嘉新企業團
CHIA HSIN CEMENT GROUP

2024 TCFD

Task Force on Climate-related Financial Disclosures Report

CHIA HSIN CEMENT GROUP

Table of Content

About this Report

This report is prepared in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). It is structured around the four core elements and discloses information aligned with the 11 recommended disclosures applicable across industries, focusing on Chia Hsin Cement Corporation (stock code: 1103) and its subsidiaries (collectively referred to as "CHC"). This report outlines CHC's resilience and adaptation plans in response to climate change challenges.

The Climate Information Disclosure Team, under the Sustainable Development Office of CHC, is responsible for identifying and assessing climate-related risks and opportunities, assisting internal teams in developing relevant quantitative methodologies and indicators, and advancing management strategies to mitigate or adapt to climate impacts.

This report is Chia Hsin Cement Corporation's second standalone publication in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. For prior climate-related disclosures, please refer to the CHC Sustainability Reports of previous years.

Contact Information

If you have any questions or suggestions about this report, please contact the following department person.

- Department: Financial Department
- Contact Person: Wen-Yu Feng, Manager
- Phone: +886-2-2551-5211 ext. 311
- Email:marsfeng@chcgroup.com.tw

Reporting Boundary

- Disclosure Scope:
  Chia Hsin Cement Corporation Consolidated Financial Statements.
- Reporting Period:
  January 1, 2024 to December 31, 2024

01 Company Overview

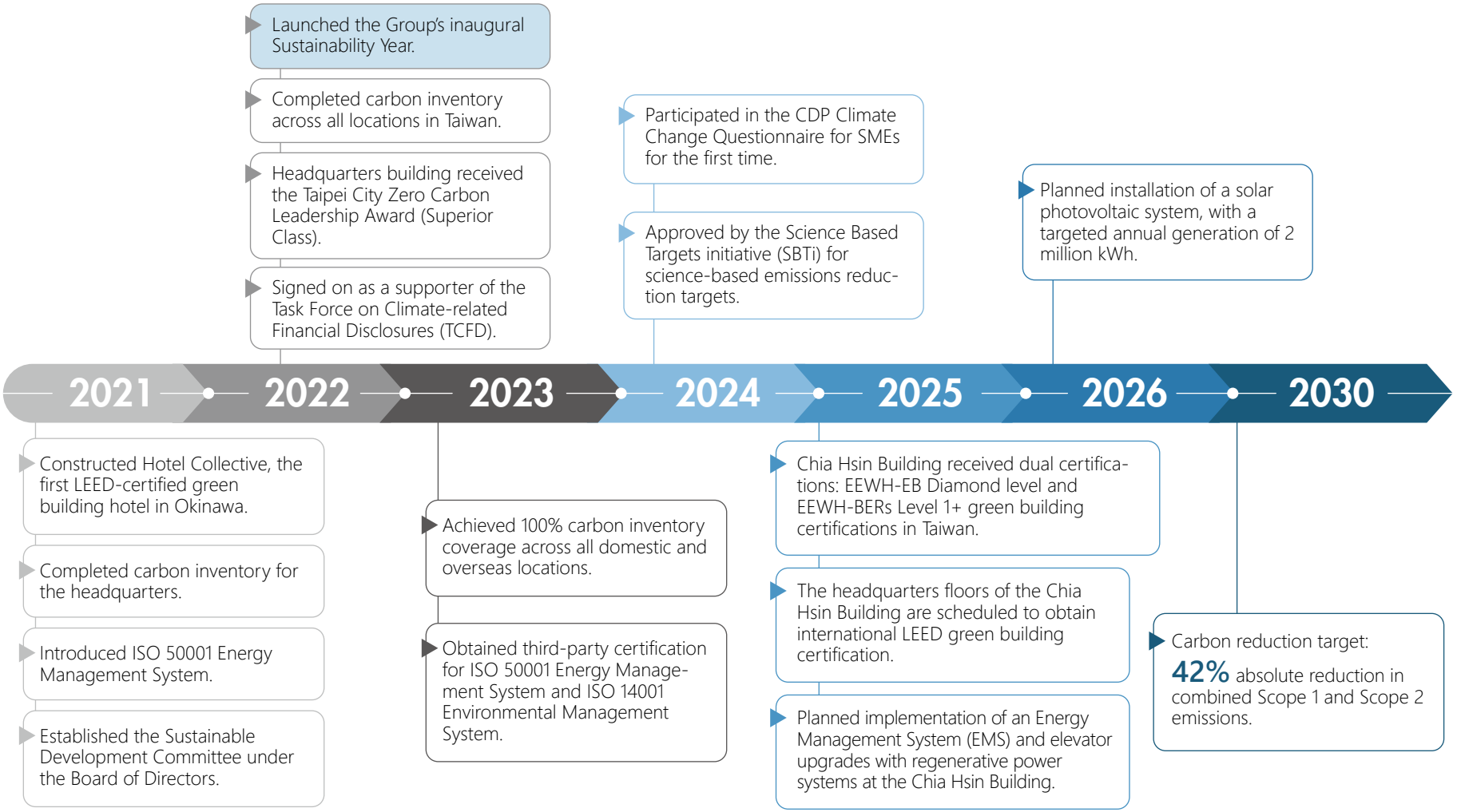
1.1 Company Profile

Chia Hsin Cement Corporation (CHC) was founded in 1954 by Mr. M. Y. Chang and is the first privately established cement company in Taiwan.

Over the past 70 years, through persistent efforts and dedication, CHC has evolved into a people-centered, diversified service enterprise in response to changing markets and demands, with business operations spanning Cement and Warehousing, Property Management, and Hospitality Services.

CHC is now prioritizing hospitality as an emerging business segment and is increasingly integrating green and environmentally friendly concepts into its operations. For instance, hotel developments incorporate LEED green building design principles, while postpartum care centers adopt the WELL Building Standard to create healthy, livable indoor environments.

1.2 Climate-Related Milestones



In line with the Paris Agreement and Taiwan's 2050 Net-Zero Emissions goal, CHC Group submitted its science-based targets (SBT) for validation in 2023. These targets were officially approved by the Science Based Targets initiative (SBTi) in January 2024. CHC commits to a 42% absolute reduction in Scope 1 and Scope 2 emissions by 2030, reaffirming its determination to achieve climate goals and reduce its operational carbon footprint.

02 Climate Change Governance

2.1 Supervision of the Board of Directors on Climate-related Risks and Opportunities

Since 2020, CHC has regularly reported the implementation status of various sustainability initiatives to the Board of Directors. In response to global sustainability trends and strategic needs, CHC formally established the Sustainable Development Committee under the Board at the end of 2021. This Committee consolidated and continued the core functions originally carried out by the corporate governance organization set up in 2019—such as risk management, corporate social responsibility, and corporate governance.

A Chief Sustainability Officer (CSO) was appointed, and the Sustainable Development Office was created to carry out and expand these functions. Additional responsibilities related to environmental management and climate action have since been incorporated, enabling the Board to effectively oversee sustainability performance and advance CHC's sustainable development efforts.

The Board of Directors serves as the highest governing body for climate-related issues. The Sustainable Development Committee is chaired by Mr. Jason K. L. Chang, Chairman of the Board, while Ms. Li-Hsin Wang, President, serves concurrently as the Chief Sustainability Officer. The Committee is supported by the Sustainable Development Office, led by the Office Manager who also acts as the Executive Secretary.

The Committee is responsible for reviewing CHC's climate strategies and targets, supervising implementation progress, and reporting to the Board at least annually. In 2024, two Committee meetings were held, covering updates on CHC's Sustainability Blueprint, greenhouse gas inventory, annual budgeting for 2025, and progress across key initiatives.

(Refer to Section 3.1.2 of the 2024 Sustainability Report for detailed descriptions of taskforce responsibilities.)

