firmly believes that corporations must play an active role in climate action and reduce greenhouse gas emissions. CHC completed its 3rd consecutive year of full-scope GHG inventory across all domestic and overseas locations and continues to advance energy-saving and decarbonization initiatives to move toward a low-carbon, net-zero future.

3.1.1 Climate Governance and Carbon Reduction Milestones



Aligned with the Paris Agreement and Taiwan's 2050 Net-Zero Emissions Roadmap, CHC applied for a science-based target (SBT) in 2023 and received formal approval from the Science Based Targets initiative (SBTi) in January 2024.

The approved goal commits CHC to an absolute 42% reduction in combined Scope 1 and Scope 2 emissions by 2030, reaffirming our dedication to climate targets and our determination to continuously reduce the carbon footprint of our operations.

3.1.2 Climate Issue Management Structure

The Board of Directors serves as CHC's highest governing body for climate-related issues. To enhance climate oversight, the Board has established the Sustainable Development Committee, which delegates authority to members with professional expertise in corporate sustainability.

The Committee is chaired by Chairman Jason, K. L. Chang, with President Elizabeth Wang serving as Chief Sustainability Officer (CSO). Supporting the Committee is the Sustainability Development Office, led by the Office's Manager acting as Executive Secretary. The Committee is responsible for reviewing climate strategies and targets, monitoring execution progress, and reporting to the Board at least once per year.

Sustainability Development Office is the core unit for executing and advancing CHC's sustainability strategies. It is overseen by the CSO and, in 2024, restructured its internal divisions based on functional responsibilities. The Office currently comprises six taskforces, each composed of personnel from operating units and relevant departments:

1. Corporate Governance Taskforce
2. Disclosure Taskforce
3. Commitment Taskforce
4. Environmental Management Taskforce
5. Stakeholder Engagement Taskforce
6. Social Impact Taskforce

The Office convenes regularly to implement, monitor, and manage sustainability goals. In 2024, it held 5 meetings to ensure target alignment and performance tracking.

CHC has also begun incorporating climate-related goals and performance into senior executive evaluations and compensation systems, reinforcing organizational accountability and ensuring that climate targets are effectively achieved.



3.2 Climate Action

3.2.1 Climate Risk Management Framework and Mechanism

CHC conducts climate risk and opportunity assessments across its three core business sectors—Property Management, Cement and Warehousing and Hospitality. In alignment with evolving industry trends and regulatory developments, the Company regularly updates its material climate-related issues. A series of cross-departmental meetings are held to review and discuss climate risks. Once material risks are identified, their potential financial impacts are assessed, and corresponding mitigation strategies are formulated.

In accordance with CHC's internal risk materiality standards, both physical risks and transition risks identified by the Corporate Governance Taskforce are incorporated into the Company's overall risk ranking system. Through coordinated communication and integration among the various taskforces under the Sustainability Office, CHC ensures a comprehensive risk assessment, response and oversight mechanism are in place across the Group.

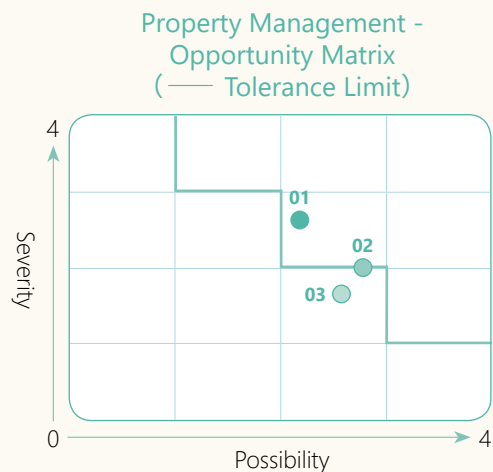
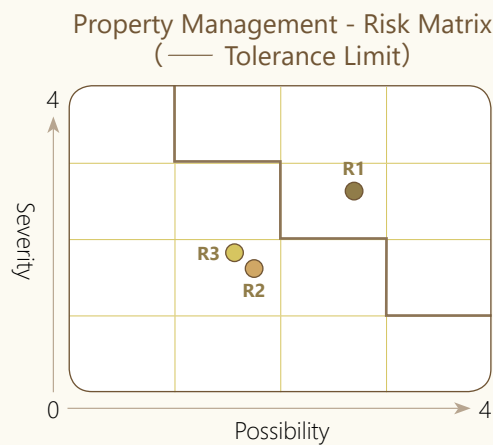


Strategy – Results of Risk and Opportunity Identification



Property Management Business

Climate Risk and Opportunity Matrix



Transition Risk	Physical Risk	Opportunity
R1: Strengthen regulations on existing products and services	R2: Disasters or accidents cause damage to assets or equipment.	O1: Offer low-carbon products and services
	R3: Climate disasters potentially impact operations.	O2: Improve energy efficiency in buildings
		O3: Use of lower-emission sources of energy and shift toward decentralized energy generation.

Impact Timing of Various Risks and Opportunities

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

Major Climate Change Risks, Opportunities, and Response Strategies

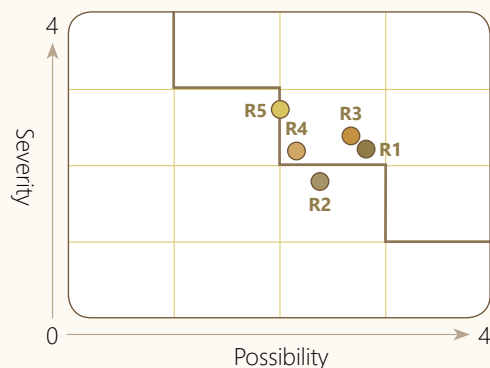
Risk Type	Risk Factor	Risk Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Up-stream	Own Operations	Down-stream			
Transition - Policy and Legal	Strengthened Regulations on Existing Products and Services	New or existing projects must comply with evolving energy and building regulations. For example, to meet green building standards, the Company must invest in higher-cost systems and equipment and allocate resources for certification application and ongoing maintenance of green building labels.	✓	✓	✓	Capital expenditure increase. Operating cost increase.	Comprehensively adopt products certified by Green Mark or Energy Label. Actively promote energy-saving and carbon reduction programs to improve energy efficiency. Evaluate the installation of solar panels. Develop assets in line with consumer preferences and evaluate the feasibility of introducing green building labels.	<ul style="list-style-type: none"> Responsible Business Sustainable Operations
Opportunity Type	Opportunity Factor	Opportunity Description	Up-stream	Own Operations	Down-stream	Potential Financial Impact	Response Plan	Sustainability Axis
Products and Services	Offer low-carbon products and services	Conversely, the use of renewable energy, high-efficiency materials, and green building practices can reduce carbon footprints, lower operational costs, and enhance market appeal. As demand grows for climate-resilient and energy-efficient buildings, revenue potential increases accordingly.		✓	✓	Revenue increase. Cost increase.	Develop assets and evaluate the feasibility to introduce green building labels. Prioritize the procurement of high energy efficiency equipment designed to save power and actively promote various environmentally friendly and energy-saving measures. Improve energy efficiency by formulating plans to procure high efficiency equipment. Maintain and adjust the efficiency of energy consuming equipment. Replace elevators with energy-saving and carbon-reducing models starting from 2023. Evaluate the feasibility of introducing Energy Management Systems (EMS) into buildings to improve energy efficiency.	<ul style="list-style-type: none"> Responsible Business Sustainable Operations
Resource Efficiency	Improve energy efficiency in buildings	Enhance the resource efficiency of buildings, such as replacement and carbon reduction, energy saving equipment, and evaluate the possibility of installing photovoltaic equipment.		✓	✓	Operating costs decrease. Revenue increase		



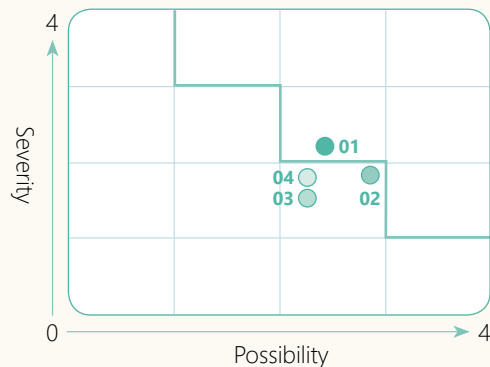
Cement and Warehouse Business

Climate Risk and Opportunity Matrix

Cement and Warehouse - Risk Matrix
(— Tolerance Limit)



Cement and Warehouse - Opportunity Matrix
(— Tolerance Limit)



Transition Risk	Physical Risk	Opportunity	Impact Timing of Various Risks and Opportunities		
R1: Strengthen regulation of existing products and services.	R3: Increased severity of extreme weather events disrupts operations.	O1: Low-carbon and environmentally-friendly Storage equipment.	Short-term (<3yrs)	Mid-term (3~5 yrs)	Long-term (>5yrs)
R2: Stigmatization of the cement industry (impact on company image).	R4: Disruption of construction activities.	O2: Demand for low-carbon cement.		R1, R2, O1	R3, R4, R5, O2, O3, O4
		O3: Demand for high-strength cement.			
		O4: Demand for infrastructure transformation.			

Major Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Up-stream	Own Operations	Down-stream			
Transition - Policy and Legal	Strengthened regulation of existing products and services	<ul style="list-style-type: none"> Regulatory Requirements under National Net-Zero Policies: Imposition of carbon fees is expected to increase operating costs Demand for coal is projected to decline year by year, which may negatively impact revenue from stevedoring services 	✓	✓	✓	Procure and renew equipment result in capital expenditure and operating cost increases. Revenue decrease.	<ul style="list-style-type: none"> Completed the setting of SBT for carbon reduction. Introduced ISO 50001 EMS into bases in Taiwan and completed the verification. Install solar photovoltaic systems, expected to generate 2 million kWh of power annually starting in 2026. Business Diversification: Actively seek new business opportunities and development directions Operational Adjustment and Optimization: Engage in timely contract negotiations with port authorities to revise agreements based on market demand and emerging trends 	<ul style="list-style-type: none"> Responsible Business Sustainable Operations

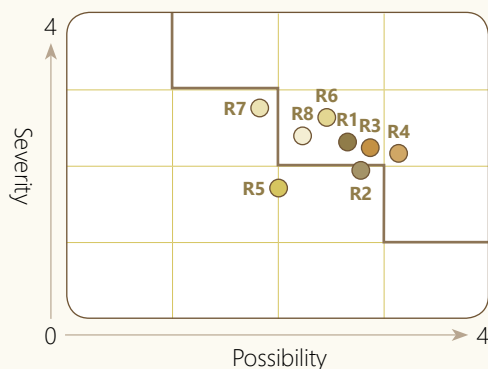
Risk Type	Risk Factor	Risk Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Upstream	Own Operations	Downstream			
Physical - Acute Risk	Increased severity of extreme weather events - operational disruptions	Increased frequency of extreme weather events causes transportation difficulties, affecting shipment schedules and deliveries from suppliers. Typhoons, floods, prolonged high temperatures, and other extreme weather events disrupt port loading and unloading operations, and impact labor and infrastructure schedules.	✓	✓	✓	Revenue decrease.	Refer to various domestic and international monitoring data and research reports; observe changes in rainfall and water levels. Use insurance to transfer risks and cover losses. Implement optimized inventory and flexible transportation scheduling. Focus on coastal area protection, strengthen production site damage prevention measures.	● Sustainable Operations
	Increased severity of extreme weather events - operational disruptions	Extreme weather conditions will affect customers' construction activities, thereby impacting product sales and reduce revenue.	✓	✓	✓	Revenue decrease.		
Physical - Chronic Risk	Rising sea levels	Ports and operational equipment are affected by rising sea levels, leading to existing assets (and assets that are in construction) being submerged by seawater. This results in depreciated asset values, operational disruptions, and undermines the value of commodities such as cement and coal.	✓	✓	✓	Asset impairment, operational disruption, and the value of commodities such as cement and coal is undermined.		
Opportunity Type	Opportunity Factor	Opportunity Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Upstream	Own Operations	Downstream			
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 generators, and smart energy-saving loading and unloading equipment to enhance automation and operational efficiency, and reduce operating costs.	✓	✓	✓	Revenue increase. Capital expenditure increase.	Introduced ISO 50001 EMS into bases in Taiwan and completed the verification. Install solar photovoltaic systems, expected to generate 2.2 million kWh of power annually starting in 2026. Continuously invent and assess outdated power-consuming equipment for replacement.	● Responsible Business ● Sustainable Operations



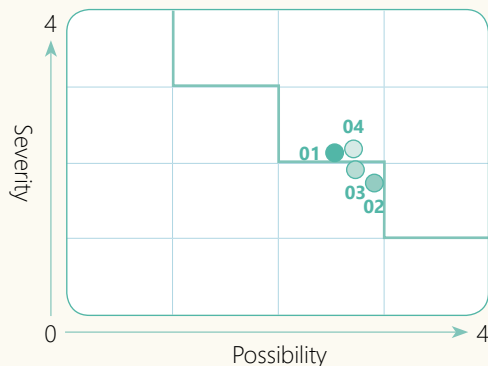
Hospitality Business

Climate Risk and Opportunity Matrix

Hospitality Management - Risk Matrix
(— Tolerance Limit)



Hospitality Management - Opportunity Matrix
(— Tolerance Limit)



Transition Risk	Physical Risk	Opportunity
R1: Strengthened regulations on existing products and services.	R6: Frequency of extreme weather events increases.	O1: Improve building energy efficiency.
R2: Shift in consumer preferences.	R7: Rising sea levels.	O2: 1. Use of lower-emission sources of energy. 2. Shift toward decentralized energy generation.
R3: Increased investment in low-carbon technologies, equipment, and management systems	R8: Changes in long-term climate patterns and frequencies (such as precipitation pattern changes, rising average temperatures).	O3: Provide low-carbon services.
R4: Raw material prices increase leads to operating cost increase.		O4: Public and transparent disclosure of sustainability-related information.
R5: Stakeholder concern and negative feedback increases.		

Impact Timing of Various Risks and Opportunities

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

Major Climate Change Risks, Opportunities, and Response Strategies

Risk Type	Risk Factor	Risk Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Up-stream	Own Operations	Down-stream			
Transition - Policy and Legal	Strengthened regulations on existing products and services	Policies requiring the adoption of low carbon materials and green power lead to operating costs and capital expenditure increases.	✓	✓		Equipment procurement and replacement lead to capital expenditure and operating cost increases.	Purchase high energy efficiency equipment designed to save power. Use full heat exchangers to reduce air conditioning power consumption load. Adopt Variable Refrigerant Volume (VRV) air conditioning systems that automatically adjust based on indoor temperatures to reduce electricity consumption. Use heat pumps to produce hot water as an alternative to boilers. Install rainwater harvesting systems for plant irrigation to reduce tap water usage. Use LED lighting fixtures throughout the building that adjust brightness based on usage conditions to save energy. Adopt water-saving sanitary equipment to effectively reduce daily water consumption. Actively promote energy conservation awareness internally.	<ul style="list-style-type: none"> Responsible Business Sustainable Operations
Transition - Technical Risk	Investment in low-carbon technologies, equipment, and management systems	Transition to renewable energies, and changes in energy supplies lead to cost increases.	✓	✓		Capital expenditure and operating costs increases.	Venture into the solar energy market to develop new energy businesses.	<ul style="list-style-type: none"> Responsible Business Sustainable Operations

Risk Type	Risk Factor	Risk Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Upstream	Own Operations	Downstream			
Transition - Market Risk	Raw material and energy cost increase	Increased costs of raw materials and energy lead to higher costs of products and services provided by the supply chain, thereby increasing operating costs for hospitality business units.	✓	✓	✓	Operating cost increase.	Set short-term targets under SBT. Implement energy management to improve usage efficiency.	<ul style="list-style-type: none"> ● Responsible Business ● Sustainable Operations
Physical - Acute Risk	Frequency of extreme weather events increases	Increased frequency of extreme weather events reduces customers' willingness to stay, leading to reservation cancellations and a decrease in occupancy rates, resulting in revenue decrease.	✓	✓	✓	Revenue decrease.	Cultivate employees' ability to prepare for and respond to crisis events and recover from disasters through education and training. Manage equipment usage to reduce waste of resources. Add indoor activity options to cater to consumers' preference to stay indoors and enhance the attractiveness of facilities. Buy corporate liability insurance to transfer accident risks and cover disaster losses.	<ul style="list-style-type: none"> ● Sustainable Operations
Physical - Chronic Risk	Changes in long-term climate patterns and frequencies (such as precipitation pattern changes, rising average temperatures).	Usage of hotel air conditioning and refrigeration equipment increases. Potential impact on consumer preference for tourism facilities as they prefer indoor to outdoor activities, thus require additional indoor facilities.	✓	✓	✓	Operating cost and capital expenditure increases.		
Opportunity Type	Opportunity Factor	Opportunity Description	Business Model / Value Chain Impact			Potential Financial Impact	Response Plan	Sustainability Axis
			Upstream	Own Operations	Downstream			
Resource Efficiency	Improve building energy efficiency.	Enhance the efficiency of energy, water, carbon, and waste resource use in buildings through smart monitoring systems and real-time data analytics. These improvements help reduce overall energy and resource consumption, thereby lowering operating costs. Additionally, promoting a sustainable brand image leads to positive stakeholder feedback and contributes to an increase in brand equity.	✓	✓		Operating costs decrease. Market value of the brand increases.	Continuously manage energy and resources used for operating hotels through energy management, reducing the use of energy and space during off-peak hours. Certified by LEED and WELL Building Standards as healthy buildings, enhance brand image. Use energy-saving equipment to reduce energy consumption and costs. Reduce the use of consumables, do not proactively provide disposable supplies, and use bulk packaging for bath products. Select eco-friendly and recyclable materials for amenities. Digitize room notices to reduce paper consumption from photocopying. Encourage guests staying multiple nights to reduce number of sheet changes.	<ul style="list-style-type: none"> ● Responsible Business ● Sustainable Operations
Products and Services	Public and transparent disclosure of sustainability-related information	Publicly disclose data, information, goals, and strategies related to sustainable and environmental aspects that different stakeholders care about, enhance brand visibility and reputation, and increase confidence of investors/financial institutions in investment and financing.		✓	✓	Revenue increase. Market value of the brand increases.	Communicate with stakeholders through official websites, annual reports, shareholders' meetings, and investor relations briefing about efforts and results in implementing sustainable operations, environmental initiatives, and corporate social responsibility to strengthen the link between the brand and sustainability. Complete the setting of SBT to improve corporate image.	<ul style="list-style-type: none"> ● Responsible Business ● Sustainable Operations

3.2.2 Scenario Analysis

In accordance with the recommendations of the TCFD, CHC has conducted a climate risk scenario analysis to assess the potential impacts of increased frequency of extreme weather events and tightened regulations on existing products and services.

1 Physical risk Scenario of increased frequency of extreme weather events

The Group evaluated the financial impacts caused by increased frequency of extreme weather events such as typhoons, floods, and torrential rain. Based on the analysis results, the Group appropriately planned and implemented adaptation policies to mitigate risks, enhancing climate resilience and adaptive capacity.

Reference: IPCC 6th Assessment Report (AR6)

Scenario Setting	Temperature Scenario	SSP5-8.5 (temperature rise of 4.0°C)
	Impact Period	Short term (< 3 years), analysis based on 2025
	Affected Parties	Upstream, own operations and downstream

Risk Topic	Increased frequency of extreme weather events
Operational Impact	Reduced customer willingness to stay, leading to reservation cancellations and lower occupancy rates
Expected Financial Impact	Revenue decrease. The estimated impact on projected FY2025 revenue is approximately NT\$3.55 million, accounting for 0.48% of the expected annual revenue.
Expected Management Costs	The existing management cost to maintain operations is approximately NT\$1.71 million, accounting for 0.23% of the projected FY2025 revenue.
Estimated Financial Impact and Management Costs as a Percentage of FY2025 Revenue	0.71%
Response Strategy	Please refer to "Hospitality – Major Climate Change Risks, Opportunities, and Response Strategies" for details

2 Transition risk Strengthen regulation of existing products and services

In response to the national net-zero emission goal, some regulations or clients may require the Group to provide low-carbon warehousing, loading, unloading, and sales services, resulting in cost increases.

Reference: IPCC 6th Assessment Report (AR6)

Scenario Setting	Temperature Scenario	SSP1-2.6 (temperature rise of 1.5°C). Taiwan achieves NDC goals.
	Impact Period	Mid-term (3~5 yrs). Analysis is based on 2030 (Note 1).
	Affected Parties	Own operations

Risk Topic	Strengthen regulation of existing products and services
Operational Impact	The government's carbon management regulations require carbon fees
Expected Financial Impact	Cost increase, it is estimated that by 2030, carbon fees will increase by approximately NT\$720,000 to NT\$9.65 million, accounting for about 0.005% to 0.069% of the sector's projected revenue.
Expected Management Costs	To reduce carbon fee expenditures, the Company plans to invest in upgrading energy-saving equipment. From 2024 to 2025, the estimated management cost is approximately NT\$42 million, accounting for about 0.302% of the sector's projected revenue.
Accounting for % of the business unit's estimated revenue in 2030 (Note 2)	0.307% ~ 0.371%
Response Strategy	Please refer to "Cement- Major Climate Change Risks, Opportunities, and Response Strategies" for details.

Note 1: The estimated data for 2028 cannot be obtained due to restrictions on the availability of external data, so the analysis is based on 2030.

Note 2: The estimation is based on two scenarios: SBT and BAU (Business As Usual).

3.3 Energy Efficiency

In response to climate change and global warming, CHC implements various energy and water conservation measures aimed at reducing environmental impact. These include the continuous adoption or replacement of energy- and water-efficient products, elimination of disposable tableware, and minimizing bottled water usage.

In the development of new business projects, CHC actively adopts internationally recognized environmental sustainability standards and implements ecological protection measures. These efforts span architectural design, construction, and operations, creating environmentally friendly and livable spaces that promote health and enhance quality of life. This reflects CHC's commitment to environmental management and ecological responsibility.



3.3.1 Environmental and Energy Policy

- Comply with environmental and energy regulations to minimize ecological impact
- Continuously improve environmental performance and enhance resource efficiency
- Review procurement processes and prioritize products with energy-saving labels
- Promote environmental sustainability awareness through employee training
- Apply international sustainability standards in the development of new business projects
- Commit to biodiversity conservation and zero deforestation

Scope and Applicability:

This policy applies to all CHC employees, as well as partners including suppliers, contractors, joint ventures, and outsourced vendors. It covers operations, procurement, logistics, and product development. During mergers and acquisitions, environmental due diligence must align with this policy to support sustainable development.

Governance Commitment:

The Board of Directors is responsible for endorsing and overseeing the implementation of CHC's environmental management policies and environmental performance. This includes directing Group-wide initiatives such as annual GHG inventories, becoming a TCFD Supporter, and setting Science Based Targets (SBTs) to mitigate environmental impact and demonstrate commitment to climate goals.

3.3.2 Environmental Management Approach

As CHC no longer manufactures cement and focuses primarily on cement distribution and strategic investments, the Company's main source of greenhouse gas emissions in recent years has been electricity consumption.

To address this, CHC promotes internal energy-saving and carbon reduction measures by improving energy efficiency, replacing equipment with Tier 1 energy-saving products, reducing the number of light fixtures and switching to LED lighting and lowering contracted electricity capacity where appropriate. These initiatives reflect CHC's commitment to sustainable operations through practical, organization-wide decarbonization actions.



Environmental Performance Targets

Timeframe	Goals and Achievements	Expected Benefits
Short-Term (2024)	<ul style="list-style-type: none"> Completed Group-wide GHG inventory for 3 consecutive year and established mid- to long-term SBT-aligned reduction targets. Published the Group's first TCFD Climate Risk Report. Implemented low-carbon equipment projects, including the replacement of six elevators at CHC Building and installation of low-carbon cement handling equipment at Keelung Port Logistics Center. 	<ul style="list-style-type: none"> Reduce energy consumption, improve inventory accuracy and transparency, and strengthen climate risk management capacity.
Mid-Term (2025-2026)	<ul style="list-style-type: none"> Conduct Scope 3 supply chain identification and inventory. Apply for green building certification for CHC headquarters and implement EMS (Energy Management System). Install a solar energy system with capacity exceeding 2 MW to increase green electricity usage. 	<ul style="list-style-type: none"> Expand carbon management coverage, enhance supply chain resilience, and promote the use of renewable energy.
Long-Term (By 2030)	<ul style="list-style-type: none"> Achieve a 42% absolute reduction in Scope 1 and 2 emissions (SBTi target) and office carbon neutrality. Introduce internal carbon pricing to drive green transformation. Promote TNFD-aligned nature-related risk assessments, protect biodiversity, and continuously support the Sustainable Development Goals (SDGs). 	<ul style="list-style-type: none"> Align with international decarbonization trends, enhance corporate sustainability competitiveness, and contribute to net-zero goals.



Focus Area • 2024 Implementation Highlights

- 1 Carbon Emission Reduction**
 - Implemented a series of energy-saving and carbon-reduction measures by upgrading to energy-efficient equipment and improving energy use efficiency. Environment-related capital expenditures totaled approximately NT\$7,605,000.
 - Launched a comprehensive Scope 3 GHG inventory initiative to quantify emissions across the value chain.
- 2 Expansion of Environmental Certifications**
 - Achieved full Group-wide coverage for ISO 14064-1 GHG inventory, including all domestic and international sites under the consolidated financial report scope (100%).
 - Continued operation of ISO 50001 Energy Management System and ISO 14001 Environmental Management System, both certified by third-party auditors.
- 3 Renewable Energy Development**

In line with the Group's green energy goals, CHC initiated plans for energy storage and solar power projects. From 2026, installed solar panels are expected to generate over 2 million kWh annually.
- 4 Environmental Education and Training**

Conducted environmental and energy management system training sessions in 2024:
 Employees: 21 participants completed 38 hours of environmental courses
 This includes 15 new hires (24 hours total), 6 members of the Environmental Management Taskforce (11 hours total) and 1 supplier (3 hours total)



Expenditures in environmental protection and energy-saving initiatives

In 2024

CHC invested approximately NT\$7,605,000

In 2023

CHC invested approximately NT\$8,270,000

Unit: NTD thousands

Company	2024	2023	Remarks
Chia Hsin Cement Corp.	-	760	In response to climate change and global warming, the corporate group has implemented concrete measures to promote environmental sustainability, energy conservation, carbon reduction, and water saving. Particularly, five atmospheric Water-GENNY water generators have been purchased and installed across various locations. * Under conditions of 70% humidity and 24 degrees Celsius, it can produce up to 18.8 liters of weak alkaline drinking water with a pH of 7.8-8.0 per day. The energy consumption is 350 watts per liter of drinking water (approximately 1 kWh).
Tong Yang Chia Hsin Int'l Corp.	513	337	The Port of Taichung storage and logistics center has replaced its import system with high-efficiency motors, replaced the export system with capacitors and pneumatic refrigerated dryers, and installed conventional air conditioners with water-cooled and variable-frequency air conditioners to enhance energy efficiency. Furthermore, the upgrade of dust collection bags has resulted in a significant reduction in dust pollution. At the plant at Port of Keelung, the disposal of waste cement dry powder hoses coming from self-unloading ships has been recycled and replaced with dust collection bags, which significantly reduces dust pollution.
Chia Pei Int'l Corp.	4,892	2,223	Taipei Port First Bulk Cargo Center has replaced the lighting fixtures in different zones of the factory with LED lights, upgraded compressed air equipment to energy-efficient models, and improved its sprinkler facilities to comply with regulatory standards and reduce dust pollution.
Chia Hsin Property Management & Development Corp.	2,200	4,950	Considering equipment lifespan and the benefits of energy conservation and carbon reduction, all six elevators at the front and rear buildings of the Chia Hsin Building were replaced and upgraded; the total project cost is expected to reach NT\$17,220,000.
Total	7,605	8,270	

Significant Environmental Capital Expenditures for the Next Three Years

- The energy efficiency subsidy project for the Chia Hsin Building is expected to save 300,000 kWh annually, with an estimated total cost of NT\$14.5 million.
- The replacement project of the main chilled-water unit at the second building is expected to save 100,000 kWh per year, with an estimated total cost of NT\$4.5 million.
- To meet LEED Green Building and WELL Building standards, the headquarters of the Chia Hsin Building is implementing an interior renovation project, with an estimated cost of NT\$60 million.
- A solar system is planned for construction in Gangshan, Kaohsiung, with an estimated total cost of NT\$100 million.
- Future upgrades to the exterior windows of the Chia Hsin Building will replace the current double-pane clear windows with single-pane Low-E laminated windows. This type of glass offers high light transmission, strong thermal insulation, and low emissivity. It allows natural light to enter while keeping heat out, improving energy efficiency, indoor comfort, and natural lighting. The estimated cost is NT\$60 million.

*Significant loss due to environmental pollution in FY2024: None
(Definition of significant environmental loss: more than NT\$300,000)

3.3.3 GHG Inventory and Emission Reduction Targets

GHG Baseline Year and Reduction Target

To plan its greenhouse gas (GHG) reduction strategy, CHC completed a GHG inventory in 2022 using the consolidated financial report boundary and designated that year as the base year. Scope 1 and Scope 2 emissions for the base year were 834.85 metric t-CO₂e and 6,807.564 metric t-CO₂e, respectively. The Company set a target of reducing emissions by 5.25% annually, aiming for a 42% absolute reduction by 2030 in line with the Science Based Targets (SBT) initiative.

In 2024, CHC's combined Scope 1 and Scope 2 emissions reduction target was 6,839.96 metric t-CO₂e, while actual emissions reached 7,777.32 metric t-CO₂e, achieving approximately 87.95% of the target. Although this represents a reduction of 210.76 metric t-CO₂e compared to 7,988.08 metric t-CO₂e in 2023—a 2.64% year-over-year decrease—it still exceeds the annual reduction goal.

The increase in 2023 emissions was largely due to the full resumption of post-pandemic production activities, resulting in a temporary peak. While several carbon reduction initiatives were launched in 2024, the overall impact has not yet been fully reflected in the year's results. Moving forward, the Group will continue to accelerate equipment upgrades, improve energy efficiency, and expand its use of renewable energy to steadily advance toward its emission reduction targets.

Additionally, starting from Q1 2025, CHC will begin a comprehensive assessment of Scope 3 indirect emissions data (see Section 5.2) to better understand emissions throughout the value chain.

For detailed GHG inventory data, refer to Section 5.2: GHG Emissions and Energy Usage

Year	Scope of GHG inventory	Verification through third party	Coverage of inventory
2021	Headquarters office floors	✓	48%
2022	All operational sites in Taiwan	✓	92%
2023	All operational sites worldwide	✓	100%
2024	All operational sites worldwide	✓	100%
2025	All operational sites worldwide	✓	100%

GHG Reduction Strategy and Low-Carbon Transition Action Plan

To achieve net-zero emissions, CHC has developed four core low-carbon transition strategies, integrating carbon management into its business operations. CHC prioritizes the reduction of direct emissions from operational activities (Scope 1) and indirect emissions from energy use (Scope 2), as part of its commitment to a defined net-zero roadmap and emission reduction targets. For short-, medium-, and long-term performance targets and key implementation results in 2024, please refer to Section 3.3.2.

CHC remains committed to reducing carbon emissions from its own operations. The Company actively improves energy efficiency, optimizes equipment performance, and strengthens fugitive emissions and fuel management to minimize emissions during the operational phase. In parallel, CHC is investing in renewable energy systems to increase the share of green electricity in its energy mix. The Group also supports the low-carbon transition by engaging in net-zero technologies and participating in carbon offset projects to neutralize unavoidable emissions.

Looking ahead, CHC is evaluating the introduction of an internal carbon pricing mechanism to incorporate emissions into cost-benefit analyses. This will incentivize more efficient energy use and further strengthen internal momentum for emission reduction initiatives.

Strategic Pillars	Replacement of Electrical Equipment and Management Optimization	Management of Fugitive Emissions	Operational Fuel Management	Green Energy Generation / Green Electricity Procurement
	32%	5%	5%	58%
Strategy	Inventory and plan for replacement of outdated and inefficient electrical equipment within the Company, with ongoing expansion of the scope.	When refrigerator equipment needs to be replaced or refilled, we will use equipment with low-GWP (Global Warming Potential) refrigerators.	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"> ● Replace port area equipment with energy-efficient air compressors and screw conveyor motors. ● Replace office building common area lighting with LED fixtures. 	<ul style="list-style-type: none"> ● Conduct an inventory of high-energy-consuming refrigerant equipment. 	<ul style="list-style-type: none"> ● Conduct an inventory of old company-owned vehicles and replace them with electric models. 	<ul style="list-style-type: none"> ● Initiate the photovoltaic system installation plan.
Medium to Long-Term Action Plan	<p>Cement and Warehouse</p> <ul style="list-style-type: none"> ● Gradually replace plant lighting with high-efficiency LED fixtures. ● Replace outdated high-power consumption equipment with new high-efficiency equipment or add variable frequency devices to increase energy efficiency. ● Optimize pipeline systems to avoid pressure loss during transport. <p>Hospitality</p> <ul style="list-style-type: none"> ● Optimize operating time for machinery, lighting, and air conditioning. ● Increase the “pre-cooling before guest check-in” temperature by 1°C. ● Replace guest room refrigerators with more energy-efficient models. <p>Property Management</p> <ul style="list-style-type: none"> ● Optimize common area illumination. ● Replace building lighting with high-efficiency LED fixtures. ● Upgrade building elevators and install power regeneration systems. 	<p>Hospitality</p> <ul style="list-style-type: none"> ● Replace guest room refrigerators with low-GWP refrigerant models. <p>Chia Hsin Cement Group</p> <ul style="list-style-type: none"> ● Replace or refill refrigerant equipment with low-GWP refrigerants when they reach their end of lifecycle or require maintenance. ● Install aeration equipment at sites to reduce septic tank emissions. 	<p>Cement and Warehouse</p> <ul style="list-style-type: none"> ● Electrify fuel-powered company vehicles. <p>Hospitality</p> <ul style="list-style-type: none"> ● Introduce electric kitchen equipment. ● Design low-carbon menus. ● Implement ISO 50001. 	<p>Chia Hsin Cement Group</p> <ul style="list-style-type: none"> ● Install solar photovoltaic systems—expected to generate over 2 million kWh annually starting in 2026. ● Evaluate green electricity procurement. ● Increase green electricity usage.

Note: The timeframes for short-, medium-, and long-term strategies are aligned with the defined time horizons for risks and opportunities: short-term (<3 years); medium-term (3-5 years); long-term (>5 years).

3.3.4 Energy and Environmental Management Systems

Since 2021, CHC headquarters has implemented the ISO 50001 Energy Management System, and from 2022, the ISO 14001 Environmental Management System. These two systems have been integrated into a unified Environmental and Energy Management System, with the Chief Sustainability Officer (CSO) serving as Committee Chair and the Sustainability Office and site representatives forming the working teams.

The system has gradually been expanded across CHC's operating sites in Taiwan. By Q4 2023, third-party verification had been completed for six sites in Taiwan. In 2024, CHC maintained system operations across these six domestic sites, and selected representative locations—including CHC Headquarters, Gemcare Maternity Center, and the Keelung Port facility—for external audits and third-party verification.