2.2 Roles of the Management in Assessing and Managing Climate-related Risks and Opportunities

The Sustainable Development Office is responsible for promoting sustainability-related strategies and initiatives across CHC. The Office is led by the Chief Sustainability Officer. In 2024, the Office adjusted the names and scopes of its internal taskforces based on their respective responsibilities. It now comprises six functional taskforces: Governance, Information Disclosure, Corporate Commitment, Environmental Management, Stakeholder Engagement, and Social Impact. These are formed by cross-functional teams from operational units and departments. The Office holds regular meetings to monitor the progress of CHC's sustainability targets. In 2024, a total of five meetings were held.

To strengthen the company's response to climate change, both the Environmental Management and Information Disclosure Taskforces incorporated climate targets and issues into individual Key Performance Indicators (KPIs) during 2024's Personal Performance Development Plan cycle. Additionally, contributions from each sustainability taskforce were included as bonus items in performance assessments to encourage team participation and commitment toward sustainability.

Going forward, CHC will further strengthen sustainability performance management, including evaluating the integration of climate-related targets and their achievement into the performance evaluations and compensation mechanisms of senior executives. This initiative aims to support the realization of climate goals, promote the Company's sustainable development across economic, social, and environmental dimensions, and encourage senior management to engage more proactively with ESG issues to achieve comprehensive sustainability objectives.

Climate Change and Sustainability Issues ▶ Addressed mainly by Information Disclosure Taskforce, Environmental Management Taskforce and Corporate Commitment Taskforce.

Information Disclosure Taskforce

Responsible for identifying and assessing climate-related risks and opportunities, supporting the development of quantitative methods and metrics, and promoting related management measures to mitigate or adapt to climate impacts. The taskforce also plans and coordinates climate-related financial disclosures (TCFD), enhances information transparency through participation in external evaluations, and strengthens communication with shareholders and stakeholders.

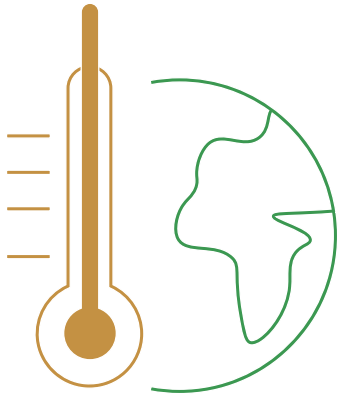
Environmental Management Taskforce

With a focus on environmental sustainability and long-term corporate sustainability, this taskforce develops strategies aligned with key environmental topics, and promotes initiatives related to environmental protection, energy conservation, carbon reduction, and ecological sustainability—demonstrating the Company's role as a responsible corporate citizen.

Corporate Commitment Taskforce

Responsible for developing risk management frameworks, establishing measurement and monitoring mechanisms, and providing timely reporting and early warnings for significant risks. The taskforce also monitors domestic and international governance trends, supports the Board in enhancing its effectiveness, and formulates supplier management guidelines in alignment with international standards.

03 Climate Change Strategies



3.1 Identification of Short-, Medium-, and Long-Term Climate-related Risks and Opportunities

On July 28, 2022, the United Nations passed a historic resolution recognizing **"the right to a clean, healthy, and sustainable environment"** as a fundamental human right. This underscores the intrinsic connection between human rights and environmental protection, while also serving as a call for justice on behalf of those most affected by climate-related disasters.

As climate change intensifies, many regions around the world are increasingly affected by extreme weather events—including heatwaves, torrential rainfall, droughts, strong winds, and wildfires. These events pose escalating risks to human health (e.g., heat exhaustion, vector-borne diseases, limited access to clean water, and respiratory illnesses due to air pollution), food security (e.g., crop failures, rising food prices, and famine), and public safety (e.g., flooding, wildfires, building collapses, and landslides).

The year 2024 has officially become the hottest on record, with the global average temperature exceeding 1.5°C above pre-industrial levels for the first time. Greenhouse gas emissions remain the primary driver of rising temperatures, while extreme weather events occurred with increasing frequency around the world. According to the World Meteorological Organization (WMO), global near-surface temperatures between 2025 and 2029 are projected to exceed pre-industrial averages by 1.2°C to 1.9°C annually. United Nations Secretary-General António Guterres has urged all governments to take immediate action by introducing more robust national climate action plans to limit long-term global warming to 1.5°C and to support the communities and regions most vulnerable to climate change.

In response to the impacts of extreme weather and climate change, CHC identifies climate-related risks and opportunities through the Information Disclosure Taskforce, which conducts interviews and cross-departmental collaboration. Based on CHC's three major business segments, individual climate risk and opportunity lists are developed for each unit. This process is supported by dedicated workshops and references to the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). In parallel, evaluation follows criteria established by the Governance Taskforce, based on the magnitude of impact, likelihood of occurrence, and time horizon. The identification of material climate-related topics is reviewed and updated on a biennial basis.

Once material climate risks are identified, CHC estimates their potential financial impacts and develops corresponding response plans and adaptation measures. These efforts aim to enhance operational resilience, mitigate the effects of climate-related risks, and capture potential opportunities arising from climate change. The identified material risks are also submitted to the Governance Taskforce for integration into CHC's overall risk prioritization framework.

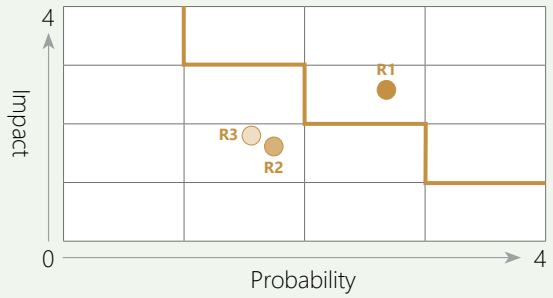
3.2 Impacts of Climate-related Risks and Opportunities

CHC evaluates climate-related risks and opportunities across its three major business units—Property Management, Cement and Warehouse Services, and Hospitality—by collecting risk and opportunity issues relevant to each sector's characteristics. Customized questionnaires are designed for each business unit, and the results are consolidated and analyzed to produce climate risk and opportunity matrices. These matrices are used to assess the potential impact and likelihood of each issue on the Company. The corresponding matrix diagrams, potential financial impacts, and response measures are presented as follows:

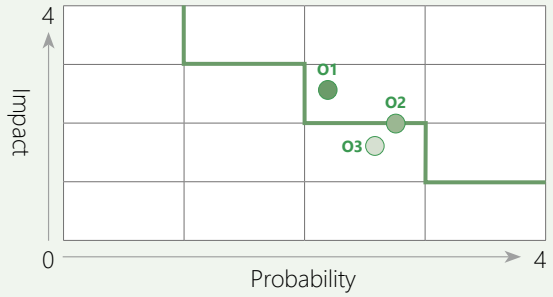
3.2.1 Property Management Business

Climate Risk and Opportunity Matrix

Risk Matrix (—— Tolerance Limit)



Opportunity Matrix (—— Tolerance Limit)



Risk/ Opportunity Type		Item	Materiality Explanation
Transition Risk	Policy / Regulatory	R1：Strengthening regulations for existing products and services	Above tolerance threshold; prioritized in response strategy.
Physical Risk	Acute	R2：Asset or equipment damage caused by disasters or accidents	Below tolerance threshold; currently considered an acceptable risk, with no immediate action planned.
	Chronic	R3：Potential operational disruptions caused by climate-related disasters	
Opportunity	Products and Services	O1：Provision of low-carbon products and services	Above tolerance threshold; prioritized in strategic planning.
	Resource Efficiency	O2：Improving energy efficiency in buildings	
	Energy Source	O3：Adoption of low-carbon and distributed energy sources	Below tolerance threshold; opportunity not yet prioritized for strategic action.

▼ Impact Timing of Various Risks and Opportunities

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

▼ Material Climate-related Risks and Opportunities and Corresponding Response Strategies-Property Management

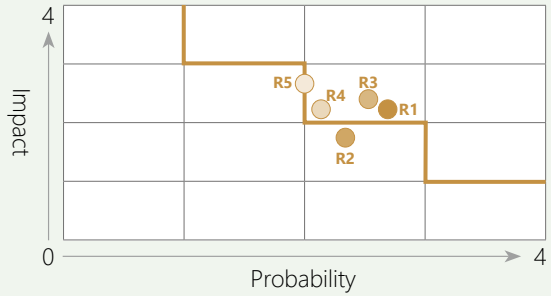
Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Transition – Policy and Regulatory	Strengthened regulations for existing products and services	New construction or renovation projects may face stricter energy and green building regulations. For instance, meeting updated green building standards may require additional capital expenditures or higher equipment costs, and obtaining green building certification may involve extra application and maintenance expenses.	✓	✓	✓	Increased capital expenditures; higher operating costs	• Use energy-efficient and environmentally certified products across all operations. • Actively implement energy-saving and carbon-reduction strategies to enhance energy efficiency. • Evaluate the feasibility of solar energy equipment. • In real estate development, respond to consumer preferences by planning for green building certification. In 2025, the CHC Building received dual certification: EEWH-EB Diamond and EEWH-BERSe Level 1+.

Type of Opportunity	Opportunity Driver	Opportunity Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Products and Services	Provision of low-carbon products and services	Use of renewable energy, high-efficiency materials, and green building technologies to reduce carbon footprint and operating costs, while enhancing market appeal. Market demand is rising for buildings with climate resilience and green building performance, which can help increase occupancy rates and revenue.		✓	✓	Increased revenue; higher costs	• In real estate development, evaluate potential for green building certification. • Prioritize procurement of energy-efficient and energy-saving equipment; actively promote various environmental conservation initiatives. • Improve energy use efficiency and establish energy-efficient equipment procurement plans. • Replace outdated equipment to improve efficiency. • Starting in 2023, replace lighting with energy-saving and high-efficiency LED systems. • Assess feasibility of implementing an Energy Management System (EMS) to optimize energy use in office buildings.
Resource Efficiency	Improve building energy efficiency	Enhance building resource efficiency through equipment upgrades, waste reduction, electricity savings, and evaluating solar panel installation potential.		✓	✓	Reduced operating costs; increased revenue	

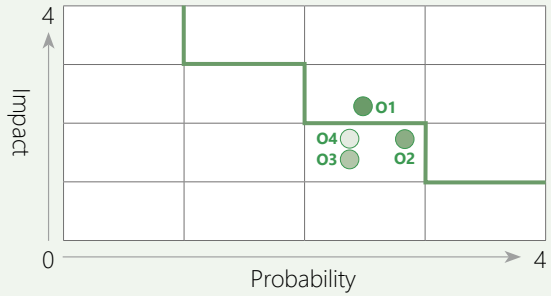
3.2.2 Cement and Warehouse Service

Climate Risk and Opportunity Matrix

Risk Matrix (—— Tolerance Limit)



Opportunity Matrix (—— Tolerance Limit)



▼ Impact Timing of Various Risks and Opportunities

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

Risk/ Opportunity Type		Item	Materiality Explanation
Transition Risk	Policy / Regulatory	R1：Strengthening regulations for existing products and services	Above tolerance threshold; prioritized in response strategy.
	Reputation	R2：Cement industry stigmatization (reputational impact)	Below tolerance threshold; currently considered an acceptable risk, with no immediate action planned.
Physical Risk	Acute	R3：Increased severity of extreme weather events disrupting operations	Above tolerance threshold; prioritized in response strategy.
		R4：Disruption to construction activities	
	Chronic	R5：Sea level rise	
Opportunity	Products and Services	O1：Low-carbon and environmentally friendly warehousing facilities	Above tolerance threshold; prioritized in strategic planning.
	Market	O2：Demand for low-carbon cement	Below tolerance threshold; opportunity not yet prioritized for strategic action.
		O3：Increased demand for high-strength cement	
		O4：Demand for resilient infrastructure	

▼ Material Climate-related Risks and Opportunities and Corresponding Response Strategies-Cement and Warehouse Service

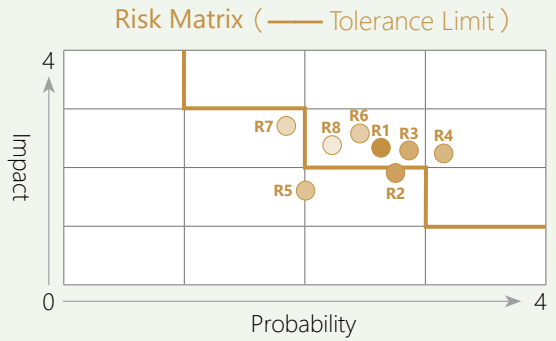
Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Transition – Policy and Regulatory	Strengthening regulations for products	Regulatory requirements in response to national net-zero emissions targets: ● Paying carbon fees increases operational costs. ● Gradual decline in coal demand may reduce cargo handling revenue.	✓	✓	✓	Increased capital expenditures and operating costs due to equipment procurement and replacement. Decreased revenue.	● Set science-based carbon reduction targets (SBT). ● Maintain ISO 50001 Energy Management System certification at Taiwan facilities. ● Install solar photovoltaic (PV) systems, with annual power generation expected to exceed 2 million kWh starting in 2026. ● Diversify business portfolio by actively exploring new commercial opportunities and development directions. ● Increase shipments of low-carbon cement. ● Adjust and optimize operations by negotiating contract revisions with port authorities in response to market demand and development trends. ● Ensure regulatory and policy compliance by tracking government policies and taking timely responsive actions.

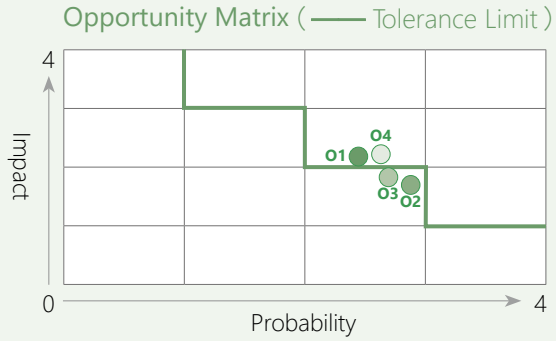
Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Physical Risk – Acute	Increased frequency and severity of extreme weather events disrupting operations	The increasing frequency of extreme weather events has disrupted transportation, affecting vessel scheduling and inbound shipments, thereby impacting supplier deliveries. Typhoons, flooding, and prolonged heatwaves have interfered with port loading/ unloading operations, labor availability, and infrastructure functionality, leading to scheduling delays.	✓	✓	✓	Decreased revenue	• Reference domestic and international monitoring data and research reports; monitor changes in rainfall and water levels. • Implement optimized inventory management and flexible transportation scheduling. • Prioritize coastal site protection and enhance risk prevention measures at operational facilities. • Use insurance to transfer risk and compensate for potential losses. • Enhance operational resilience through business diversification.
	Disruption to construction activities	Extreme weather conditions may disrupt customer construction activities, leading to reduced product sales and decreased revenue.	✓	✓	✓	Decreased revenue	
Physical Risk – Chronic	Sea level rise	Rising sea levels may inundate port and operational facilities, including existing and under-construction assets. This could lead to asset impairment, operational disruptions, and reduced value of goods such as cement and coal.	✓	✓	✓	Asset impairment, operational disruptions, and reduced value of goods such as cement and coal.	