Year	ISO 50001	ISO 14001	Implementation Scope	Third-Party Verification	Internal Audit Coverage (% of Revenue)	External Audit Coverage (% of Revenue)
2021	✓	-	Headquarters office floors	✓	48%	48%
2022	✓	✓	All floors occupied by CHC and its subsidiaries	✓	59%	59%
2023	✓	✓	All CHC Taiwan sites	✓	76%	76%
2024	✓	✓	All CHC Taiwan sites	✓	77%	56%

Note 1: The current ISO 50001 certificate is valid from November 7, 2024 to November 7, 2027

Note 2: The current ISO 14001 certificate is valid from November 19, 2024 to November 19, 2027

3.3.5 Energy and Environmental Management Plan

Conduct annual energy reviews to enhance energy performance	Conduct energy use analysis in accordance with ISO 50001 Energy Management System to identify energy-saving opportunities, and hold annual energy and environmental management review meetings to evaluate performance and improvement measures.
Establish and implement quantifiable energy-saving targets	Set energy-saving targets based on various emission indicators and track implementation through key performance indicators (KPIs).
Promote energy conservation initiatives	Implement specific actions such as lighting system upgrades, installation of energy-efficient elevators, optimization of air conditioning systems, and replacement of motors with high-efficiency models to improve overall energy efficiency.
Evaluate the progress and performance of energy-saving programs	Establish a regular review mechanism to analyze the effectiveness of energy-saving plans using energy consumption data and performance metrics and identify areas for continuous improvement.
Plan for the adoption and use of green energy	Gradually introduce renewable energy sources (e.g., solar power) or plan for green electricity procurement to reduce carbon footprint and reliance on conventional energy.
Invest in innovation or R&D to reduce energy consumption	Continue investing in smart energy management systems and high-efficiency energy-saving equipment to drive innovation and enhance energy efficiency
Provide employees with training on energy and environmental topics	Organize regular training courses on energy and environmental topics to raise employee awareness and operational skills, foster a sustainability-oriented culture with full participation.
Implement waste management practices	Implement waste classification, resource recycling, and compliant disposal procedures in accordance with the ISO 14001 Environmental Management System to minimize environmental impact.

3.3.6 Sustainable Building Design and Certification

When developing new business projects, CHC actively incorporates internationally recognized environmental sustainability standards and adopts ecological protection measures. From building design to construction and operations, the aim is to create environmentally friendly and livable spaces that promote health and quality of life, fulfilling CHC's social responsibility in environmental management and ecological preservation.

In 2024, all CHC's hospitality business locations obtained international sustainable building certifications, covering approximately 26.85% of total revenue. By Q2 2025, CHC plans to complete LEED and WELL certifications for its headquarters office floors, which will increase the revenue coverage of certified sites to approximately 50%.

Certification	LEED (Leadership in Energy and Environmental Design)	WELL Building Standard
Description	Introduced by the U.S. Green Building Council (USGBC) in 1998, LEED is a globally recognized green building certification system.	Launched in 2014 by the International WELL Building Institute (IWBI) and certified by Green Business Certification Inc. (GBCI), the WELL standard focuses on health and wellness in buildings.
Certified Sites	Hotel Collective	Gemcare Maternity Center – Dunhua Gemcare Maternity Center – Yangzhou
Planned Sites	CHC Headquarters Office Floors	CHC Headquarters Office Floors

3.3.7 Renewable Energy Planning

In 2022, the Sustainable Development Committee resolved to pursue climate-related disclosure and decarbonization initiatives. CHC became a TCFD Supporter in December 2022 and received SBTi target approval in January 2024.

In response to climate change and carbon risk, CHC has set a medium-term goal of achieving carbon neutrality across its office sites by 2030. In support of this goal, CHC:

- Continues to implement energy and environmental management systems across sites
- Monitors electricity usage and upgrades equipment to improve energy efficiency
- Actively evaluates renewable energy solutions

To meet the Group's green energy targets, CHC is planning energy storage and solar PV projects. Beginning in 2026, the installed solar panel systems are expected to generate over 2 million kWh per year.



04 Talent Empowerment for a Sustainable Future

Upholding a people-centered commitment while expanding positive impact

- Realizing the core value of "Innovating for People, Shaping the Future Together"
- Fostering an inclusive, age-friendly workplace culture across generations
- Empowering youth with compassion and action to inspire positive transformation

PURSUE QUALITY OF LIFE



Strategy

Drive Competitive Operations and Social Impact with Sustainability as a Factor

Responsible business

Sustainable operation

Strengthening partnership

Promoting social inclusion

- 4.1 Inclusion ----- 59
- 4.2 Well-being ----- 68
- 4.3 Co-learning ----- 83



04 Talent Empowerment for a Sustainable Future

4.1 Inclusion

Key Activities and Accomplishments in 2024

Projects Completed

Optimization of Performance Management Policy	Completed in August 2024
Optimization of Promotion Procedures	Completed in October 2024

Ongoing Initiatives

Participation in Market Salary Surveys	Ongoing since 2022 (2 benchmarking sources)
CEO's Afternoon Tea Sessions	Ongoing since 2022
Official Instagram Account	Launched in December 2023
Official LINE@ Recruitment Channel	Launched in January 2024
Partnership with Womany	Started in 2024

Recurring Activities

Employee Sharing Sessions	Held twice a year
Employee Satisfaction Survey	Conducted annually
Individual Interviews with P&C Business Partners (P&C BP)	Conducted annually

Strategic Framework Overview

Pillar	Strategy	Key Actions
Inclusion – Workforce Diversity Optimization	Workforce structure and diversity	Enhance workforce diversity through strategic resource planning and regular demographic reviews.
Fairness – Ensure Pay Equity	Pay equity and fairness mechanisms	Ensure fair, transparent compensation and performance systems across all employee groups.
Engagement – Listen to Every Voice	Employee feedback and participation	Gather and act on employee feedback through multi-channel engagement mechanisms.
Retention – Strengthen Talent Cohesion	Talent attraction and long-term retention	Strengthen onboarding and employer branding to attract and retain top talent.



4.1.1 Workforce Diversity Optimizing Structure and Embracing Inclusion

Since its founding 70 years ago, CHC continues to grow and create stable employment opportunities across its operational regions. With the expansion of new business sectors and evolving role requirements, the Company adjusts its human resource allocation locally to support business development and strengthen internal and external diversity, including gender, age, and nationality. Employee composition is reviewed regularly to ensure a balanced and inclusive workforce.

1. Workforce Composition

CHC is committed to providing a stable and development-driven employment environment. In 2024, the Company employed a total of 424 people, with full-time employees accounting for **93.16%** of the workforce. There were 86 new hires, representing **20.28%** of all employees. Staff aged 51 and above comprised **30.90%**, while the male-to-female ratio was approximately **1.1:1.0**. This composition demonstrates a healthy balance between experienced professionals and emerging talent, highlighting CHC's ongoing efforts in talent cultivation and its deep-rooted commitment to diversity and inclusion.

Male 222

Female 202

52.36%

47.64%

● GRI 2-7、2-8

Position Type

Male 201 Female 194

Male 21 Female 8

93.16%

6.84%

● Full-time 395

● Contract 29

Managerial Positions

Male 79 Female 42

Male 143 Female 160

28.54%

71.46%

● Managerial positions 121

● Non-managerial positions 303

Age Distribution

Male 38 Female 38

Male 83 Female 48

17.92%

51.18%

30.90%

● Under 30 years old 76

● 31-50 years old 217

● 51 years old 131

Male 101 Female 116

Educational Background

Male 21 Female 23

Male 50 Female 30

10.38%

65.33%

18.87%

5.42%

● Master's or higher 44

● University 277

● Senior high (incl. vocational) 80

● Below senior high 23

Male 141 Female 136

Male 14 Female 9

Area	Position Type	Male	Female	Sum	Percentage
Taiwan	Full-time	100	109	209	
	Contract	2	0	2	
Japan	Full-time	87	62	149	
	Contract	10	0	10	
China	Full-time	14	23	37	
	Contract	9	8	17	

● GRI 2-7

There are no non-guaranteed hours or part-time employees.

● GRI 2-8

At CHC's headquarters, there are **17** non-employee workers primarily serving in roles such as security personnel, cleaning staff, and on-site HVAC technicians.

These individuals are stationed at CHC Cement Corporation offices within the CHC Building. The headcount remained relatively stable compared to the previous year.

Female Managerial Representation

% of Total Management (121)



A total of 42 female managers are in revenue-related roles, accounting for 34.71% of all managerial positions.

Employee Distribution by Gender, Age, and Management Level

Gender	Male			Female		
	Under 30	31-50	Over 50	Under 30	31-50	Over 50
Executive Management Position	0	2	11	0	0	8
Mid-Level Management Position	0	5	14	0	5	6
Supervising Management Position	3	24	20	0	15	8
Non-managerial Position	35	70	38	38	96	26
Subtotal	38	101	83	38	116	48
% of Total Employees	8.96%	23.82%	19.58%	8.96%	27.36%	11.32%
Total	222			202		

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 and above.

2. Diversity in Hiring Practices

Employee Distribution by Nationality

Nationality	Number of Employees	% of Total Employees	Number of Managers	% of Total Managers
Taiwan	218	51.42%	64	52.89%
Japan	136	32.08%	39	32.23%
China	50	11.79%	16	13.22%
Nepal	15	3.54%	1	0.83%
Canada	1	0.23%	1	0.83%
Others	4	0.94%	0	0.00%
Total	424	100.00%	121	100.00%

3. Employment of People with Disabilities

In accordance with Article 38 of the Taiwan People with Disabilities Rights Protection Act, private enterprises are required to employ individuals with disabilities in a number no less than 1% of total employees, and no fewer than one person.

Chia Hsin Cement Corporation, with 85 employees, complies with this regulation by employing one person with a moderate disability.

4.1.2 Fairness Pay Equity and Compensation Mechanism

1. Pay Equity and Compensation Policy

CHC upholds a profit-sharing philosophy aimed at attracting, retaining, developing, and motivating outstanding talent by offering a diverse and competitive compensation system.

Salaries for new hires are consistently set above the legal minimum wage and are determined based on position level, educational background, work experience, and professional qualifications. Annual bonuses are linked to individual performance, and compensation is not influenced by race, social class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, disability, astrological sign, or blood type.

While compensation levels are determined by job nature and technical requirements, and the structure reflects differences in position levels and seniority, CHC acknowledges that some differences in gender-based pay may exist as a result of such role-based distinctions.

To ensure workforce stability and retain top performers, CHC reviews and adjusts salaries annually based on inflation trends and individual performance. CHC also participates in two third-party salary benchmark surveys annually to ensure alignment with industry standards. High-performing employees may receive additional merit-based salary adjustments to further enhance competitiveness.

Item	2024	YoY Change
Number of non-managerial full-time employees	67	-8
Average annual salary of non-managerial full-time employees (NT\$1,000)	1,099	+230
Median annual salary of non-managerial full-time employees (NT\$1,000)	1,023	+223

GRI 2-19

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

- Fixed pay and variable pay**

Fixed pay: In accordance with the Company's remuneration policy on employee compensation and remuneration for directors and managers.
Variable Pay: In accordance with remuneration policies on year-end bonuses and distribution of employee compensation.
- Sign-on bonuses or recruitment incentive payments**

Sign-on bonuses: None. However, we can exclusively sign employment benefits, such as guaranteed annual salary and special annual leave privileges.
Recruitment incentive payment: In accordance with incentive policy for employee referrals.
- 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 top level manager as that for other employees.
- 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 clawback provision for the top management level and senior management is the same as that for other employees.
- 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. Severance pay policy for top management and senior management is the same as that for other employees.

The organization's goals and performance regarding its impacts on the economy, environment, and people

1. Performance-Linked Goals: Operational and sustainability objectives are defined by top management in coordination with the Board Chair, and cascaded across all business units. Performance evaluation of members of the top management level and senior executives is based on job responsibilities and operational indicators to ensure annual target alignment.
2. Market-Based Salary Policy: Remuneration is reviewed with reference to industry benchmarks and adjusted based on the company's financial health and operating performance, serving as the basis for compensation policy.
3. Incentives and Profit Sharing: Year-end bonuses and employee compensation are determined with consideration of company performance and individual appraisals.
4. Annual Salary Adjustments: Salaries are reviewed and adjusted annually based on price index movements, individual performance, and overall company performance.

● GRI 2-20

Process to Determine Remuneration

CHC's remuneration policies and decision-making processes are structured as follows:

01 Approval and Oversight

1. A Remuneration Committee is established to oversee the compensation determination process.
2. Year-end bonuses are provisioned monthly, with a final allocation plan proposed after the fiscal year-end. This is reviewed by the Remuneration Committee and approved by the Board of Directors.

02 Procedure – Labor-Management Meetings

All remuneration policies and procedures are implemented after being approved through labor-management meetings.

03 Market Benchmarking

CHC engages external third-party compensation consultants, including Willis Towers Watson and 104 Corporation, as reference for internal compensation planning.

Annual Total Compensation Ratio

● GRI 2-21

In accordance with CHC's Executive and Employee Compensation Management Guidelines, Year-End Bonus Policy, and Employee Profit Sharing Regulations, the following compensation ratios are disclosed:

- Ratio of the total annual compensation for the highest-paid individual to the median of all other employees (excluding the highest-paid individual) **16.61 : 1**
- Ratio of the percentage increase in total annual compensation for the highest-paid individual to the median percentage increase for all other employees (excluding the highest-paid individual) **1.88 : 1**

For detailed compensation data, refer to Section 5.4 Human Resources Statistics.

Executive Compensation Linked to ESG Performance (2024)

To actively fulfill the Company's sustainability commitments, CHC has closely aligned the annual goals of members of the top management level and senior executives with ESG performance targets. This ensures continuous improvement in environmental protection, social responsibility, and corporate governance, and promotes long-term business growth.

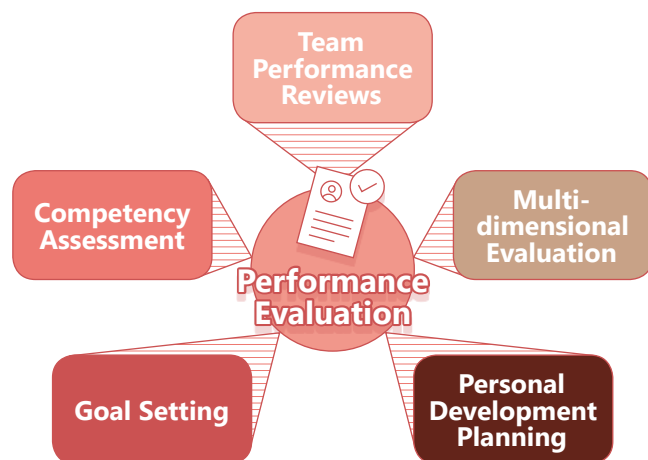
In 2024, ESG topics—including information security, stakeholder engagement, and greenhouse gas (GHG) emissions management—were integrated into the operational goals of senior executives and department heads. ESG targets accounted for at least 5% of departmental KPIs, with each executive responsible for developing implementation strategies aligned with their role.

To strengthen accountability, ESG performance is directly tied to bonus calculations in accordance with the Executive and Employee Compensation Policy. Variable pay is determined based on ESG achievement, operational results, and individual contributions. Final compensation is proposed by the Chairman, reviewed by the Remuneration Committee, and approved by the Board of Directors.

2. Performance Evaluation and Development: Personal Growth × Team Collaboration × Corporate Sustainability

Integrated Performance Management System

CHC's performance evaluation system integrates goal setting, competency assessment, team performance reviews, multi-dimensional evaluation, and personal development planning. Results are used not only for bonuses and promotions but also to strengthen individual capabilities, foster collaboration, and align with long-term corporate sustainability goals.



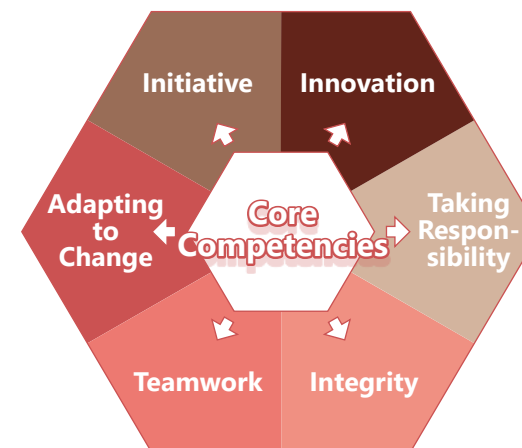
Individual and Team-Oriented Approach



Annual goals are developed by the President in line with sustainability and risk strategies and are cascaded across departments and employees. Both individual and departmental goals emphasize alignment with business needs and encourage cross-functional collaboration through clearly defined KPIs.

Competency-Based and Multi-Dimensional Assessment

Evaluations include core competencies (aligned with company values) and job-specific technical competencies. Employees involved in cross-functional projects also receive feedback from multiple stakeholders to ensure fairness and comprehensiveness.



Three-Stage Management Process

Beginning of Year

Goal setting through mutual discussion between managers and employees, ensuring goals are both reasonable and actionable

Mid-Year

Progress reviews and strategy adjustments

Year-End

Performance review and development dialogue, focused on feedback and growth planning

Performance-Linked Development

Beyond outcome measurement, CHC emphasizes continuous growth by integrating development plans into performance management. The process is designed to empower talent development and drive the company's long-term sustainability.