Type of Opportunity	Opportunity Driver	Opportunity Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Products and Services	Low-carbon products and services	Provide low-carbon and environmentally friendly warehousing facilities and services, including the installation of renewable energy systems, smart energy-saving handling equipment, and improved automation to enhance operational efficiency and reduce operating costs.	✓	✓	✓	Increased revenue; higher costs.	• Maintain ISO 50001 Energy Management System certification at Taiwan facilities. • Install solar photovoltaic (PV) systems, with annual power generation expected to exceed 2 million kWh. • Continuously identify outdated and energy-intensive equipment, and evaluate replacement plans. • Install additional equipment and systems for low-carbon cement distribution. • Upgrade pneumatic cement loading systems to improve energy efficiency and reduce emissions.

3.2.3 Hospitality

Climate Risk and Opportunity Matrix





▼ Impact Timing of Various Risks and Opportunities

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

Risk/ Opportunity Type		Item	Materiality Explanation
Transition Risk	Policy / Regulatory	R1：Strengthening regulations for existing products and services	Above tolerance threshold; prioritized in response strategy.
	Market	R2：Shifting consumer preferences	Below tolerance threshold; currently considered an acceptable risk, with no immediate action planned.
	Technology	R3：Increased cost of low-carbon technology, equipment, and management	Above tolerance threshold; prioritized in response strategy.
	Market	R4：Rising raw material and energy prices	
	Reputation	R5：Increased scrutiny and negative perception from stakeholders	Below tolerance threshold; opportunity not yet prioritized for strategic action.
Physical Risk	Acute	R6：Increased frequency of extreme weather events	Above tolerance threshold; prioritized in response strategy.
	Chronic	R7：Sea level rise	Below tolerance threshold; currently considered an acceptable risk, with no immediate action planned.
		R8：Changes in climate patterns and frequency (e.g. rainfall shifts, average temperature rise)	Above tolerance threshold; prioritized in response strategy.
Opportunity	Resource Efficiency	O1：Improved building energy efficiency	Above tolerance threshold; to be integrated into strategic planning.
	Energy Source	O2：Adoption of low-carbon and distributed energy	Below tolerance threshold; opportunity not yet prioritized for strategic action.
	Market	O3：Providing low-carbon services	
		O4：Transparent ESG disclosure	Above tolerance threshold; prioritized in response strategy.

▼ Material Climate-related Risks and Opportunities and Corresponding Response Strategies- Hospitality

Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Transition – Policy and Regulatory	Strengthened regulations for existing products and services	Policies requiring low-carbon compliance may necessitate the adoption of low-carbon materials and green electricity, leading to increased capital and operating expenditures.	✓	✓		Procurement and replacement of equipment ; Increased capital and operating cost.	• Purchase high energy-efficiency equipment. • Replace HVAC units with total heat exchangers to reduce electricity load. • Adopt VRV systems that automatically adjust cooling output based on indoor temperature to reduce energy consumption. • Replace boilers with heat pump systems. • Install rainwater harvesting systems for landscape irrigation to reduce potable water consumption. • Install LED lighting systems throughout the facility with adjustable brightness based on usage to improve energy efficiency. • Use water-saving sanitary fixtures to reduce daily water consumption. • Promote internal awareness to strengthen energy conservation practices. • Ensure newly established business sites adopt environmentally friendly design as a core principle to maximize energy efficiency and reduce overall energy use.
Transition Risk – Technology	Investment in low-carbon technologies, equipment, and management systems	Transition to renewable energy sources and changes in energy supply may lead to increased cost.	✓	✓		Increased capital and operating cost.	• Expand renewable energy business and invest in the solar energy market.

Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Transition Risk – Market	Rising costs of raw materials and energy	The rise in raw material and energy prices increases the cost of products and services supplied through the value chain, thereby raising operating costs for the hospitality business.	✓	✓	✓	Increased operating cost.	• Near-term science-based targets (SBTs) set and validated. • Strengthen energy management to improve efficiency.
Physical Risk – Acute	Increased frequency of extreme weather events	More frequent extreme weather events reduce customer willingness to travel, increase cancellations, and lower occupancy rates, leading to revenue loss.	✓	✓	✓	Reduced revenue	• Maintained and regularly updated emergency response manuals and physical protective measures for natural disasters such as typhoons and tsunamis. • Conduct regular fire drills, emergency evacuation training, and basic CPR courses to strengthen employee preparedness. • Monitor weather indicators such as wind speed, rainfall, and water levels to enable timely emergency response.
Physical Risk – Chronic	Long-term changes in climate patterns and frequency (e.g., shifts in precipitation patterns, rise in average temperature)	• Rising temperatures may increase the use of hotel air conditioning and refrigeration systems. • Consumer preferences may shift toward indoor activities, potentially reducing demand for outdoor amenities and increasing the need for additional indoor facilities.	✓	✓	✓	Increased operating and capital cost.	• Provide training and education to help employees prepare for and respond to crisis events, and build resilience in post-disaster recovery. • Implement equipment usage management to reduce resource waste. • Expand indoor activity options to accommodate consumer preferences for indoor environments and enhance overall facility appeal. • Purchase business liability insurance to transfer accident-related risks and compensate for disaster-related losses.

Type of Opportunity	Opportunity Driver	Opportunity Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Resource Efficiency	Transparent disclosure of sustainability-related information	Enhance utilization efficiency of energy, water, and other resources through smart building management, digital monitoring, and energy-saving control measures, thereby reducing operating costs, enhancing asset value, and improving brand image and competitiveness.	✓	✓		Reduced operating costs; improved brand value.	• Implement energy management practices to continuously monitor and reduce off-peak energy use in hotel operations. • Obtain LEED and WELL green building certifications to enhance brand image. • Use energy-efficient equipment to lower energy consumption and reduce operating costs. • Reduce use of disposable items by refraining from providing single-use amenities; replace bath products with refillable large-format dispensers. • Select eco-friendly and recycled materials for guest amenities. • Digitize in-room notices to reduce paper usage. • Promote reduced linen change frequency for guests staying multiple nights.
Products and Services	Enhancing energy efficiency in buildings	Disclosing sustainability and environmental data, goals, and strategic actions relevant to different stakeholders helps enhance brand awareness and reputation, while boosting investor and financial institution confidence in financing or investment decisions.		✓	✓	Increased revenue; Enhanced brand value.	• Communicate sustainability achievements through the corporate website, annual report, shareholders' meetings, and investor conferences to strengthen stakeholder engagement and reinforce the company's commitment to sustainability and environmental responsibility. • Near-term science-based targets (SBTs) set and validated to enhance corporate image.

3.3 Scenario Analysis

In line with TCFD recommendations, CHC identified material physical and transition risks that may significantly impact business operations and decision-making. A climate scenario analysis was conducted to assess potential financial impacts and associated management costs. Based on the results, CHC developed appropriate response strategies to enhance climate resilience and adaptive capacity.

1 Physical risk

Climate Risk Scenario: Increased Frequency of Extreme Weather Events.

CHC evaluated the potential financial impacts arising from the increased frequency of extreme weather events such as typhoons, floods, and torrential rain. Based on the analysis, CHC developed and implemented appropriate adaptation strategies to mitigate risks and enhance 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	Decreased guest willingness to stay due to extreme weather; cancellations lead to lower occupancy.
Expected Financial Impact	Estimated revenue loss of NT$3.55 million in 2025, accounting for 0.48% of projected revenue.
Expected Management Cost	Ongoing management costs for maintaining operations are estimated at NT$1.71 million, accounting for 0.23% of expected 2025 revenue.
Financial & management cost impact (% of 2025 revenue)	0.71%
Response strategies	● Maintained and regularly updated emergency response manuals and physical protective measures for natural disasters such as typhoons and tsunamis. ● Conduct regular fire drills, emergency evacuation training, and basic CPR courses to strengthen employee preparedness. ● Monitor weather indicators such as wind speed, rainfall, and water levels to enable timely emergency response.

2 Physical risk

Sea level rise.

Ports and operational equipment may be affected, potentially leading to business disruption or requiring CHC to relocate operations.