Gender	Male		Female	
Position	Managerial Positions	Non-Managerial Positions	Managerial Positions	Non-Managerial Positions
Number of Employees Evaluated	53	87	34	117
Completion Rate	100%	100%	100%	100%

Note 1: The above statistics cover a total of 291 employees across the following regions:

- Taiwan: Chia Hsin Cement Corp., Chia Hsin Property Management & Development Corp., Tong Yang Chia Hsin Intl. Corp., YJ Intl. Corp. I, Jaho Life Plus+ Management Corp., Ltd.
- China: Chia Hsin Business Consulting (Shanghai) Co., Ltd., Jiangsu Jiaguo Construction Material & Storage Co., Ltd., Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.
- Japan: Hotel Collective

Note 2: Employees not eligible for annual performance evaluation include:

- Those employed for less than three months as of the evaluation date
- Employees who resigned during the assessment period

Note 3: A total of 5 employees were not eligible for performance evaluation in the reporting year due to the above conditions.

4.1.3 Engagement Promote Employee Participation and Feedback

People-Centered Communication

Diverse Channels × Open Dialogue × Constructive Feedback

CHC fosters a people-first culture that values open, two-way communication with employees. Through multiple structured channels—such as the CEO's afternoon teas, employee satisfaction surveys, sharing sessions, labor-management meetings, and dedicated P&C supervisor email and Hotline—employees are encouraged to express opinions and receive timely responses.

Each business unit is supported by a P&C Business Partner (P&C BP), who conducts regular one-on-one interviews to better understand employee needs and feedback. Monthly management meetings consolidate insights from these communication channels to drive organizational improvement and actionable changes.

CEO's Afternoon Tea (Held once in 2024)	Employee Satisfaction Survey (Conducted once in 2024)	Employee Sharing Sessions (Held twice in 2024)
Labor-Management Meetings (Held 4 times in 2024)	P&C Supervisor Email and Hotline	P&C Business Partner 1-on-1 Interviews (Once in 2024)

Employee Satisfaction Survey: Listening and Improving

CHC conducts annual employee satisfaction surveys to identify areas for workplace enhancement. The survey covers six dimensions: leadership, compensation and benefits, team relations, work experience, personal development, and sustainability.

Survey results are reviewed and shared with relevant departments to inform annual planning and continuous improvement. Key focus areas include:

- **Job Satisfaction:** Ensuring role alignment and meaningful work
- **Purpose and Alignment:** Reinforcing clarity around company goals and employee contribution
- **Wellbeing and Stress Balance:** Monitoring employee mental health and optimizing support mechanisms

Region	Questionnaire Recovery Rate	Employee Engagement Rate	Target
Taiwan	83.49%	82.42%	75% ↑
Japan	63.70%	87.63%	75% ↑
Total	69.08%	85.92%	75% ↑

Note 1: Taiwan Region

- The survey was distributed to 109 employees across Chia Hsin Cement Corp., Chia Hsin Property Management & Development Corp., YJ Intl. Corp., Tong Yang Chia Hsin Intl. Corp., and Chia Hsin Green Electricity Corp. Compared to the previous year, two additional affiliates were included, expanding the coverage to more comprehensively capture employee feedback and needs.
- A total of 91 responses were collected, with 75 respondents providing positive feedback on engagement.

Note 2: Japan Region

- The survey was distributed to all 292 employees of Hotel Collective.
- A total of 186 responses were received, with 163 respondents giving positive engagement feedback.

Special Surveys: Understanding Turnover and Onboarding Experience

Exit Survey

Enhancing Talent Retention through Feedback

CHC conducts exit surveys to understand the key factors behind employee turnover and to guide continuous improvements in management and workplace experience. The survey covers:

1. Reasons for Leaving: Career development, compensation, and work environment
2. Feedback on Management and Culture: Leadership style, team collaboration, and work atmosphere
3. Suggestions for Improvement: Insights from departing employees on areas for enhancement

Survey results are used to refine career development paths, compensation structures, and internal communications, helping improve employee experience and organizational effectiveness.

Post-Probation Satisfaction Survey

Supporting Successful Integration

To ensure smooth onboarding, CHC conducts satisfaction surveys after three months of employment. These surveys help assess adaptation and boost retention. Focus areas include:

1. Job-Expectation Alignment: Whether actual work matches the role description
2. Workplace Support: Feedback on supervisor support, teamwork, and communication
3. Learning and Development: Adequacy of onboarding and training resources
4. Improvement Suggestions: Feedback on the onboarding process, department, and company

Survey results are used to fine-tune onboarding practices and work environments, ensuring a better newcomer experience and improved retention outcomes.

4.1.4 Retention Attract and Retain Top Talent

1. Recruitment and Retention

Fostering a Safe, Inclusive, and Supportive Workplace

CHC is committed to building a friendly, safe, and inclusive work environment where all employees are respected and empowered to grow. We aim to create a workplace that supports long-term employee development.

Welcoming Onboarding – The Buddy Program

To support new hires, CHC implements a structured Buddy Program during the first three months of employment. Designated mentors from their own departments, other departments, and P&C Business Partners (P&C BP) provide guidance to help new employees adapt quickly, feel welcomed, and reduce transition stress—contributing to improved retention.



Department Buddy

Assists with business workflows, departmental culture, and internal operations.



Cross-Department Buddy

Helps expand cross-functional networks and facilitates interdepartmental collaboration.



P&C Business Partner

Offers career development support, introduction to policies, and guidance for workplace adaptation.

A Workplace of Belonging and Growth

Beyond competitive pay and benefits, CHC emphasizes a culture of belonging and happiness. We promote open communication, employee care programs, and diverse learning opportunities so employees find meaning, growth, and fulfillment at work—not just a job.

New Hire Journey



2. Employer Branding

In 2024, CHC's total recruitment cost reached NT\$1,404,979, averaging NT\$16,337 per hire.

Multi-Touchpoint Engagement to Strengthen Talent Attraction

CHC recognizes the strategic importance of employer branding in attracting talent. Through a variety of interactive initiatives and social media outreach, the Company actively showcases its culture and values:

Campus Engagement

Participated in career fairs and on-campus talks at National Taiwan University and Fu Jen Catholic University to directly engage with students and promote career opportunities.

Collaboration with Womany

Partnered with the platform to promote CHC's people-first culture to audiences interested in workplace development and diversity.

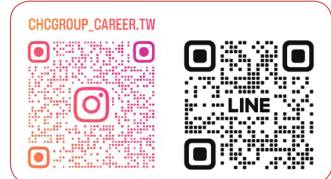
Scan to Learn More CHC x Womany ➡



Social Media Presence

- Instagram
 - ☑ +53.7% increase in reach
 - ☑ +18.2% in profile views
 - ☑ 144.4% in external link clicks
- LINE@ Recruitment Channel (launched Jan 2024): Over 705 potential candidates have followed the platform, enhancing interactive communication and accelerating recruitment response time.

Scan to Join our IG and Line@ ↓



CHC continues to strengthen its brand presence across platforms, creating stronger connections with talent and building a dynamic workplace culture.

4.2 Well-being

Key Activities and Accomplishments in 2024	
Completed Project	
Enhanced Workplace Harassment Prevention Policy	Completed in July 2024
Ongoing Collaborations	
Chia Hsin Foundation	Since 1963; 539 student beneficiaries in 2024
Epoch Foundation (Garage+ CHC Space)	Since 2014
Taiwan Santa Claus Association	Since 2022
Good Friend Mission	Since 2023
Employee Assistance Program (EAP)	Since 2023
Employee Stock Ownership Trust (ESOT)	Rolled out in 2024 with an 87.5% employee participation rate
Recurring Activity	
Workplace Nurse Consultations	Monthly

Strategic Framework Overview

Pillar	Strategy	Key Actions
Respect Every Step	Human Rights and Fair Treatment	Enforce the human rights policy, implement workplace assessment and improvement mechanisms, and reinforce a zero-tolerance stance on sexual harassment to ensure a fair, safe, and respectful work environment.
Care Every Moment	Comprehensive Employee Support	Provide flexible work arrangements and diverse leave options, including paid family support, wellness programs, and an Employee Stock Ownership Trust (ESOT). Initiatives also include onboarding support, continuous learning, and career development to foster long-term growth.
Connect Every Heart	Social Engagement and Public Welfare	Partner with various social organizations to promote community involvement and CSR efforts, including collaborations with the Good Friend Mission, Taiwan Santa Claus Association, Mudan Elementary School, Simplycr Association, Down Syndrome Foundation, Autism Family Support Association, Hualien Liming Center, and Love Network Foundation. CHC also maintains a long-standing partnership with the Chia Hsin Foundation to actively contribute to social development.

4.2.1 **Respect Every Step** Human Rights and Fair Treatment

1. Human Rights Policies

Scope of Application: Applicable to all CHC employees.

Scan to learn more about CHC's Human Rights Policy ➡



Scan to learn more about CHC's Workplace Harassment Prevention Measures and Grievance Procedures ➡



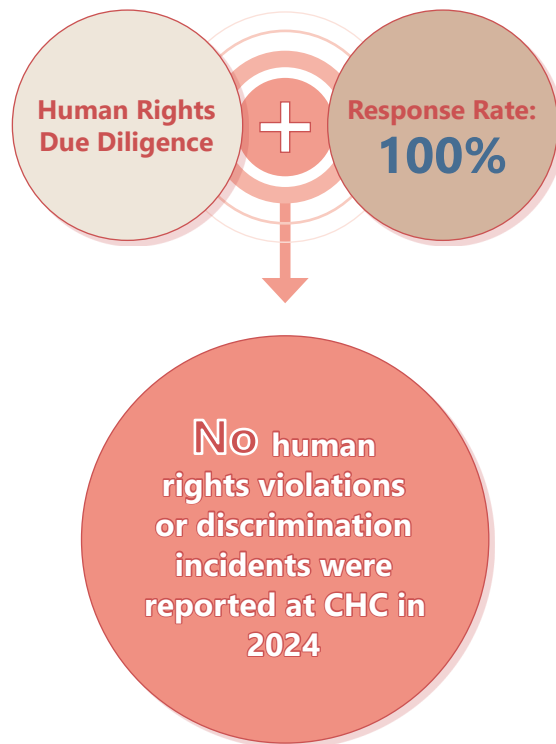
CHC adheres to its human rights policy by regularly reviewing and assessing human rights related systems and actions. We endorse internationally recognized human rights standards, including the UN Global Compact, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. 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.

Chia Hsin Cement's Human Rights Due Diligence Response Rate: **100%**
Result: No human rights risks identified.

Human Rights Due Diligence Process



Human Rights Due Diligence Results and Mitigation Plan



CHC's human rights due diligence results indicated that no human rights violations or discrimination incidents occurred. Based on the findings and the likelihood of potential human rights risks, the Company developed and fully implemented (100%) appropriate mitigation measures.

Concern Issues	Current Mitigation Measures	Future Mitigation Measures
1. Diversity and Inclusion Ensuring Equal Job Opportunities 2. Maternal Well-being 3. Promoting a Diverse and Inclusive Workplace Environment	1. Ensure compliance with the Labor Standards Act, Gender Equality Act, Implementing Measures for the Protection of Maternal Health of Laborers, and Occupational Safety and Health Act (Articles 30 and 31). 2. Provide flexible arrangements for pregnant employees: telecommuting, breastfeeding rooms, flexible hours. 3. Conduct regular training on sexual harassment prevention. 4. Host DEI (Diversity, Equity, and Inclusion) awareness sessions.	Incorporating core values of Diversity, Equity, and Inclusion (DEI) into various employee relations activities.
Open Communication Channels	1. Labor-management meetings 2. Employee satisfaction survey 3. Employee Welfare Committee 4. Labor Pension Supervisory Committee 5. Employee Sharing Sessions 6. CEO's afternoon tea 7. P&C Business Partners (P&C BP) 8. P&C Supervisor email 9. P&C Supervisor Hotline 10. Employee Assistance Program 11. Official LINE@ channel 12. Internal announcements 13. Investor Conference 14. Corporate social media	1. Incorporate feedback and conduct satisfaction surveys following the Employee Sharing Sessions. 2. Increase the frequency of P&C Business Partners (P&C BP) interviews.
Providing a Safe and Healthy Working Environment	1. Occupational health interviews 2. Health checks 3. Flu vaccination 4. AED and blood pressure monitoring equipment 5. CPR/AED training, fire drills 6. Health and safety seminars 7. Flexible working system to support work-life balance	Establish a mechanism for reporting and addressing abnormal employee conditions, proactively providing care and information about corporate support policies to employees.
Personal Data Protection	Personal Data Protection Management System and Committee established	Enhance employee awareness of data protection and privacy

2. Workplace Equality × Zero Tolerance for Sexual Harassment

CHC enforces a strict zero-tolerance policy toward all forms of sexual harassment, both within and outside the workplace. The Company is committed to ensuring that employees are not subject to harassment or stalking by individuals outside its management scope. A safe, respectful, and gender-equal environment is provided for employees, job applicants, and contractors.

Transparent Complaint Channels

- Regularly update and publicly share complaint procedures in line with legal requirements.

Annual Training

- All employees, as well as personnel responsible for investigating and handling sexual harassment complaints, are required to receive annual training on related topics. In 2024, online knowledge-sharing sessions on sexual harassment prevention and workplace DEI were conducted, along with in-person training on workplace sexual harassment prevention and the prevention of unlawful conduct. The training completion rate reached 100%.

Dedicated Handling Committee

- Establish a gender-balanced committee with external experts as needed, ensuring confidentiality and protection of rights.

Corrective Support

- Offer work adjustments and access to counseling or external resources to prevent secondary harm.

Complaint and Communication Channels

Violations of the Gender Equality in Employment Act: 0 cases
Workplace Discrimination and Harassment Complaints: 0 cases

- Email: hr@chcgroup.com.tw
- Hotline: (02)2563-4890

4.2.2 Care Every Moment Comprehensive Employee Support and Wellbeing ★ Leave policy exceeding legal requirements

For Newcomers

Newcomer Leave

2 days of paid leave after probation

Life Support

Company Walks with You

★ Paid Bereavement Leave

10 days of paid leave for loss of parent or spouse

★ Paid Sick Leave

Up to 3 days of paid sick leave per year without the need for medical proof

For All Employees

Flexible Working Hours

Clock-in: 07:30–09:30
Clock-out: 16:30–18:30

Paid Birthday Leave

1 day off during birthday month

Paid Volunteer Leave

6 days per year

Remote Work Days

Up to 3 days per month

No Office Entry or Clock-in on Makeup Days

Flexible early leave on the afternoon of the last working day before major holidays.

Health & Wellness Measures

Free flu vaccine, new hire health check, annual check-up, 24/7 EAP, CPR & AED

Sports & Clubs

Corporate gym and various groups such as yoga, badminton, basketball

Welcoming New Life

Work-Life Balance

★ Paid Family Care Leave

Up to 3 days per year for employees without caregiving leave benefits

★ Paid Accompanying Prenatal Checkup & Paternity Leave

10 days per year

★ Paid Prenatal Checkup Leave

10 days per year

Birth Gift

Childbirth gift: NT\$10,000
Happiness package: valued at NT\$5,000

Childcare Support

Up to NT\$6,000 per year per child

Children's Education Support

Scholarship subsidies based on academic performance and income level

1. Core Employee Benefits

Wellbeing from Workplace to Life

- **Flexible Work:**
Flexible working hours, remote work days, no clock-in on makeup workdays, and early leave before major holidays.
- **Diverse Leave Options:**
Paid birthday leave, onboarding leave, and volunteer leave.
- **Family Care Support:**
Paid family care and sick leave; enhanced paid leave for prenatal checkups, paternity support, and bereavement.
- **Health and Wellness:**
 - ➔ EAP (Employee Assistance Program) – 24/7 confidential support with third-party consultation.
 - ➔ Health Checks – Expanded in 2024 to include cancer screenings (e.g., pancreatic, lung), gender-specific exams, and one-day health leave.
 - ➔ Corporate Gym – Free access to aerobic, boxing, Pilates, and strength training facilities.
- **Employee Stock Ownership Trust (ESOT):**
Launched in Feb 2024 with **87.5%** participation rate; employer matches 100% of monthly contributions to purchase company stock for long-term savings and retirement preparation.

2. Comprehensive Support: Enabling Growth and Retention

- **Onboarding Integration:**
Through the buddy program (see Section 4.1.4) and post-probation satisfaction surveys (see Section 4.1.3).
- **Learning and Career Development:**
Competency-based training and diverse learning tools to support skill growth and career progression (see Sections 4.3.1 and 4.3.2).

3. Retirement and Separation Transition Support

- **ESOT as Long-Term Security:**
Enhances engagement and supports mid- to long-term retirement savings.
- **Structured Handover Process:**
Clear handover protocol involving supervisors and successor training to ensure continuity and reduce transition stress.
- **Volunteer Continuity Program:**
Retirees are encouraged to join company volunteer teams, maintaining social engagement and psychological well-being.
- **Club Participation:**
Retired employees may continue to join internal clubs alongside current staff, promoting post-retirement interaction and a sense of belonging.

4.2.3 Connect Every Heart

Social Engagement and Public Welfare

Building on the 2023 initiative, CHC continued its “Spreading Love” theme in 2024, emphasizing empathy-driven participation over one-way giving. Activities fostered warm connections between volunteers and the community, reinforcing a shared sense of purpose and emotional growth.

CHC × Good Friend Mission

Positive Adult Mentorship Program

Since 2023, CHC has collaborated with the Good Friend Mission, a community organization located in Taipei’s Zhongshan District that offers skill-building courses in makeup, photography, painting, baking, and counseling seminars, and empowers underprivileged youth by providing diverse learning opportunities and boosting confidence through neighborhood resource integration. Together, we support youth development through mentorship activities such as basketball games, shared meals, and a 12-day cycling tour around Taiwan.

CHC, headquartered in Zhongshan for nearly six decades, deeply identifies with the center’s mission and actively supports its expansion and resource development.