▼ Reference: IPCC 6th Assessment Report (AR6)

Scenario setting	Temperature scenario	SSP5-8.5 (temperature rise of 4.0°C)
		SSP1-2.6 (temperature rise of 1.5°C)
	Impact period	Long term (>5 years). Analysis based on 2030
	Affected parties	Upstream, own operations and downstream

Risk Topic	Sea level rise.
Operational Impact	Existing and under-construction assets may be inundated by rising sea levels, resulting in asset impairment and loss of value.
Expected Financial Impact	Asset impairment, reduced revenue (due to operational disruption), and increased costs (due to damage to products such as cement and coal).
Expected Management Cost	Under both SSP5-8.5 (4.0°C rise) and SSP1-2.6 (1.5°C rise) temperature scenarios, the projected financial impact is 0% (note).
Financial & management cost impact (% of 2025 revenue)	
Response strategies	● Referenced domestic and international monitoring data and research to track changes in rainfall and water levels. ● Implemented optimized inventory and flexible logistics scheduling. ● Strengthened protective measures at coastal operational sites to reduce disaster losses. ● Used insurance coverage to transfer risks and compensate for potential damages. ● Diversified operations to enhance business resilience.

Note: Based on the IPCC 6th Assessment Report Sea Level Projections database, the simulated average sea level rise under SSP5-8.5 and SSP1-2.6 scenarios by 2030 do not reach the elevation of critical port operational infrastructure. Therefore, no asset impairment, operational disruption, or loss of value for products such as cement and coal is expected.

3 Transition risk

Strengthen regulation of existing products and services.

In response to the national net-zero emissions goal, regulations or client requirements may compel CHC to provide low-carbon warehousing, logistics, and sales services, potentially leading to increased costs.

▼ Reference: IPCC 6th Assessment Report (AR6)

Scenario setting	Temperature scenario	IEA Stated Policies Scenario
		IIEA NDC Scenario SSP1-2.6 (temperature rise of 1.5°C), aligned with Taiwan's NDC target
	Impact period	Medium term (3–5 years); analysis is based on 2030 (Note 1)
	Affected parties	Upstream, own operations and downstream

Risk Topic	Strengthen regulation of existing products and services.	
Operational Impact	The government´s carbon management regulations require carbon fees.	
Expected Financial Impact	IEA Stated Policies Scenario	Cost increase: carbon fees are projected to rise by approximately NT$270,000 to NT$3.72 million by 2030, accounting for about 0.002% to 0.027% of the projected revenue of the business unit.
	IEA NDC Scenario	Cost increase: carbon fees are projected to rise by approximately NT$720,000 to NT$9.65 million by 2030, accounting for about 0.005% to 0.069% of the projected revenue of the business unit.
Expected Management Cost	To reduce carbon fee expenses, CHC plans to invest in energy-efficient equipment upgrades, with estimated management costs of NT$42 million from 2024 to 2025, accounting for approximately 0.302% of projected business unit revenue.	
Financial & management cost impact (% of 2030 revenue) (note2)	IEA Stated Policies Scenario	0.304%~0.328%
	IEA NDC Scenario	0.307%~0.371%
Response strategies	• Set science-based targets (SBT). • Maintain ISO 50001 Energy Management System certification. • Install rooftop solar PV system (target: >2 million kWh/year starting 2026). • Diversify business: portfolio and explore new opportunities. • Increase supply of low-carbon cement. • Adjust business strategies: optimize port contracts based on demand. • Regulatory compliance and policy: Monitor and respond to policy and regulatory changes.	

Note 1: Due to limitations in external data availability, projections for 2028 were not accessible; therefore, analysis was conducted based on 2030 estimates.
Note 2: Carbon emissions were projected using both the SBTi reduction pathway and the Business As Usual (BAU) scenario.

4 Transition risk

Rising raw material prices lead to increased operating costs.

Raising raw material prices has increased the cost of products and services provided by the supply chain, thereby raising operating costs for CHC's hospitality business unit.

▼ Reference: IPCC 6th Assessment Report (AR6)

Scenario setting	Temperature scenario	SSP1-2.6 (temperature rise of 1.5°C) ; Taiwan/Japan achieving NDC targets
	Impact period	Short term (<3 years). Analysis based on 2025
	Affected parties	Upstream, own operations and downstream

Risk Topic	Raising raw material prices, leading to increased costs.
Operational Impact	The cost of products and services provided by the supply chain has increased.
Expected Financial Impact	Cost increase: estimated at NT$6 million, accounting for approximately 0.78% of the business unit's projected revenue.
Expected Management Cost	0
Financial & management cost impact (% of 2025 revenue)	0.78%
Response strategies	● Set near-term targets under the Science Based Targets initiative (SBTi). ● Implemented energy management measures to improve energy efficiency.

5 Opportunity

Investment in and Use of Renewable Energy.

In anticipation of future energy transition trends, CHC is actively evaluating various renewable energy solutions. In alignment with its green energy goals, CHC has planned to develop solar power projects, with an estimated annual electricity generation capacity of 2 million kWh.

Since 2023, CHC has gradually increased its investment in Chia Hsin Green Electricity Corporation, with a total investment amounting to NT$105 million. Scenario analysis has been conducted to preliminarily assess the financial impact, considering both the capital expenditures for energy transition equipment and the potential reduction in operating costs following implementation.

Scenario setting	Impact period	Medium term (3-5 years). Analysis based on 2030
	Affected parties	Upstream, own operations and downstream

Opportunity Topic	Investing in green energy to facilitate energy transition and reduce costs.
Operational Impact	Solar PV systems generate electricity for self-consumption, reducing power purchase costs.
Expected Financial Benefit	Revenue increased, with cumulative power generation income totaling approximately NT$46 million, accounting for 0.058% of projected revenue.
Expected Management Cost	Operating costs are expected to total approximately NT$28 million by 2030, accounting for around 0.035% of projected revenue.
Financial & management cost impact (% of 2030 revenue) (note)	0.093%
Response strategies	Chia Hsin Green Electricity Corporation is utilizing CHC's owned sites to install solar PV systems, with annual power generation expected to reach 2 million kWh starting in 2026.

04 Climate Risk and Opportunity Management

4.1 Integration of Climate-Related Risk Identification, Assessment, and Management Processes

In response to business diversification, the CHC conducts a reassessment of climate-related issues for its three major business units—property management, cement and warehousing, and hospitality—on a biennial basis. However, an annual review is still carried out to evaluate whether significant changes have occurred in peer industry trends, operational boundaries, revenue sources, or financial performance. For the current year, no material changes were identified; therefore, the climate-related issues remain consistent with last year's assessment.

In terms of industry trends, the identification process is based on existing climate-related risks and opportunities, with a focus on examining whether changes in domestic and international climate policies and regulations, global initiatives, client demands, competitor strategies, and emerging technologies have influenced the relevance of climate issues. Cross-departmental meetings are also held to discuss and identify material risks. Once material risks are confirmed, potential financial impacts and operational implications are further assessed, and appropriate response measures are developed.

In line with the CHC's materiality criteria for risk management, the assessment considers financial, strategic, reputational, regulatory, legal, and operational dimensions. Specific indicators are developed under each category and are rated on a four-level scale (minor, low, medium, high). The materiality of risks and opportunities is then analyzed holistically. From a financial perspective, materiality is primarily based on the proportion of impact on annual revenue, while from an operational perspective, the number of days of potential business disruption is used as the assessment benchmark.

In addition, workshops and questionnaires were conducted to assess the potential impact, likelihood, and time horizon of each risk factor on the respective business units. Based on the consolidated assessment results, material risks and opportunities were identified. These identified material physical and transition risks were then submitted to the Governance Taskforce for inclusion in the CHC's overall risk ranking. The corresponding response measures and progress on implementation are reported to the Audit Committee. The Sustainable Development Office is responsible for coordinating and integrating across taskforces to ensure effective implementation of CHC's overall risk assessment, response planning, and oversight.