- **Christmas Dinner**

13 Volunteers : Holiday celebration with children

- **Basketball Friendly Match**

13 Volunteers : Regular seasonal game with CHC Basketball Club and youth team

2023

2024



Culinary Workshop

15 Volunteers :
Hands-on cooking session
making traditional rice cakes

Culinary Workshop

Volunteers and children made traditional rice cakes together, enjoying a heartwarming afternoon filled with care and joy.





Cycling Around Taiwan

3 Volunteers :
12-day journey with
continuous mentorship



Christmas Dessert Party

15 Volunteers :
Gingerbread house
decorating with guidance
and festive spirit

2024



Basketball Friendly Match

25 Volunteers :
Ongoing quarterly sports
engagement



Cycling Tour

CHC volunteers trained with the children
before embarking on a 12-day trip,
offering guidance and emotional support
through physical and mental challenges.



Basketball Games

A quarterly exchange full of teamwork and encouragement,
strengthening bonds and building youth confidence.



Christmas Party

Volunteers helped children design
gingerbread houses, providing
hands-on support and a festive,
nurturing environment.

CHC × Taiwan Santa Claus Association

"CHC Elf Village"

Since 2022, CHC has partnered with the Taiwan Santa Claus Association to spread warmth and hope to children through handwritten letters and material donations. Employees serve as "Letter Elves" writing personalized Christmas messages, and as "Gift Elves" donating needed supplies to underserved students. The Association, founded in 2016, is committed to preserving childhood wonder and supporting rural students. Through this initiative, CHC reinforces its workplace positivity and fulfills its social responsibility by enabling heartfelt, meaningful giving.



- **Letter Elves**
11 volunteers

- **Gift Elves**
Donation Value : NT\$ **51,414**
Daping Elementary Baseball Team (Pingtung)

2022

Letter Elves


Handwritten cards with illustrations delivered to children, filled with heartfelt wishes and holiday cheer—strengthening social bonds and empathy.





- **Letter Elves**
23 volunteers
NT\$ 100,000 postcard sponsorship
- **Gift Elves**
Donation Value : NT\$ 93,251
Good Friend Mission (Taipei)
Supported the "Cycling Island Tour Project"

2023



- **Letter Elves**
25 volunteers
- **Gift Elves**
Donation Value : NT\$ 33,180 (physical gifts)
Donation Value : NT\$ 4,950 (online reading fundraising)
Sin-Bao Elementary School (Changhua)
Special Education Class, Sz-Yu Junior High School (Taichung)

2024

Gift Elves

- **Physical Donations**
Employees funded gifts like diabolo sets, markers, and Rubik's cubes. Children's joyful reactions reflected the meaningful connection created.




- **Online Learning Challenge Donation**
Employees completed designated e-learning courses to unlock donations of art supplies to special needs students, combining personal growth with community impact.




Opening Ceremony Collaboration

Mudan Elementary School,

Shuangxi District, New Taipei City

Invited **33** Students and Teachers from the Mudan String Ensemble



On the first workday of the Year of the Dragon, the Chairman, together with department heads and partners, gathered for a New Year blessing ceremony. Students and teachers were specially invited to deliver a musical performance. Since founding its String Ensemble in 2014, the school has actively participated in national and international events. Their lively performance not only showcased the students' musical talent but also deepened CHC's connection with the local community by providing a meaningful stage for young talents to shine.

Social Procurement

Simplyicr Association, Changhua

Purchased Gift Sets Worth NT\$ **18,000**



For Mother's Day, CHC prepared thoughtful gift boxes of chocolate almond rolls from the Simplyicr Association for all employees, expressing gratitude and respect to every dedicated mother. Through this collaboration, CHC extended its care beyond the workplace to support underprivileged families in the community, spreading love and hope to those in need.

Down Syndrome Foundation,

Taiwan

Purchased Gift Sets Worth NT\$ **12,600**



For Father's Day, CHC prepared "ABRAZO" chocolate bars from the Down Syndrome Foundation as a heartfelt thank-you to all fathers. This initiative also supported the Foundation's efforts to assist disadvantaged families, delivering warmth and care to those in need.

Donations

Autism Family Support Association,

Taiwan

Purchased "Wish Rice" Worth
NT\$ **39,695**



Continuing its collaboration with the Taiwan Autism Care Association, the Chia Hsin Foundation purchased 467 packs of handmade "Starlight Rice" from the "Children Of The Stars Handmade Shop" in 2024. These were gifted to students and guests at the scholarship ceremony, offering blessings while supporting autism families with meaningful assistance.

Hualien Liming Center & Love Network Foundation

Total Donation Amount: NT\$ **60,000**

CHC supported two charitable initiatives in 2024: a NT\$30,000 donation to help Hualien Liming Center establish the "Liming Joy Park" for individuals with disabilities, providing a safe, inclusive space for social interaction and skill-building; and another NT\$30,000 to Love Network Foundation to improve nutrition for elementary students in remote Yunlin, ensuring healthy growth and reducing financial burdens on underprivileged families.

Chia Hsin Foundation

Former 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 founder and his wife, Mrs. Fu-Ming Gong. In 2021, Jason K. L. 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**



109,344 students have benefited



NT\$ **321,611,615**
Chia Hsin Scholarships awarded

1 65th (2024) Chia Hsin Scholarship Awards

Awarded NT\$ **7,000,000** in scholarships, benefitting **427** students

2 60th (2024) Chia Hsin Sports Awards

Awarded NT\$ **1,268,000** in scholarships, benefitting **106** students

3 3rd (2024) Sustainability Scholarship Awards

Awarded NT\$ **600,000** in scholarships, benefitting **6** students

3rd Sustainability Scholarship (2024)

Faced with global environmental challenges, the Foundation launched its Sustainability Scholarship to cultivate future leaders who act on issues such as climate change, circular economy, and sustainable development. Recipients are encouraged to take initiative on campus and in society, showing leadership and responsibility toward national and planetary sustainability. At the ceremony, the Foundation also demonstrated its commitment by conducting a carbon footprint assessment, aligning with the principles of carbon reduction and sustainable practice.



539 scholarship recipients in **2024**



Founded in 1960, the CHC Scholarship Program has awarded financial aid annually for over six decades, regardless of changing times. In its first year, over 5,000 applications were received, and 1,200 students were awarded NT\$350 each—equivalent to a month's civil servant salary at the time. To date, nearly 100,000 students have benefited from the program, marking CHC as a pioneer among privately established scholarship foundations in Taiwan.

Since 2022, the Foundation introduced the "Sustainability Scholarship" to support students committed to sustainable development and innovation. This reflects the Foundation's evolving mission—expanding from supporting underprivileged students to nurturing next-generation leaders with forward-thinking and ESG awareness.

The 2024 ceremony attracted nearly 500 students and parents, offering an inspiring program that featured:

- Displays of motivational quotes from past recipients
 - Talent performances and personal stories by awardees
 - A keynote dialogue with Elizabeth Wang, Taiwan's first female general manager in the cement industry
- Beyond scholarship distribution, the Chia Hsin Foundation also sponsored travel subsidies and implemented empowerment programs to support recipient participation and development.





Youth Empowerment and Startup Support

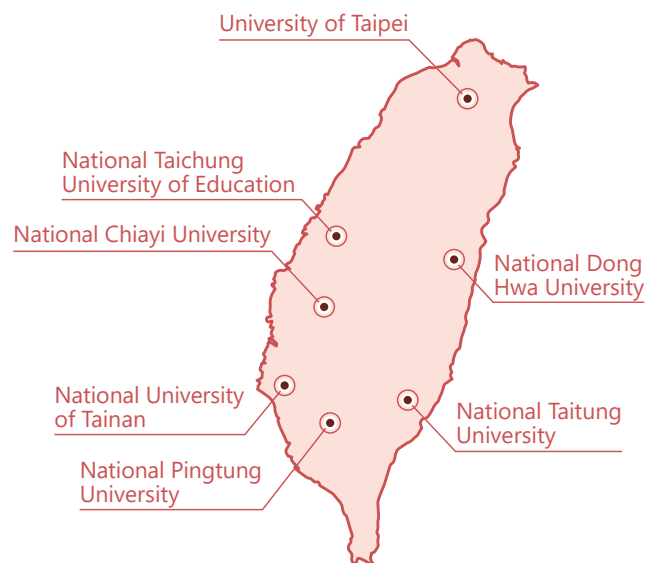
1

2024 Taiwan University of Education system program to provide after-school assistance to students in rural areas.

Taiwan University of Education (TUE)
(2024 Academic Year)

A total of **11** programs were held at **7** universities.

Total funding: NT\$ **2,013,096**



Since 2014, CHC has sponsored various educational initiatives proposed annually by the Taiwan University of Education system and its seven member universities. These include weekend tutoring sessions and winter/summer camps aimed at supporting students in rural areas. The programs focus on multicultural learning experiences and recreational activities, allowing children to learn joyfully and enrich their overall well-being.

2

Remote Learning for Indigenous and Rural Communities

Since 2012, CHC has supported the Taiwan Hope Tribal Association, led by Chairman Mr. Chiao Chuan-Chun, in delivering after-school tutoring programs for indigenous students. Post-pandemic, the model transitioned to online one-on-one remote tutoring, supplemented by periodic in-person visits.

The program recruits university student volunteers to mentor elementary and junior high school students across rural and tribal areas, including schools and centers in Pingtung, Yunlin, Hualien, Kaohsiung, Taitung, Yilan, Chiayi, Taoyuan, and Miaoli. This initiative not only supports educational equity but also fosters personal growth among volunteers through mutual learning.

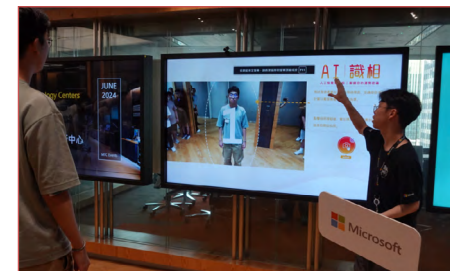
3

Corporate Exposure Program: "Future Navigation"

Launched in 2023 by the Chia Hsin Foundation, this program provides scholarship recipients with corporate site visits to expand career horizons and practical insight. Nearly 100 students have participated to date.

- 2024 Highlights:
 - o Microsoft Taiwan: Explored modern multinational work environments and tech industry trends
 - o Palais de Chine Hotel: Observed luxury hospitality operations, including room service standards and formal Chinese dining etiquette
- These experiences aim to inspire students' academic and career development through real-world exposure.

The Microsoft Corporate Visit



The Palais de Chine Hotel Visit



4

Support for startups

2024 Results Sponsorship of venue rental for youth entrepreneurship incubation teams is approximately

NT\$ **7,500,000**

Garage+ Program with the Epoch Foundation

Garage+ Chia Hsin Space

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 24, 2024, 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 **2024**, we counseled **64** new startup teams(the cumulative number reached **608**), and **18** physical teams on site.

Industry Sectors	Percentage
ICT & AI Computing	30%
IoT & Smart Device	18%
Healthcare	17%
GreenTech & ESG	14%
Martech, Edutech & Fintech	8%
Life Style	7%
Others	6%

Epoch School Talent Education Program

- The Epoch School, a talent education program of the Epoch Foundation, offers the "International Professions Internship Program" In 2024, CHC 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.



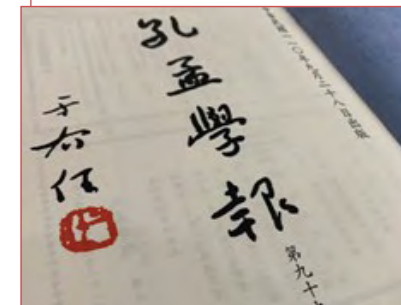
Cultural heritage

Sponsorship of Confucius-Mencius Society Publications

In 2024, CHC donated NT\$**200,000** to support the Confucius-Mencius Society, which promotes Confucian philosophy and moral ethics. The Society publishes:

- Confucius-Mencius Journal: A scholarly publication featuring academic work in classics, philosophy, literature, and history—contributing to Sinology and cultural research.
- Confucius-Mencius Monthly: A more accessible publication that fosters ethical awareness, Confucian values, and social harmony.

CHC has sponsored the Society's publication efforts annually since 2019 to uphold traditional cultural values and promote modern civic morality.



Partnerships for Expanding Social Impact

1 Design With Nature Now by Taiwan Institute of Landscape Architects

• Sponsored NT 1,000,000

This initiative showcases Taiwan's proactive engagement in international affairs and national development, highlighting its commitment to sustainable growth. It brings together a wide spectrum of environmental and landscape disciplines—including national land use, regional and urban planning, recreational and landscape design, garden architecture, cultural heritage preservation, and urban regeneration. By fostering collaboration among academia, industry, and public agencies, the program aims to enhance the value of the environment. These goals are strongly aligned with CHC's sustainability vision and ongoing efforts, making this initiative one the Company fully supports and endorses.



2 Ama in the House by Greenray Theater, Wu Nien-Jen

• Sponsored NT 500,000

To support the development of Taiwan's cultural and performing arts, CHC selected to sponsor Greenray Theatre's revival of the acclaimed play Human Condition I by Wu Nien-jen. As a timeless production with broad audience appeal, this initiative reflects the Company's commitment to promoting the sustainable development of Taiwan's cultural landscape. Through long-term support, CHC aims to foster meaningful partnerships between arts and enterprise, enrich internal corporate culture with diversity and creativity, and provide valuable opportunities for cultural exchange and learning.



3 Social Impact Project(Beaver Project) for Sustainable Education

• Sponsored NT 500,000

CHC once again joined forces with education innovators MEandMine, Keedle Education, and the Taiwan Fund for Children and Families to support disadvantaged, rural, and early-intervention children. Through Social and Emotional Learning (SEL), the program aims to equip young learners with the knowledge, confidence, and resilience to shape a better future. Combining exploratory materials with STEAM education principles, the curriculum fosters learning motivation through hands-on experiments and experiential activities. Children explore topics such as the digestive system, sensory development through crafts, and emotional interaction in daily life. The program also empowers parents with tools to better guide and support their children, strengthening parent-child connections and enhancing mutual understanding.



4 Global Youth Leadership Programme

• Sponsored a dinner party ~NT\$ 177,870

CHC supported the 2024 Global Youth Leadership Program – UN Sustainable Development Goals (SDGs) Training Camp and Forum in Okinawa, which brought together youth representatives from 30 countries to address the challenges of climate change and develop actionable solutions.

On the final day of the forum, participants jointly issued the "Okinawa Declaration", aiming to raise global awareness of the vulnerabilities and adaptive needs of small island nations in the face of climate change. The declaration will be featured in The Green Book and submitted at COP29, strengthening Taiwan's visibility and influence in the global sustainable development dialogue.

▶ 2024 Global Youth Leadership Programme



5 5th Sustainable Innovation Hackathon

• Sponsored NT\$ 40,000

CHC marked its fourth consecutive participation in the 2024 Sustainable Smart Innovation Hackathon, presenting the topic "E-commerce Marketing Strategy for Gemcare". Participants were tasked with proposing innovative, buyer-oriented strategies to help Gemcare stand out in a competitive market.

Students from universities such as CMU and FCU proposed creative solutions, including themed websites, curated gift sets, and subscription services. These ideas offered valuable insights for Gemcare's strategic growth.



6 Christmas Charity Flea Market

• Raised NT\$ 20,160

This year, CHC partnered for the first time with building tenant LDC Hotels & Resorts to host a second-hand charity market, encouraging colleagues to give new life to idle items and pass on their stories. The event also collected ten large bags of summer clothing and flat shoes, which were donated to underserved communities in developing countries, helping improve basic living conditions and bringing warmth and hope to those in need. Beyond spreading love and sustainability, this initiative also strengthened bonds between CHC and its building tenants, fostering a shared sense of community and social responsibility.



4.3 Co-learning

Key Activities and Accomplishments in 2024

Talent Inventory	● Since 2019
CommonWealth Innovation Academy (e-Learning Platform)	● Since 2022
Chia Hsin Family Internship Program	● Since 2023

4.3.1 Strengthen Every Journey

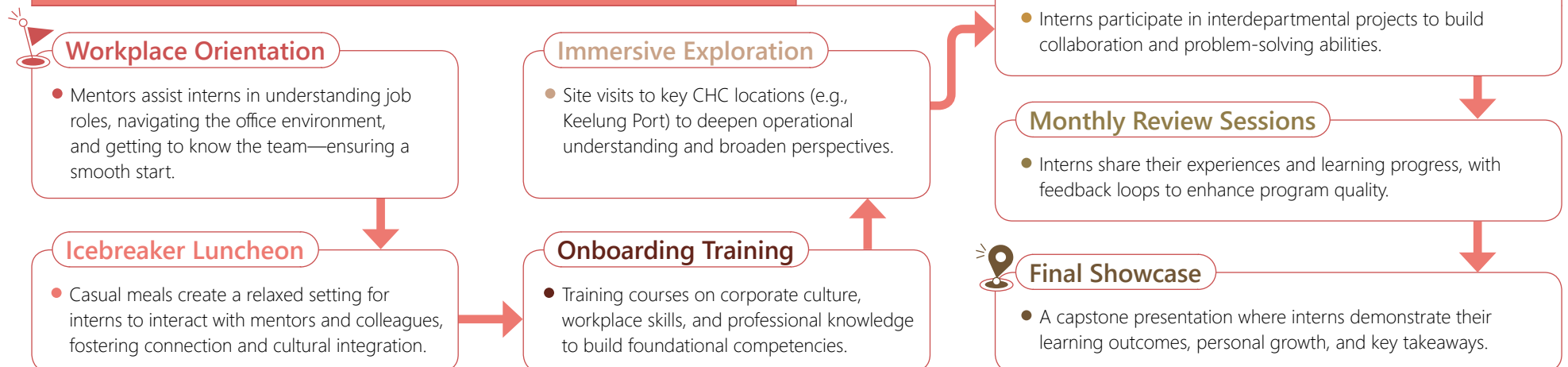
Sustainable Talent Strategy and Growth

1. Chia Hsin Family Internship Program:

Learning × Growth × Conversion Opportunities

To enhance future talent pipelines, CHC continues to promote the Chia Hsin Family Internship Program, offering structured learning goals, mentorship by professional supervisors, and comprehensive training. Outstanding interns are provided with opportunities for full-time employment, demonstrating CHC's commitment to sustainable talent development and long-term workforce planning.