The CHC has identified short-, medium-, and long-term climate-related risks and opportunities. For those considered material—defined as risks or opportunities with a combined impact and likelihood score exceeding 8 out of a maximum of 16—CHC has incorporated them into investment planning and financial resource allocation to proactively address their potential impacts. The financial assessment process for climate-related risks and opportunities begins with the responsible departments preparing preliminary budgets and resource plans. These are documented in investment planning reports that clearly define the scope and strategies related to the specific risks or opportunities and submitted to the Sustainable Development Office. The Office reviews the financial budgets and implementation progress of each risk or opportunity on an annual basis.

Climate Change Risk Management Process

Identification of Climate Issues

- CHC has established its climate-related risk and opportunity identification process in alignment with the TCFD framework and with reference to the IFRS S2 standards.
- Through cross-functional collaboration, each of the CHC's three major business units conducted discussions to identify relevant climate-related risks and opportunities, completing the initial identification of climate change risks.

Assessment and Prioritization of Climate Issues

- Assess the severity of climate risk impacts based on likelihood of occurrence, expected time horizon, and potential operational and financial consequences.
- CHC evaluates climate-related risks in accordance with its risk materiality criteria, which serve as the basis for determining risk prioritization.

Monitoring and Improvement of Climate Issues

- Based on the results of the risk assessment, CHC identifies material risks and opportunities, formulates corresponding response measures, and develops climate risk management systems and policies. Material issues are then incorporated into the Group's overall risk prioritization and are subject to regular oversight and management by the risk management team.

The CHC's Risk Management Process

On-site Experience Feedback

Business Operations → Risk Identification → Risk Analysis and Evaluation → Risk Response → Risk Monitoring and Review

05 Climate Metrics and Targets

In response to climate change and global warming, CHC actively addresses environmental sustainability by implementing energy-saving, carbon reduction, and water conservation measures. The CHC continues to adopt or replace equipment with environmentally friendly and energy-efficient alternatives, minimizes the use of disposable utensils and bottled water, and strives to reduce its environmental impact.When developing new business projects, CHC proactively incorporates international environmental certification standards and implements relevant ecological protection measures. From building design and construction to operational practices, the CHC emphasizes eco-friendly and livable environments that promote health and quality of life, thereby fulfilling its social responsibility in environmental management and ecological conservation.

CHC evaluates climate change and associated carbon risks with a medium-term goal of achieving carbon neutrality across its office locations by 2030. In addition to continuously implementing energy and environmental management systems at each site to monitor electricity usage and improve efficiency through equipment upgrades, CHC is also actively assessing various renewable energy solutions. To align with CHC's green energy objectives, solar power development projects are currently underway, with annual electricity generation expected to reach 2 million kWh by 2026.

5.1 Environmental and Energy Policy

- Comply with environmental and energy-related regulations to reduce environmental impact.
- Continuously improve environmental performance and enhance resource efficiency.
- Review procurement processes and prioritize products with energy efficiency certifications.
- Promote environmental sustainability awareness through employee training.
- Incorporate international environmental sustainability standards when developing new business projects.
- Uphold biodiversity protection and commit to zero deforestation.

Scope of parties and application: This policy applies to all CHC employees, suppliers, contractors, and business partners, including joint ventures and outsourced service providers. Its scope covers operations, procurement, logistics, and product development. The policy also guides due diligence processes prior to any mergers or acquisitions to ensure alignment with CHC's commitment to environmental sustainability.

The Board of Directors oversees the implementation of CHC's environmental management policies and the Company's environmental performance. This includes supervising CHC's annual greenhouse gas inventory, joining the Task Force on Climate-related Financial Disclosures (TCFD) as a supporter, and submitting science-based targets (SBT) for emission reduction. The Board is committed to setting climate goals aimed at minimizing environmental impact.

5.2 Main Implementation Results and Future Goals of the Environmental Management Approach

Environmental Performance Goals

Timeframe	Goals and Actions	Expected Benefits
Short Term (2024)	• Completed company-wide greenhouse gas inventory for the third consecutive year and set medium- and long-term science-based targets (SBT) for carbon reduction. • Published CHC's first TCFD Climate-related Risk Report. • Implemented low-carbon equipment initiatives, including the replacement of six elevators at the Chia Hsin Building and the installation of low-carbon cement storage and handling equipment at the Keelung Port Logistics Center.	Enhance climate risk management by reducing energy consumption and improving inventory efficiency and transparency.
Medium Term (2025-2026)	• Conduct Scope 3 supply chain verification and inventory. • Apply for green building certification for the headquarters to enhance energy efficiency and environmental performance; plan for the introduction of an Energy Management System (EMS). • Install a solar PV system with a capacity over 2MW, targeting annual generation of over 2 million kWh to increase the share of green electricity.	Expand the scope of carbon management, strengthen supply chain resilience, and promote the use of renewable energy.
Long Term (by 2030)	• Achieve a combined 42% reduction in Scope 1 and Scope 2 emissions (SBTi-aligned target) and reach carbon neutrality for office operations. • Introduce internal carbon pricing to drive green transition. • Promote TNFD-aligned risk identification to protect biodiversity and continue supporting the UN Sustainable Development Goals.	Align with international decarbonization trends, enhance corporate sustainability competitiveness, and support the achievement of net-zero targets.

As the CHC no longer manufactures cement and focuses primarily on cement sales and equity investments, most of its greenhouse gas emissions in recent years have come from electricity consumption. To reduce emissions, CHC has implemented a range of energy-saving and efficiency-enhancing measures, including replacing equipment with Grade 1 energy-efficient models, reducing lighting fixtures and switching to LED lighting, and lowering contracted electricity demand. These initiatives support the CHC's internal carbon reduction efforts. For more details, please refer to the section on Carbon Reduction Strategies and Actions.

Environmental Management Policy

2024 Implementation Results

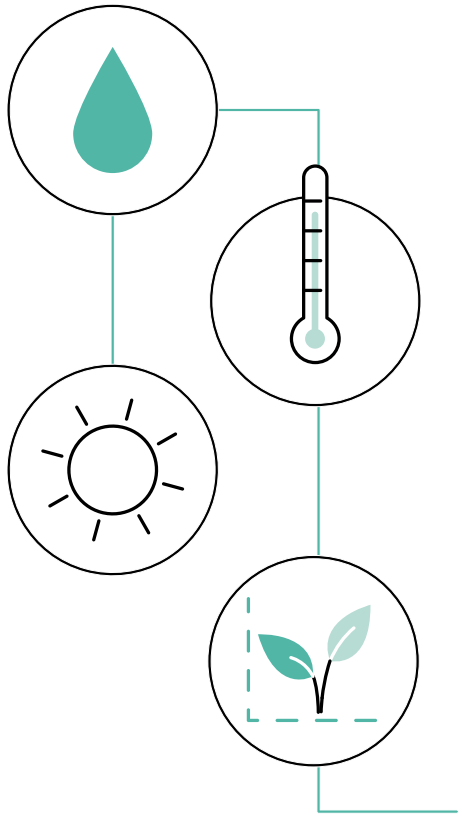
Environmental Management Policy	2024 Implementation Results
1 Reduce carbon emissions	1. Implemented various energy-saving and carbon reduction measures, including continuous upgrades of energy-efficient equipment and improvements in energy efficiency. In 2024, total investment in environmental and energy-saving measures amounted to approximately NT$7,605,000. 2. To enhance visibility into upstream and downstream emissions, a comprehensive Scope 3 inventory initiative is planned for implementation in 2024.
2 Continue expanding certifications for environmental management	1. The ISO 14064-1 greenhouse gas inventory covered all CHC sites, both domestic and overseas, within the 100% boundary of the consolidated financial statements. 2. Continued operation of the ISO 50001 Energy Management System and ISO 14001 Environmental Management System, both of which have been certified by an independent third party.
3 Plan for the use of renewable energy	In line with CHC's green energy goals, the CHC is planning to develop energy storage and solar photovoltaic (PV) projects. Starting in 2026, the installed solar panels are expected to generate over 2 million kWh annually.
4 Promote environment-related education and training	In 2024, CHC conducted training sessions on Energy and Environmental Management Systems: A total of 21 employees completed 38 hours of environment-related training. Note: This includes 15 new employees (24 hours), 6 members of the Energy and Environmental Taskforce (11 hours), and 1 supplier (3 hours).