Chia Hsin Family Internship Program – 7 Core Experience Modules



Strategic Framework Overview

Pillar	Strategy	Key Actions
Strengthen Every Journey	Sustainable Talent Strategy and Growth	Promote the Chia Hsin Family Internship Program and enhance internal talent development through talent inventory and analysis. Improve training systems to cultivate key talent for long-term business growth.
Build Every Talent	Innovation-Driven Talent Development	Provide role-specific professional training and encourage participation in internal innovation competitions, such as the "Sustainability Report Revamp Project," to foster cross-functional collaboration and internal mobility.
Lead Every Level	Leadership Development	Develop training systems for frontline and mid-level managers, implement Individual Development Plans (IDPs) for successors, offer leadership training and mentoring programs, and assign real-world leadership projects to nurture future managers.
Inherit Every Value	Cultural Transmission and Core Competency Deepening	Advance core competency development, organize required corporate culture seminars, and hold employee sharing sessions. The HR Division was renamed the People and Culture Division to better reflect and deepen organizational values and cultural continuity.

Internship Site Visit Reflection – Keelung Port



Yi-An Chung, People and Culture Division Intern

Visiting CHC's Keelung Port cement facility gave me an in-depth understanding of the precision behind cement production—from raw material transport and grinding to clinker processing. What impressed me most was CHC's commitment to sustainability. The facility employs eco-friendly practices such as indoor storage to reduce pollution and circular economy initiatives to enhance resource efficiency. I also realized the cement industry's crucial role in driving local economies and infrastructure.

This visit revealed how modern cement operations embody both innovation and responsibility, proving that heavy industry can pursue both productivity and social/environmental commitments.

The intense heat at Keelung Port highlighted the resilience of the operations team working under demanding conditions. While no vessels were in operation during our visit, the sheer scale of docked cargo ships reminded us of the profound logistics efforts behind global trade. Seeing the cement loading and transport systems up close underscored how each stage—up to final construction—is intricately connected. I'm grateful for the experience, which gave me a new appreciation for the scale, precision, and professionalism behind CHC's operations.



Amber Chung, Finance and Accounting Division Intern

From Intern to Full-Time Partner: CHC Empowers Potential

At CHC, internships go beyond learning—we offer a clear pathway from education to employment, nurturing talents who are ready to become part of our team.

● Work-Ready Training

The Chia Hsin Family Internship Program emphasizes cross-functional collaboration, project-based learning, and hands-on experience, helping interns rapidly build workplace skills and independent problem-solving abilities.

● People-Centered Development

Through mentorship, internal training, and career planning, CHC ensures that every intern can unlock their full potential and lay a solid foundation for future success.

● Progress Backed by Results

In the past three years, two former interns have successfully transitioned to full-time roles, becoming key contributors to CHC's growth. They are not just observers—they are active participants in our corporate journey.

At CHC, internships are not just a learning experience—they are a launchpad for your career. We believe that every passionate and capable young person can find their stage here.

From Intern to Full-Time Partner ①

As a member of the first Chia Hsin Family Internship Program, I had the honor of joining the Sustainability Development Office, where I supported key initiatives from a strategic, behind-the-scenes perspective.

Despite CHC's 70-year history, its leadership—including the Chairman and Chief Sustainability Officer—champions forward-thinking and encourages interns to voice new ideas. I wasn't limited to routine tasks; I even launched a cross-functional project from scratch, developed methodologies tailored to CHC's needs, and collaborated with different departments.

This experience strengthened my understanding of how sustainability is operationalized in business and significantly improved my project management and cross-functional communication skills.

Advice for future interns: If you're passionate about sustainability and want hands-on project experience, CHC offers an open, innovation-driven environment that values your initiative and input.

Chin-Yun Lu – Sustainability Development Office

From Intern to Full-Time Partner ②

During my internship, I was responsible for greenhouse gas inventory tasks and even had the opportunity to interpret at a cross-national meeting with the General Manager of our Japan hotel. I also contributed to a portion of the presentation.

The experience of working with a professional team and learning directly from seasoned mentors was invaluable—and helped me transition smoothly into a full-time role.

My takeaway: Internships are a great way to evaluate your fit with a job. With a proactive mindset and a willingness to learn, you'll gain more than you expect.

Angel Cheng – Administration Division



2. Internal Talent Development:

Learning × Practice × Career Advancement

In Q4 each year, CHC implements its Departmental Talent Development Plan, which includes:

- Talent standards setting
- Capability analysis
- Targeted development planning

Departments assess whether staff competencies align with short-, mid-, and long-term goals, and plan relevant development based on upcoming priorities and project needs. Initiatives include:

- Internal and external training arrangements
- Peer mentoring and coaching for key tasks

Additionally, CHC provides year-round training programs such as:

1. Onboarding Training –

Supports new hires in quickly adapting to the organization and their roles

2. Mandatory Core Curriculum –

Enhances essential skills and foundational knowledge for all staff

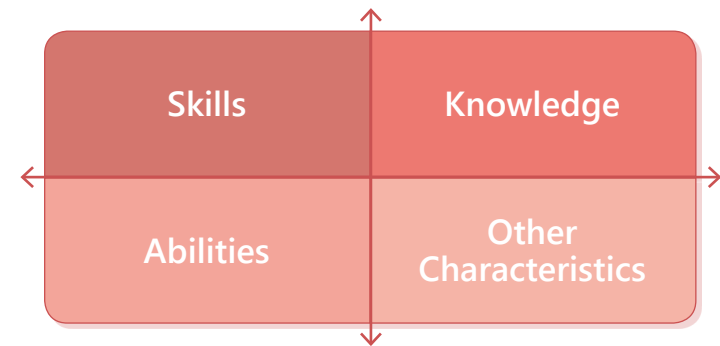
3. Managerial Training –

Builds leadership and management capabilities to drive organizational growth

Initiating Departmental Succession Planning

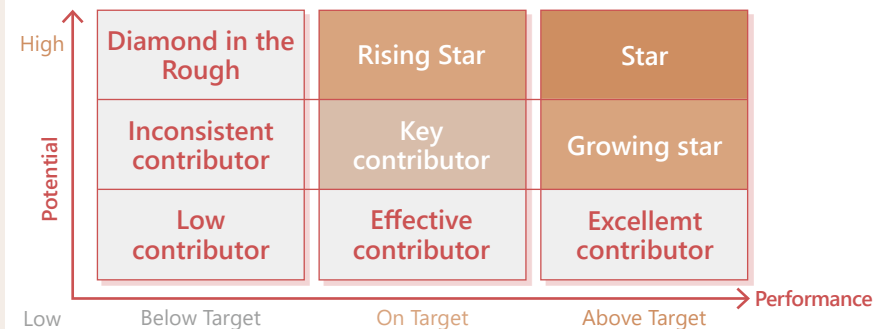
Define Talent

Tool: KSAO



Identify Talent

Tool: 9 Box Grid



Develop Talent

Tool: IDP

Individual Development Plan

Name	○○○	Current Title	○○○	Current Department	○○○
Target Position	○○○	Target Department	○○○	Estimated Development Period	e.g., 2 years
Development Area (e.g., Competencies / Traits and Competencies / Goal Achievement Rate)	Development Items (e.g., Key Behaviors / Knowledge / Skills / Others)	Development Steps	Required Resources (e.g., Budget / Mentor Time / Others)	Expected Completion/ Review Date	Actual Execution Results
⋮	⋮	⋮	⋮	⋮	⋮

Training Program											
New Recruits – less than 3 months		All Employees									
General Education											
Newcomer Category		Occupational Safety and Health			Policy Advocacy				Corporate Culture		
Newcomer Orientation Training	Orientation Training	Fire Safety Training	First Aid Training	Physical and Mental Wellness	Insider Trading Prevention	Workplace Equity Advocacy	ESG Advocacy (Including Integrity Management)	Information Safety Advocacy	Sustainable Partner Action	Core Competence Training	Self-Enrichment
Required courses for working colleagues											

Professionals					Management Levels			
Professional Training					Management Training			
Professional Certificates		Professional Practice Development		Professional Knowledge	Management Trainee / Entry-level Managers		Middle-level Managers	Senior Executive Class
Certificates Training	Advanced Certificates Training	Accounting Managers	Internal Auditors	Professional Skills	Mindset	Skills	Knowledge	Managerial Training

Each year, CHC designs in-house training programs based on the Employee Training Needs Survey, covering office skills and project-related topics to meet diverse learning goals. Courses offered to board members are also made available to employees, fostering a learning-oriented culture that encourages cross-disciplinary growth.

2024 Group-Wide Training Statistics

Position Type	Executives	Non-Executives	Total
Participants (A)	233	466	699
Total Training Hours (B)	2,935	3,406	6,341
Avg. Hours per Person (B/A)	12.60	7.31	9.07
Total investment in training (C)	1,536,962	963,593	2,500,555
Avg. Investment per Person (C)/(A)	6,596	2,068	3,577

Gender	Male	Female	Total
Participants (A)	354	345	699
Total Training Hours (B)	2,499	3,842	6,341
Avg. Hours per Person (B/A)	7.06	11.14	9.07
Total investment in training (C)	1,112,287	1,388,268	2,500,555
Avg. Investment per Person (C)/(A)	3,142	4,024	3,577

Notes

1. In 2024, a total of 699 employees participated in training programs, representing a 92.03% increase (335 more participants) compared to the previous year.
2. The total training investment in 2024 reached NT\$2,500,555, reflecting a 19.82% growth (an increase of NT\$413,715) year-over-year.

4.3.2 Build Every Talent

Innovation-Driven Talent Development System

Talent is the driving force behind business transformation. At CHC, we design personalized learning paths based on each employee's seniority, functional role, and development needs. We integrate digital learning tools, in-person training, and performance appraisals to systematically support employee growth across all career stages.

Our goal is to embed learning into our corporate culture, ensuring that every employee can continuously improve and build long-term competitiveness.

New Employees:

Seamless Onboarding × Rapid Growth

To help new hires integrate smoothly and accelerate their adaptation, CHC provides a staged learning journey combining e-learning, classroom training, and mentorship.

Day One – Quick Onboarding

New employees receive orientation and safety training on their first day, gaining an overview of CHC's values, policies, and work tools to begin their careers confidently.

Initial Training – Skill Foundation

Within the first three months, new hires participate in a structured training program covering corporate culture, internal systems, legal compliance, and information security. Interaction with managers and peers enhances organizational understanding and alignment.

Buddy System – Cultural Integration

In addition to formal supervisors, new hires are paired with designated "buddies" to help them navigate the workplace culture, interpersonal environment, and available resources (see section 4.1.4).

Professional Competency Development

Lifelong Learning × Enhanced Competitiveness

To support ongoing professional growth, CHC conducts annual training needs assessments, involving department heads and employees to identify priority learning areas. The company allocates dedicated budgets and encourages employees to:

- Participate in external training programs
- Earn professional certifications
- Attend industry forums and knowledge exchange events

These efforts ensure employees stay up to date with evolving skills and maintain a competitive edge, boosting their long-term career potential and enabling them to make greater contributions across departments.

Learning Platform – Knowledge × Growth × Capability Building

In 2024, CHC continues to utilize the CommonWealth Innovation Academy as its digital learning platform. Department supervisors are invited to recommend online courses aligned with functional or annual development needs to help employees further enhance themselves and build critical capabilities. At the biannual employee sharing sessions, recognition is given to the top three employees with the highest accumulated learning hours. Course content includes the following:

Through these carefully selected courses, employees are empowered to continuously advance in their professional fields, enhancing their leadership, management capabilities, and cross-functional collaboration skills—ultimately creating greater value for the organization.

Department	Course Title
People & Culture Division	Managing Across Functions: The Keys to Cross-Departmental Collaboration
Headquarters Office	Essential Personal Data Literacy for Professionals
Executive Secretary Office	The Hospitality Economy: Building a World-Class Service Team
Board Secretariat	Project Success Essentials: Understanding and Debunking Project Myths
Sustainability Development Office	Corporate Sustainability Management: ESG Strategy, Culture & Brand Building
Finance and Accounting Division	Discover Your Talent: Five Clues to Finding Your Strengths
Legal Division	Emotional and Stress Management: 3 Lessons for Inner Balance
Legal Division	Essential Personal Data Literacy for Professionals
IT Division	Run Ahead! 3 Leadership Insights from Jensen Huang's NVIDIA Success
Audit Office	CEO Practical Management Series II: Proactivity – Tu Shu-Wu
Administration Division	Winning with Problem-Solving: From Analysis to Execution

Hands-On Project Engagement: Collaborative Learning × Future Readiness × Unlimited Growth

CHC emphasizes learning through practice, enabling employees to strengthen professional competencies via cross-disciplinary projects and shared knowledge creation. These real-world experiences broaden perspectives, foster industry insight, and cultivate innovation and integrative thinking—key to developing future-ready talent and sustaining business growth.

Sustainability Report Revamp Project

Through in-depth analysis of previous ESG reports, employees identify areas for improvement and ensure content evolves with rigor and accuracy—reinforcing CHC’s commitment to sustainability.

• Mar–Apr 2024



External Training – ESG Elite Program

- Beginner: **16** participants, **8.5** hours
- Advanced: **15** participants, **8.5** hours

• May & Nov 2024



Internal Simulation Exercises

- May Practice Session: **16** participants, **8** hours
- November Revamp Project: **15** participants, **8** hours

Internal – External Knowledge Sharing: Collaboration × Interaction × Expanded Learning

• External Seminars:

Participation in labor law and industry trend forums to stay abreast of regulatory and market changes

• Market Insights from Consultants:

Expert briefings enhance strategic decision-making capabilities

• Employee Assistance Program (EAP) Training Series:

The EAP training series aims to strengthen employees’ adaptability, interpersonal communication, and health awareness, while fostering a multigenerational and diverse workplace culture. By enhancing conflict resolution and empathy skills, the program effectively improves team collaboration and reduces work disruptions caused by interpersonal or health-related issues. In addition to promoting DEI (Diversity, Equity, Inclusion) during employee sharing sessions, CHC organized five EAP training sessions totaling 15 hours in 2024, with 86 total participants. The training enhanced communication and collaboration among employees from different generations and backgrounds, boosting project execution and team effectiveness. By reinforcing care for well-being and crisis response capabilities, the program increased employees’ sense of belonging and loyalty to the organization, while promoting knowledge transfer and innovation—ultimately building a workplace culture of inclusion, well-being, and co-learning.

4.3.3 Lead Every Level Leadership Development and Career Planning

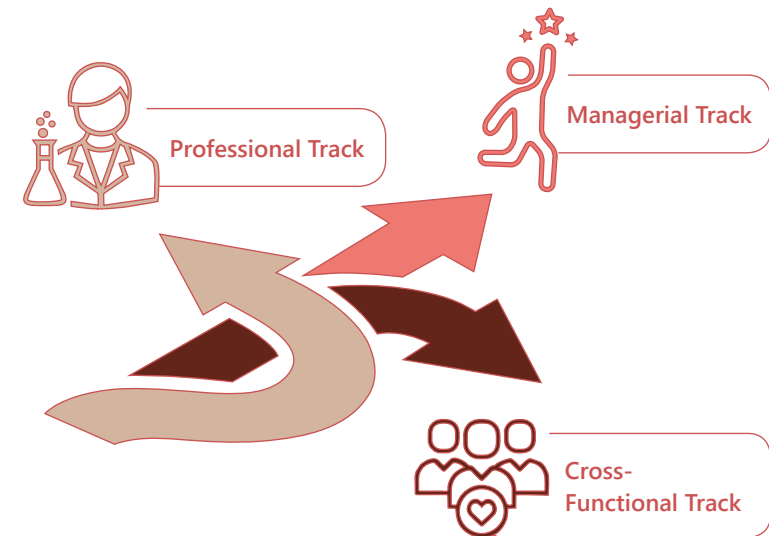
Internal Career Mobility System: Growth × Diverse Opportunities × Unlocking Potential

To foster well-rounded career development, CHC has established three internal career pathways that support:

1. Professional specialization
2. Managerial advancement
3. Cross-functional and cross-company transfers

Job vacancies are disclosed regularly to ensure transparency, and employees are encouraged to discuss their career aspirations with the People and Culture Division. Through centralized coordination and vacancy matching, employees can pursue the growth path that best suits their development goals—supporting both individual and organizational advancement.

- **Professional Track:** Deepen core competencies and professional expertise through training and project assignments
- **Managerial Track:** Equip high-potential talent with leadership skills and progressively assign supervisory responsibilities
- **Cross-Functional Track:** Enable transfers between departments or affiliates to broaden capabilities and organizational agility



Annual Mandatory Management Training: Capability × Leadership × Continued Growth

To strengthen essential leadership competencies, CHC provides annual mandatory training programs tailored to different levels of management. These programs are designed to enhance decision-making, team leadership, and operational effectiveness across the organization.

4.3.4 Deepen Every Capability Cultural Transmission and Core Competency Development

Competency Model Alignment:

Focus × Reinforcement × Growth

Following the establishment of CHC's competency framework—including core, functional, and managerial competencies—these elements have been fully integrated into recruitment, onboarding, and performance evaluation processes. This alignment supports employee performance enhancement and long-term development.