5.3 Greenhouse Gas Inventory and Emissions Reduction Targets

To support the planning of greenhouse gas (GHG) reduction strategies, CHC has conducted annual GHG inventories since 2021, in accordance with ISO 14064-1:2018. The inventories are third-party verified each year, and the scope of operational sites covered has been gradually expanded to ensure accurate tracking of GHG emissions. The recent inventory results and related information are as follows:

Implementation of Greenhouse Gas Inventory	Inventory Scope	Third-Party Verification	Coverage Rate
April 2021	Headquarters floors	✓	48%
April 2022	All locations in Taiwan	✓	92%
April 2023	All locations in Taiwan and overseas	✓	100%
April 2024	All locations in Taiwan and overseas	✓	100%
April 2025	All locations in Taiwan and overseas	✓	100%

* Scope of the consolidated financial report



▼ GHG Emission Statistics

Scope	Category	Item		2023	2024	Remark
Scope 1	Category 1	Emissions（t-CO_2e）		972.76	952.42	Verified by BSI
		Per Capita Emissions（t-CO_2e / person）		2.32	2.25	
		Emissions per NT$10 Million Revenue（t-$CO_2e / NT10M revenue）		0.33	0.32	
		Data Coverage（%）		100%	100%	
Scope 2	Category 2	Emissions（t-CO_2e）		7,015.32	6,824.91	Verified by BSI
		Per Capita Emissions（t-CO_2e / person）		16.70	16.10	
		Emissions per NT$10 Million Revenue（t-$CO_2e / NT10M revenue）		2.41	2.29	
		Data Coverage（%）		100%	100%	
Scope 3	Category 3	Emissions（t-CO2e）	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	Emissions（t-CO2e）	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		172.49	Verified by BSI
			C8 Upstream Leased Assets		1,035.13	
	Category 5	Emissions（t-CO2e）	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	Emissions（t-CO2e）		-	-	No relevant activities
Total GHG Emissions (Scope 1 + 2)			Emissions（t-CO2e）	7,988.09	7,777.3224	

Note 1:Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions from imported energy), and selected Scope 3 categories (Category 3: fuel- and energy-related activities, Category 5: waste generated in operations, Category 6: business travel, and Category 7: employee commuting) were externally verified by BSI (British Standards Institution) in accordance with ISO 14064-1. A verification statement was issued.

Note2:Other Scope 3 categories not covered in Note 1 were estimated using the spend-based method. Emissions were calculated by multiplying annual procurement and expenditure data by emission factors from the U.S. Environmental Protection Agency's (US EPA) Environmentally Extended Input-Output model (USEEIO).

▼ GHG Reduction Base Year and Reduction Targets

To support the planning of greenhouse gas (GHG) reduction strategies, CHC completed its GHG inventory in 2022 using the consolidated financial reporting boundary, and designated that year as the base year. Scope 1 and Scope 2 emissions were 834.85 tCO_2e and 6,807.564 tCO_2e, respectively. CHC has set a target to reduce emissions by 5.25% annually, aiming for an absolute reduction of 42% by 2030 in line with its long-term Science Based Target (SBT).

In 2024, CHC's combined Scope 1 and Scope 2 emissions target was 6,839.96 metric tons of CO2e, while actual emissions totaled 7,777.32 metric tons, achieving approximately 87.95% of the annual target. Although this reflects a reduction of 210.76 metric tons, or 2.64%, compared to 2023's total of 7,988.08 metric tons, it still exceeds the annual reduction goal. Emissions in 2023 had peaked due to a full-scale resumption of post-pandemic operations. Despite implementing multiple carbon reduction initiatives in 2024, the overall impact of these measures has not yet been fully reflected in the year's results. CHC will continue to accelerate equipment upgrades, improve energy efficiency, and expand renewable energy deployment to steadily advance its decarbonization targets. Additionally, starting from Q1 2025, CHC will conduct a comprehensive assessment of Scope 3 indirect emissions to better understand emissions across its value chain.

▼ Greenhouse Gas Reduction Strategy and Concrete Action Plan for Low-Carbon Transition

To achieve net-zero emissions, CHC has developed four major low-carbon transition strategies, integrating carbon management into its operational strategy. Priority is given to reducing direct emissions from operations (Scope 1) and indirect emissions from energy use (Scope 2), in alignment with the CHC's net-zero roadmap and targets. For short-, medium-, and long-term performance goals and key achievements in 2024, please refer to Section 5.2.

5.4 Other Climate-related Metrics

Environmental Indicators		2023	2024	Remarks
Energy (Electricity Use)	Total Consumption (MWh)	12,053	12,321	
	Total Consumption (GJ)	43,391.74	44,356.31	
	Consumption per Capita (GJ/ person)	103.3137	104.6139	
	Intensity per Revenue (kWh/ NT$1,000)	4.1398	4.1272	
	Intensity per Revenue (GJ/ NT$1 million)	14.9031	14.8580	
	Renewable Energy Consumption	-	-	No renewable energy is in use.
	Data Coverage Rate (%)	100%	100%	
Water	Total Water Consumption (m^3)	172,835	164,232	
	Data Coverage Rate (%)	100%	100%	
Waste	Total Waste (metric tons)	378	414	Annual waste data includes that of CHC Building tenants.
	Recyclable Waste (metric tons)	82.04	73.4	In 2024, Hotel Collective achieved a waste recycling rate of 30.4%.
	Data Coverage Rate (%)	100%	100%	
Total Employees (persons)		420	424	
Total revenue (million NTD)		2,912	2,985	
Others	NOx Emissions	0	0	As CHC has transformed its business model to focus on cement sales and the development of new business units such as hotels and postpartum care centers, it no longer directly engages in cement production. Therefore, there are no related emissions under this item.
	SOx Emissions	0	0	
	Effluent Discharge	0	0	
	Particulate Matter Emissions	0	0	

5.5 Climate Action

In 2022, the Sustainable Development Committee resolved to join the Task Force on Climate-related Financial Disclosures (TCFD) as a supporter and adopt the Science Based Targets initiative (SBTi). CHC officially signed on as a TCFD Supporter in December 2022.

Since 2023, CHC has been preparing for participation in the Science Based Targets initiative (SBTi). In late November 2023, CHC submitted its target to reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030, using 2022 as the base year. The CHC also committed to beginning measurement and reduction of other indirect emissions (Scope 3). By joining over 7,000 global companies in support of the 1.5°C climate target, CHC demonstrates its commitment to environmental sustainability—one of its core focus areas. Following the completion of a full GHG inventory for all operations under the consolidated financial report in 2023, CHC is conducting emissions hotspot analysis and accelerating the adoption of renewable energy solutions to reinforce its decarbonization efforts.

CHC's decarbonization actions are based on climate-related risks and opportunities identified at the CHC's headquarters. Each business unit—hospitality, cement and warehousing, and property management—develops its decarbonization strategy according to its operational scope. At the Group level, CHC has designed strategies across three dimensions: operations, education, and innovation. CHC's decarbonization roadmap, strategies, and action plans are illustrated in Figure 5.5.1 and Table 5.5.1.