In 2024, the promotion of six core competencies was prioritized:

- Integrity
- Adapting to Change
- Initiative
- Innovation
- Taking Responsibility
- Teamwork

• Integrity:

A 3-hour mandatory seminar on “Integrity in ESG Practice” was delivered by lead attorney Chang Wan-Ting of AnZon Attorneys at Law, with 235 employees attending and 100% participation among required staff, reinforcing ethical conduct awareness.

• Innovation:

A targeted e-learning program focused on creative thinking and problem-solving was launched. 65 employees completed the course with a 70% completion rate among assigned learners—demonstrating strong engagement.

Employee Sharing Sessions

Dialogue × Alignment × Culture Building

Held twice annually, the sessions serve as a platform for reinforcing corporate alignment and cultural continuity. Topics include:

Executive Strategy Messaging

Senior leaders present corporate vision and strategy to unify direction.

HR Policy & DEI Progress

Interpretation of HR data on performance management, rewards, and diversity initiatives.

Cybersecurity & Compliance

Topics to strengthen awareness and mitigate risk.

Sustainability Updates

ESG milestones, awards, and community engagement efforts.

Legal Compliance & IP Protection

Employee education on personal data, intellectual property, and basic regulations.

Pre-session surveys are conducted to collect employee concerns and questions, ensuring a two-way exchange that strengthens culture and mutual understanding.



People-Centered Innovation, Building the Future Together

• People and Culture Division — Empowering Growth Through People and Culture

In alignment with CHC's vision of “Pursuing Quality of Life” and mission of “Human-Centric Innovation, Building Dreams for the Future,” the former Human Resources Division has officially been renamed the People and Culture Division, demonstrating the company's strong commitment to talent development and cultural stewardship.

This name change not only symbolizes an expansion in division's function, but also highlights a deeper focus on people-centered values and cultural development. In the past, the division's priorities were centered on human resources management, including recruitment, compensation, performance, and employee

development. Today, CHC has further strengthened its approach to shaping corporate culture and building a robust talent development system. The aim is to foster a workplace culture rooted in Inclusion, Well-being, and Co-learning, where every employee finds both belonging and motivation for growth.

Looking ahead, the People and Culture Division will continue to:

- Deepen strategic talent development,
- Build a stronger corporate culture,
- Enhance employer branding, and
- Fulfill CHC's mission and vision by creating a more cohesive, innovative, and sustainable work environment.

Inclusive Workplace Festivities – Respect × Belonging × Work–Life Harmony

As part of the company's cultural transmission efforts, holiday celebrations are not just festive occasions—they are also important moments for conveying core values.

International Women's Day

Dress Code for Equality:

Employees wore purple, white, and green to show support for gender equality.

Quick Quiz Challenge:

A fun trivia game raised awareness about women's rights history and workplace equity.

Bread and Roses Campaign:

Participants who answered correctly received rose-flavored bread—symbolizing both survival (bread) and dignity (roses), echoing the day's core values.

These simple but powerful initiatives reflect CHC's commitment to gender equity and equal opportunities for all.

Mother's Day

Gifting with Heart:

Every employee received a charity gift box, spreading care while supporting social enterprises.

"I Love Mom" Tribute Video:

Cross-department teams co-produced a video honoring all mothers, especially working moms.

Message of Balance:

The company reaffirms its support for employees' multiple roles and strives to create a family-friendly, inclusive workplace.

Father's Day – "CHC Family Doodle Fun"

Creative Bonding:

Employees and their children co-created artwork themed "My Family," encouraging quality family time.

Voting & Recognition:

All employees voted for the most touching entry, fostering connection through shared stories.

Memory Montage:

Photos and drawings were compiled into a heartfelt video shown at the awards ceremony, preserving joyful family moments.

From Gratitude to Connection

Empowering Families as Workplace Foundations

Father's Day at CHC goes beyond celebration—it reflects our commitment to supporting employees' multiple roles and fostering a balanced work environment. We believe that when employees feel empowered at home, they thrive at work. This initiative ensures that the spirit of well-being extends beyond holidays and becomes part of everyday life.



"No-BBQ Mid-Autumn" – Plant-Based Sustainability Dining



In September, CHC held a vegetarian lunch event to promote low-carbon dining and environmental sustainability. Employees were invited to enjoy flavorful plant-based meals, with many expressing surprise at how delicious vegetarian cuisine could be. This initiative redefined sustainable living through food, encouraged reduced meat consumption, and offered a creative way to contribute to the planet while celebrating food diversity.

"Goodbye Negativity" Wellness Event

In November, CHC hosted a lively de-stress activity combining music and culture. The event featured a classic song guessing contest and a shouting challenge, where participants yelled out one of CHC's six core competencies and had their volume measured with a decibel meter. This lighthearted event boosted morale, encouraged cultural engagement, and helped employees recharge through shared laughter and energy.



"CHC Elves Unite!" – The Kindness Card Initiative

For three consecutive years, our "Card Writing" initiative has allowed employees to experience the joy of giving—and the unexpected healing it brings to the giver. By writing words of encouragement, we ourselves are the first to be uplifted. This year, we extended warmth and support to children at the Good Friend Mission and Sin-Bao Elementary School in Changhua. More than just an act of kindness, this initiative is a reflection of our corporate culture—enabling every employee to feel the joy of helping others and to truly understand the meaning of care and giving back.



Handwritten Blessings: Employees wrote personalized notes, spreading care and joy.



Learning Through Giving: Participants gained insight into social responsibility and reflected on the meaning of corporate citizenship.



Culture in Action: The initiative extended CHC's human-centered culture into the community, reinforcing its commitment to sustainability and social impact.

05 Appendix

5.1 Financial Performance

Profitability Analyses

Item	2024	2023	2022	2021	2020
Operating revenue (Unit: NT\$ millions)	2,985	2,912	2,254	2,220	2,058
Net profit (Unit: NT\$ millions)	337	96	-174	748	1,838
EPS (unit: NT\$)	0.48	0.12	-0.27	1.00	2.68
Debt ratio (%)	38.45	38.52	39.65	35.62	38.45
Ratio of long-term capital to property, plant, and equipment (%)	839.91	780.29	681.10	709.16	606.96
Return on assets (%)	1.43	0.71	-0.1	2.16	4.96
Return on equity (%)	1.53	0.43	-0.73	2.94	7.55

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 Distribution over the Past Five Years

Unit: NT\$/share

Year of Earnings	2024	2023	2022	2021	2020
Cash dividend	0.55	0.5	0.3	0.65	1.4
Stock dividend	0	0	0.2	0	0
Total	0.55	0.5	0.5	0.65	1.4

Direct Economic Value Generated and Distributed by the Organization

Unit: Thousands(NT\$)

Item	2024	2023	2022	2021	2020
Operating revenue	2,985,357	2,911,583	2,253,659	2,220,254	2,058,417
Financial investment revenue	411,511	218,496	352,303	1,128,413	807,947
Operating costs	2,550,390	2,545,152	2,121,073	2,189,455	2,202,158
Employee salaries and benefits	581,037	515,159	487,049	527,431	508,346

Contributions & Other Spending in 4 years

Unit: Thousands(NT\$)




Item	2024	2023	2022	2021
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organizations / candidates	0	0	1,000,000	0
Trade associations or tax-exempt groups	1,083,000	1,083,000	1,083,000	1,083,000
Other	279,010	160,115	60,000	60,000
Total contributions and other spending	1,362,010	1,243,115	2,143,000	1,143,000
Data coverage	100%	100%	100%	100%

5.2 Greenhouse Gas Emissions and Energy Usage

Scope	Category	Item		2021	2022	2023	2024	Remarks
Scope 1	Category 1	Carbon emissions (t-CO ₂ e)		209.16	834.85	972.76	952.42	Assured by BSI
		Carbon emissions per capita (t-CO ₂ e / person)		0.48	1.88	2.32	2.25	
		Carbon emissions per unit of revenue (t-CO ₂ e / NT\$M)		0.09	0.37	0.33	0.32	
		Data coverage (%)		92.33%	100%	100%	100%	
Scope 2	Category 2	Carbon emissions (t-CO ₂ e)		4007.20	6807.56	7015.32	6824.91	Assured by BSI
		Carbon emissions per capita (t-CO ₂ e / person)		9.28	15.33	16.70	16.10	
		Carbon emissions per unit of revenue (t-CO ₂ e / NT\$M)		1.80	3.02	2.41	2.29	
		Data coverage (%)		92.33%	100%	100%	100%	
Scope 3	Category 3	Carbon emissions (t-CO ₂ e)	C4 Upstream transportation and distribution				937.76	
			C6 Business travel				102.64	Verified by BSI
			C7 Employee commuting				270.81	Verified by BSI
			C9 Downstream transportation and distribution				-	No relevant activities
	Category 4	Carbon emissions (t-CO ₂ e)	C1 Purchased goods and services				151,888.70	
			C2 Capital goods				65,096.93	
			C3 Fuel- and energy-related activities				7,097.94	Partially verified by BSI
			C5 Waste generated in operations				172.4873	Verified by BSI
			C8 Upstream leased assets				1,035.13	
	Category 5	Carbon emissions (t-CO ₂ e)	C10 Processing of sold products				23.61	
			C11 Use of sold products				-	No relevant activities
			C12 End-of-life treatment of sold products				-	No relevant activities
			C13 Downstream leased assets				2,324.64	Partially verified by BSI
			C14 Franchises				-	No relevant activities
			C15 Investments				81,783.39	Partially verified by BSI
	Category 6	Carbon emissions (t-CO ₂ e)		-	-	-	-	No relevant activities
Total for Scope 1 and Scope 2		Carbon emissions (t-CO ₂ e)		4216.35	7642.41	7988.09	7777.32	

Notes:

- Category 1: Direct GHG emissions, Category 2: Indirect GHG emissions from Energy Procurement, and selected Category 3–6 Other Indirect GHG Emissions (including Category 3: Fuel- and energy related Activities, Category 5: Waste generated in operations, Category 6: Business travel, and Category 7: Employee commuting) have been externally verified by BSI in accordance with ISO 14064-1 standards, and verification statements have been obtained.
- Category 3–6 Other Indirect GHG emissions not mentioned in Note 1 were calculated using a spend-based approach. Emissions were estimated by multiplying annual procurement and expenditure data with emission factors from the U.S. Environmentally Extended Input-Output (USEEIO) model provided by the U.S. Environmental Protection Agency (US EPA).

Environmental Indicators		2021	2022	2023	2024	Remarks
 Energy	Total consumption(MWh)	16,310	11,771	12,053	12,321	*Electricity consumption data for 2021 include those by the tenants of the Chia Hsin Building.
	Total consumption(GJ)	58,715.95	42,375.57	43,391.74	44,356.31	
	Energy consumption per capita	-	95.4405	103.3137	104.6139	
	Energy consumption per capita (KWh/ thousand NTD)	-	5.2231	4.1398	4.1272	
	Energy consumption per unit of revenue(GJ/million NTD)	-	18.8030	14.9031	14.8580	
	Renewable Energy Consumption	-	-	-	-	*The use of renewable energy has not yet commenced.
 Water	Total water consumption (ton)	122,369	147,492	172,835	164,232	
	Data coverage (Revenue)	92.33%	99.9%	100%	100%	
 Waste	Total waste generated (ton)	364.21	344	378	414.48	*All waste data for each year includes those by the tenants of the Chia Hsin Building.
	Total waste recycled (ton)	-	4.8	82.04	73.4	*In 2024, the newly added statistic shows that hotel waste recycling accounts for 30.4% of its total volume
	Data coverage (Revenue)	92.33%	100%	100%	100%	
Number of employees		432	444	420	424	
Revenues (NT\$M)		2,220	2,254	2,912	2,985	

Emission Type	2021	2022	2023	2024	Remarks
Nitrogen Oxide Emissions (NOx)	0	0	0	0	*Since the Company has transitioned to primarily cement sales and the development of new businesses such as hotels and postpartum care centers, it no longer directly produces cement-related products. Therefore, no such emissions are generated.
Sulfur Oxide Emissions (SOx)	0	0	0	0	
Direct Mercury Emissions	0	0	0	0	
Direct Dust Emissions	0	0	0	0	

5.3 Participation in Public Associations

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

5.4 Workforce Statistics

New Recruits and Former Employees

		New Recruits			Former Employees			Voluntary Separation			Number of Employees	
		Number of Employees	Percentage of Total Employees	Employee headcount ratio by gender	Number of Employees	Percentage of Total Employees	Employee headcount ratio by gender	Number of Employees	Percentage of Total Employees	Employee headcount ratio by gender	Number of Employees	Percentage of Total Employees
Gender	Male	42	9.90%	18.92%	29	6.84%	13.06%	26	6.13%	11.71%	222	52.36%
	Female	44	10.38%	21.78%	47	11.08%	23.27%	43	10.14%	21.29%	202	47.64%
	Total	86	20.28%	20.28%	76	17.92%	17.92%	69	16.27%	16.27%	424	100%
≤ 30 years	Male	13	3.07%	34.21%	9	2.12%	23.68%	8	1.89%	21.05%	38	8.96%
	Female	15	3.54%	39.47%	9	2.12%	23.68%	8	1.89%	21.05%	38	8.96%
	Sum	28	6.60%	36.84%	18	4.25%	23.68%	16	3.77%	21.05%	76	17.92%
31–50 years	Male	15	3.54%	14.85%	15	3.54%	14.85%	14	3.30%	13.86%	101	23.82%
	Female	25	5.90%	21.55%	30	7.08%	25.86%	27	6.37%	23.28%	116	27.36%
	Sum	40	9.43%	18.43%	45	10.61%	20.74%	41	9.67%	18.89%	217	51.18%
≥ 51 years	Male	14	3.30%	16.87%	5	1.18%	6.02%	4	0.94%	4.82%	83	19.58%
	Female	4	0.94%	8.33%	8	1.89%	16.67%	8	1.89%	16.67%	48	11.32%
	Sum	18	4.25%	13.74%	13	3.07%	9.92%	12	2.83%	9.16%	131	30.90%
Total		86	20.28%	20.28%	76	17.92%	17.92%	69	16.27%	16.27%	424	100.00%

	New Recruits		Former Employees	
	Number of Employees	Percentage of Total Employees	Number of Employees	Percentage of Total Employees
Taiwan	47	11.08%	42	9.91%
Japan	35	8.25%	24	5.66%
China	4	0.95%	10	2.35%
Total	86	20.28%	76	17.92%

	Former Employees		Voluntary Separation	
	Number of Employees	Percentage of Total Employees	Number of Employees	Percentage of Total Employees
Senior Executive Manager	0	0.00%	0	0.00%
Middle Manager	3	0.70%	3	0.70%
Junior Manager	10	2.36%	7	1.65%
Non-Management Staff	63	14.86%	59	13.92%
Total	76	17.92%	69	16.27%

* Not including contract/part-time employees

* Turnover rate calculation: (Number of terminated employees [76 employees] ÷ Total number of employees for the year [424 employees]) × 100 = 17.92%
In 2024, Chia Hsin Group recorded a total of 76 employee departures, including 7 internal transfers within the Group and 2 retirements.

Parental Leave

	2021		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female
Employees Eligible for Parental Leave without Pay in the Year (A)	7	6	1	3	3	2	4	7
Employees Applying for Parental Leave without Pay in the Year (B)	1	1	0	0	0	1	0	2
Employees Scheduled to Resume Work in the Year (C)	0	1	0	1	0	0	0	1
Actual Employees Resuming Work (D)	0	1	0	1	0	0	0	1
Employees Continuing Work at CHC after Resumption of Work for 12 Months (E)	0	0	0	0	0	0	0	0
Resumption Rate after Parental Leave without Pay (D/C)	-	100%	-	100%	-	-	-	100%
Retention Rate One Year after Resumption of Work (E/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.

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)	76,818	74,219
Non-Executive Position (gross salary)	42,262	47,121

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

Average Annual Salary of Male and Female Executives at Chia Hsin Cement

Average Annual Salary of Executives	Male	Female
Average Annual Salary	N/A	3,525
Average Annual Salary + Bonus	N/A	6,124

* Scope of statistics: Covers executives from Vice President to President at Chia Hsin Cement. All individuals holding these positions during the reporting period were female; no male executives held these roles.

Salaries of non-executive full-time employees

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
2021	Total number of employees: 96 (Number of employees employed for less than six months: 12)	77	87,689	1,139	923
2022	Total number of employees: 94 (Number of employees employed for less than six months: 14)	74	64,600	873	805
2023	Total number of employees: 104 (Number of employees employed for less than six months: 16)	75	65,157	869	800
2024	Total number of employees: 103 (Number of employees employed for less than six months: 23)	67	73,615	1,099	1,023
Compared to last year		-10.67%	12.98%	26.47%	27.88%

* "Employees holding executive positions" refers to person holding the position of manager, which includes the following as specified by the competent authority: general manager, vice general manager, associate manager, financial department director, accounting department director, those holding positions of equivalent levels, and those given the authority to manage company affairs or provide their signatures. The executives included in the annual report are consistent with this range.

* Full-time employees are those whose work hours achieved the work hour standard established by the company or the statutory work hour standard.

* Non-executive full-time employees do not include those holding executive positions, employees at overseas branches, or part-time employees.

* The average non-executive full-time employee salary is the mean value acquired by dividing the total salary by the total number of such employees.

* The total salary figure is a combination of salaries, duty allowances, bonuses, incentives, special allowances and severance pay (retirement pension not included).

Number of STEM (Science, Technology, Engineering, and Mathematics) professionals at Chia Hsin Cement Corp.

Gender	Female	Male
Number of employees	4	4
Percentage	50%	50%

Unit: NT\$

Item	2020	2021	2022	2023	2024
The return on investment per unit of salary.	5.64	5.78	7.01	9.51	8.55

Occupational Injury Statistics

In 2024, the disabling injury frequency rate (FR) among domestic and overseas employees was **2.07**, and the disabling injury severity rate (SR) was **19.66**. Moving forward, we will continue striving to maintain and further reduce both the frequency and severity of disabling injuries.



Number of occupational injury-related deaths

0



Total work hours (hour)

966,561



Number of disabling injury

2



Disabling injury frequency rate (FR) **2.07**



Work days lost due to disabling injury

19



Disabling injury severity rate (SR) **19.66**

* 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

5.5 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, 2024).
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	1.2 Group Overview and About The Report	p.4
2-2	Entities included in the organization's sustainability reporting	1.2 Group Overview and About The Report	p.4
2-3	Reporting period, frequency and contact point	1.2 Group Overview and About The Report	p.4
2-4	Restatements of information	No restatement of information	-
2-5	External assurance	1.2 Group Overview and About The Report	p.4
		5.10 External Assurance Statement	p.107
2. Activities and workers			
2-6	Activities, value chain and other business relationships	1.2 Group Overview and About The Report	p.4
2-7	Employees	4.1 Inclusion	p.59
2-8	Workers who are not employees	4.1 Inclusion	p.59
3. Governance			
2-9	Governance structure and composition	2.1 Professionalism and Diversity	p.24
2-10	Nomination and selection of the highest governance body	2.1 Professionalism and Diversity	p.24
2-11	Chair of the highest governance body	2.1 Professionalism and Diversity	p.24

GRI Standard	Disclosure	Corresponding Section/Explanation	Page No.
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Professionalism and Diversity	p.24
2-13	Delegation of responsibility for managing impacts	2.1 Professionalism and Diversity	p.24
2-14	Role of the highest governance body in sustainability reporting	2.1 Professionalism and Diversity	p.24
2-15	Conflicts of interest	2.1 Professionalism and Diversity	p.24
2-16	Communication of critical concerns	2.1 Professionalism and Diversity	p.24
2-17	Collective knowledge of the highest governance body	2.1 Professionalism and Diversity	p.24
2-18	Evaluation of the performance of the highest governance body	2.1 Professionalism and Diversity	p.24
2-19	Remuneration policies	4.1.2 Pay Equity and Compensation Mechanism	p.62
2-20	Process to determine remuneration	4.1.2 Pay Equity and Compensation Mechanism	p.62
2-21	Annual total compensation ratio	4.1.2 Pay Equity and Compensation Mechanism	p.62
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1.3 Message from the Chairman	p.6
		1.4 Message from the Chief Sustainability Officer	p.7

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
2-23	Policy commitments	3.3.1 Environmental and Energy Policy	p.51
		4.2.1 Human Rights and Fair Treatment	p.68
2-24	Embedding policy commitments	3.3.1 Environmental and Energy Policy	p.51
		4.2.1 Human Rights and Fair Treatment	p.68
2-25	Processes to remediate negative impacts	2.3 Ethical Management	p.34
		4.2.1 Human Rights and Fair Treatment	p.68
2-26	Mechanisms for seeking advice and raising concerns	2.3 Ethical Management	p.34
2-27	Compliance with laws and regulations	2.6 Regulatory Compliance	p.39
2-28	Membership associations	5.3 Participation in Public Associations	p.95
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	1.8 Stakeholder Communication	p.13
2-30	Collective bargaining agreements	N/A. Although Chia Hsin employees did not establish a labor union and therefore did not sign any collective agreement, Chia Hsin regularly organizes labor- management meetings to ensure smooth and effective communication between employees and management.	-
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	1.9 Identification of Material Issues	p.17
3-2	List of material topics	1.9 Identification of Material Issues	p.17
3-3	Management of material topics	1.9 Identification of Material Issues	p.17

GRI Standard	Disclosure	Corresponding Section/ Explanation	Page No.
GRI 200: Economic topics			
Material Issue "New business development"			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	5.1 Financial Performance	p.93
201-2	Financial implications and other risks and opportunities due to climate change	3.2 Climate Action	p.44
GRI 300: Environmental topics			
Material Issue "Greenhouse Gas Emissions and Energy Efficiency Improvement"			
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	3.3 Energy Efficiency	p.51
		5.2 Greenhouse Gas Emissions and Energy Usage	p.94
302-3	Energy intensity	3.3 Energy Efficiency	p.51
		5.2 Greenhouse Gas Emissions and Energy Usage	p.94
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
305-2	Energy indirect (Scope 2) GHG emissions	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
305-3	Other indirect (Scope 3) GHG emissions	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
305-4	GHG emissions intensity	5.2 Greenhouse Gas Emissions and Energy Usage	p.94

GRI Standard	Disclosure	Corresponding Section/Explanation	Page No.
GRI 400: Social topics			
Material Issue "Talent Cultivation"			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	5.4 Workforce Statistics	p.96
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.1 Inclusion	p.59
		4.2 Well-being	p.68
401-3	Parental leave	5.4 Workforce Statistics	p.96
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	4.3 Co-learning	p.83
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Comprehensive Employee Support and Wellbeing	p.71
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Pay Equity and Compensation Mechanism	p.62
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	2.1 Professionalism and Diversity	p.24
		4.1 Inclusion	p.59

GRI Standard	Disclosure	Corresponding Section/Explanation	Page No.
Custom Topics			
Material Issue 【Service Quality and Customer Satisfaction】	1.1 Annual Sustainability Highlights		p.2
	1.2 Group Overview and About The Report		p.4
Material Issue 【Information Security】	2.5 Digital Resilience		p.37
	2.6 Regulatory Compliance		p.39
Material Issue 【Risk Management】	2.2 Risk Management		p.30
	3.2 Climate Action		p.44
Material Issue 【Stakeholder Communication】	1.3 Message from the Chairman		p.6
	1.4 Message from the Chief Sustainability Officer		p.7
	1.8 Stakeholder Communication		p.13
	1.9 Identification of Material Issues		p.17
Material Issue 【Supplier Management】	2.4 Responsible Procurement		p.36
Material Issue 【Digital Transformation】	2.5 Digital Resilience		p.37
	2.6 Regulatory Compliance		p.39
	3.3 Energy Efficiency		p.51

5.6 SASB Standards Mapping Table

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	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
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	3.3 Energy Efficiency 5.2 Greenhouse Gas Emissions and Energy Usage	p.51 p.94
Air Quality	EM-CM-120a.1	Quantitative	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Not applicable. * There is no emission from this item as the Chia Hsin Cement Group is no longer producing cement and focuses on cement sales and reinvestment.	-
Energy Management	EM-CM-130a.1	Quantitative	1. Total energy consumed; 2. Percentage grid electricity; 3. Percentage alternative; 4. Percentage renewable.	5.2 Greenhouse Gas Emissions and Energy Usage * Currently, no alternative or renewable energy sources are used.	p.94
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.	5.2 Greenhouse Gas Emissions and Energy Usage * None of CHC Group's operating locations are in a high water resource pressure area.	p.94
Waste Management	EM-CM-150a.1	Quantitative	Amount of waste generated, percentage hazardous, percentage recycled	5.2 Greenhouse Gas Emissions and Energy Usage * No hazardous waste is generated.	p.94
Biodiversity Impacts	EM-CM-160a.1	Discussion and Analysis	Description of environmental management policies and practices for active sites.	3.3 Energy Efficiency	p.51
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.	5.4 Workforce Statistics	p.96
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	3.3 Energy Efficiency	p.51
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	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
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.	5.2 Greenhouse Gas Emissions and Energy Usage	p.94
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.	3.3 Energy Efficiency	p.51
Labor Practices	SV-HL-310a.1	Quantitative	1. Voluntary turnover rate; 2. Involuntary turnover rate for lodging facility employees.	5.4 Workforce Statistics	p.96
Labor Practices	SV-HL-310a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with labor law violations.	N/A, No related circumstances	-
Labor Practices	SV-HL-310a.3	Quantitative	1. Average hourly wage 2. Percentage of accommodation facility employees receiving minimum wage by region	5.4 Workforce Statistics	p.96
Labor Practices	SV-HL-310a.4	Discussion and Analysis	Description of policies and programs to prevent worker harassment.	4.2 Well-being	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	-

5.7 TWSE Guidelines for Sustainability Reporting by Listed Companies

Sustainable Disclosure Indicators - Cement Industry

No.	Indicators	Type of Indicator	Annual Disclosure	Page No.	Remarks
1	Total Energy Consumption, Percentage of Purchased Electricity and Renewable Energy Utilization Rate	Quantitative	5.2 Greenhouse Gas Emissions and Energy Usage	p.94	Purchased electricity: 100%. Renewable energy: 0%
2	Total water withdrawal and total water consumption	Quantitative	5.2 Greenhouse Gas Emissions and Energy Usage	p.94	
3	Weight of waste generated, percentage of hazardous waste, percentage of hazardous waste and recycling	Quantitative	5.2 Greenhouse Gas Emissions and Energy Usage	p.94	Hazardous waste: 0%
4	Number and rate of occupational disasters	Quantitative	5.4 Workforce Statistics	p.96	
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.	-	

Climate-related information and implementation from 2024 Annual Report Sector 2.3.6	Corresponding Section/Explanation	Page No.
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	Please refer to the 2024 Annual Report	46
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Please refer to the 2024 Annual Report	46
3. Describe the financial impact of extreme weather events and transformative actions	Please refer to the 2024 Annual Report	46
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	Please refer to the 2024 Annual Report	46
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Please refer to the 2024 Annual Report	46
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	Please refer to the 2024 Annual Report	47
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Please refer to the 2024 Annual Report	47
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to the 2024 Annual Report	47
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	5.2 Greenhouse Gas Emissions and Energy Usage	94

5.8 Taiwan Sustainable Taxonomy

Chia Hsin Cement has identified 0 economic activities applicable under this guideline, accounting for 0% of total revenue.

Chia Hsin Cement has 0 economic activities in compliance with this guideline, also accounting for 0% of total revenue.

Step	Chia Hsin Cement			
	A. Cement	B. Hospitality	C. Warehousing & Storage	D. Poverty Management
1. Identification of the company's primary economic activities and their share of total revenue in the past year.	41%	27%	22%	10%
2. Assessment of whether the primary economic activities align with the "General Economic Activities" or "Emerging Economic Activities" as defined by the taxonomy.	Not eligible	Not eligible	Not eligible	Not eligible
3. Evaluation of whether the activities meet the criteria for sustainable economic activities based on the following three conditions:				
a. Whether they meet the technical screening criteria for "substantial contribution to climate change mitigation."				
b. Whether they "do not cause significant harm to the other five environmental objectives."				
c. Whether they "do not cause significant harm to social safeguards."				
4. Whether an improvement plan has been established.	Not eligible	Not eligible	Not eligible	Not eligible
Assessment outcome: Compliance status of individual economic activities with the taxonomy.	Not eligible	Not eligible	Not eligible	Not eligible

5.9 UN Global Compact – 10 Principles Mapping 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.	Human Rights Policy (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.	Supplier Management Policy (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.	Human Rights Policy (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.	Human Rights Policy (Official Website)
	Principle 5: The effective abolition of child labor	CHC Group refuses illegal child labor recruitment.	Human Rights Policy (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.	Human Rights Policy (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 Climate Governance 3.2 Climate Action Environmental Management (Official Website)
	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.	3.3 Energy Efficiency Environmental Management (Official Website)
	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.	3.3 Energy Efficiency Environmental Management (Official Website)
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 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.	2.3 Ethical Management

Independent Third-Party Verification Statement issued by the British Standards Institution (BSI)

[illegible]

Recent Two-Year Greenhouse Gas Inventory and Assurance Status

Greenhouse Gas Inventory Overview

- The parent company began its GHG inventory process in 2023.
- Subsidiaries included in the consolidated financial report are scheduled to initiate GHG inventories starting in 2025.

In alignment with the ISO 14064-1 standard, Chia Hsin Cement Corporation has established a comprehensive greenhouse gas (GHG) inventory mechanism. Since 2022, the Company has conducted annual inventories covering both its own operations and those of subsidiaries included in the consolidated financial statements. This enables full visibility of GHG usage and emissions, while also verifying the effectiveness of reduction actions.

The GHG data from the past two years have been compiled using the operational control approach, encompassing emissions from both the parent company and all subsidiaries under the consolidated financial report, as detailed below:

		2023		2024	
		Carbon emissions (t-CO ₂ e)	Carbon emissions per unit of revenue (t-CO ₂ e / NT\$M)	Carbon emissions (t-CO ₂ e)	Carbon emissions per unit of revenue (t-CO ₂ e / NT\$M)
Chia Hsin Cement Corp.	Scope 1	7.3684		9.9904	
	Scope 2	6.4728		3.7463	
	Sum	13.8412		13.7367	
All subsidiaries included in the consolidated financial statements	Scope 1	965.6043		942.4246	
	Scope 2	7008.8511		6821.1611	
	Sum	7974.4554		7763.5857	
Total		7988.2966	2.74	7777.3224	2.61

Greenhouse Gas Assurance Information

- The parent company commenced GHG assurance procedures in 2024.
- Subsidiaries included in the consolidated financial statements are scheduled to begin assurance procedures in 2027.

Following its sustainability roadmap, Chia Hsin Cement Corporation has implemented reasonable assurance of Scope 1 and Scope 2 emissions for the parent company since 2020. This assurance was extended to include subsidiaries under the consolidated financial statements starting in 2022. In 2023 and 2024, the assurance scope comprehensively covered 100% of the GHG emissions of the parent company and all subsidiaries included in the consolidated financial statements. The assurance was conducted by BSI Taiwan, following both Taiwan’s Statement of Assurance Engagements No. 3410 on “Assurance Engagements on Greenhouse Gas Statements” (issued by the Accounting Research and Development Foundation) and the ISO 14064-3:2018 standard.

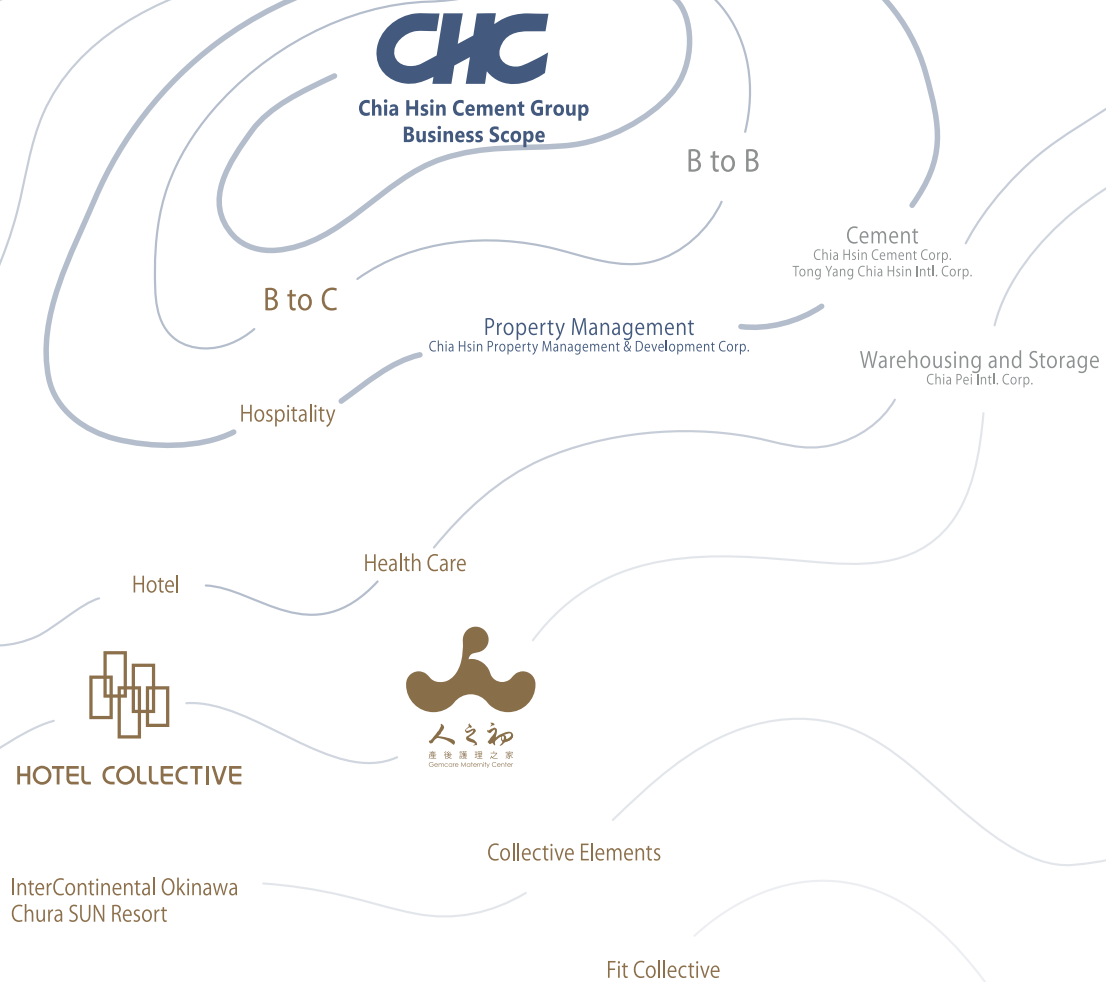
For both years, BSI provided reasonable assurance with an unqualified conclusion, confirming the high reliability of the reported emissions data within the assurance scope.

5.11 Sustainability Report Editing and Review Team

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Chia Hsin Cement
Group Website



Chia Hsin Cement
Group FB



Hotel Collective
Website



Gemcare Maternity
Center Website



ESG Report &
TCFD Report
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