Figure 5.5.1: Carbon Reduction Roadmap

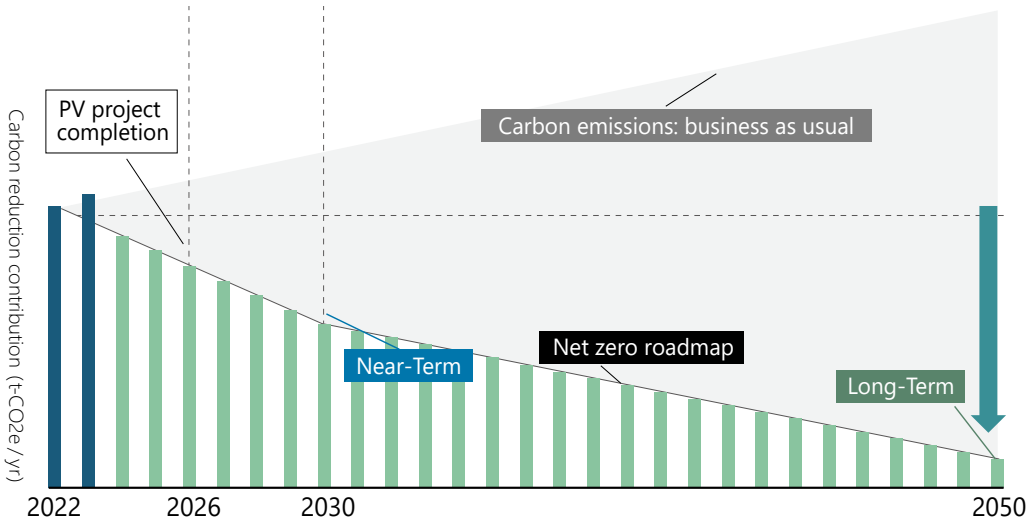


Table 5.5.1: Carbon Reduction Strategies

32%	Electrical equipment and management optimization
5%	Management of Fugitive Emissions
5%	Operational fuel management
58%	Green power generation and Green power procurement

▼ Table 5.5.1 CHC's Carbon Reduction Strategies and Actions

Strategic Pillar	Optimize Power Equipment and Management	Manage Fugitive Emissions	Manage Operational Fuel Use	Green Power Generation & Procurement
	32%	**5%**	**5%**	**58%**
Description	Gradually replace low-efficiency electrical equipment and expand energy-saving efforts.	Replace or refill damaged refrigerants with low-GWP alternatives.	Manage kitchen natural gas usage, electrify kitchen equipment, and reduce fuel consumption through the electrification of company-owned vehicles.	Phase 1 solar PV installation to be completed by 2026. Ongoing assessment of green electricity adoption and power procurement opportunities.
Short-term Actions	• Replace HVAC equipment in port areas with energy-saving units. • Replace lighting in office building with LED.	• Identify high-energy-consuming refrigerant equipment.	• Identify and phase out aging company vehicles.	• Launch PV construction plan.
Mid / Long-term Actions	**Cement & Warehousing** • Replace factory lighting with high-efficiency LED. • Replacement of old, energy-intensive equipment with high-efficiency or inverter-equipped systems. • Piping system optimization to reduce transmission pressure loss. **Hospitality** • Optimize operation schedules of mechanical, lighting, and air conditioning equipment. • Increase pre-cooling room temperature by 1°C before guest check-in. • Replace guest room refrigerators with higher energy-efficient models. **Property Management** • Optimize lighting levels in public areas of buildings. • Replace building lighting with high-efficiency LED fixtures. • Replace elevators and install regenerative power systems.	**Hospitality** • Replace guest room refrigerators with models using low-GWP refrigerants. **CHC** • Replace end-of-life refrigerant equipment or use low-GWP refrigerants during maintenance and refilling. • Install aeration systems at facilities to reduce fugitive emissions from septic tanks.	**Cement & Warehousing** • Electrify fuel-powered company vehicles. **Hospitality** • Introduce electrified kitchen equipment. • Develop low-carbon menu options. • Implement ISO 50001 Energy Management System.	**CHC** • Install rooftop PV systems 2 million kWh/year expected by 2026. • Evaluate green power purchase. • Increase green electricity share.

Note: The definitions of short-, medium-, and long-term strategies are consistent with those used for the timing of risks and opportunities—short-term (<3 years); medium-term (3–5 years); long-term (>5 years).

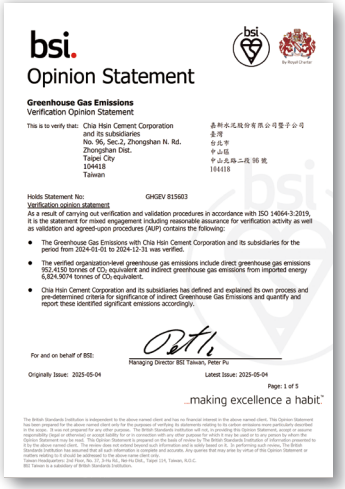
CHC will continue to actively reduce carbon emissions from its own operations by optimizing and improving the efficiency of energy equipment, managing fugitive emissions and fuel usage to minimize operational carbon output. CHC is also investing in renewable energy systems to increase the share of renewables in its energy mix. In addition, CHC is committed to participating in net-zero technologies and carbon offset projects to compensate for unavoidable emissions, demonstrating its support for a low-carbon energy transition. Looking ahead, CHC is also considering the introduction of an internal carbon pricing mechanism to incorporate carbon emissions into future cost-benefit evaluations, enhance energy efficiency, and boost internal motivation for carbon reduction actions.

Appendix 1: Reference

Reference data source: https://is.gd/bvnKVM

External validation

GHG Emissions Verification Opinion Statement issued by the British Standards Institution (BSI)


bsi.

Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: Chia Hsin Cement Corporation and its subsidiaries
No. 96, Sec.2, Zhongshan N. Rd.
Zhongshan Dist.
Taipei City
104418
Taiwan

嘉新水泥股份有限公司暨子公司
臺灣
台北市
中山區
中山北路二段 96 號
104418

Holds Statement No: GHGEV 815603
Verification opinion statement
As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity as well as validation and agreed-upon procedures (AUP) contains the following:

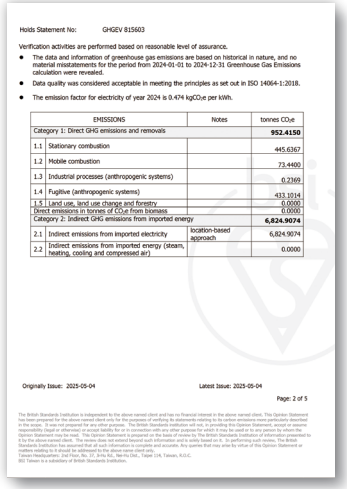
- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2024-01-01 to 2024-12-31 was verified.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 952,4150 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 6,824.9074 tonnes of CO_2 equivalent.
- Chia Hsin Cement Corporation and its subsidiaries has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.

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

Originally Issue: 2025-05-04 Latest Issue: 2025-05-04

Page: 1 of 5

...making excellence a habit.


Holds Statement No: GHGEV 815603

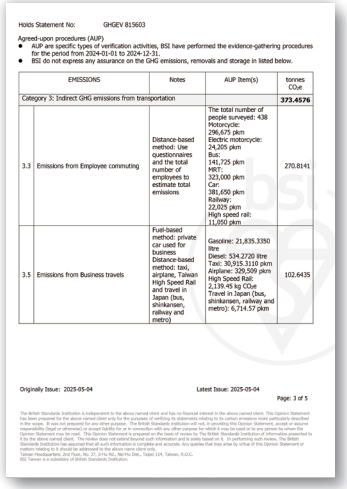
Verification activities are performed based on reasonable level of assurance.

- The data and information of greenhouse gas emissions are based on historical in nature, and no material misstatements for the period from 2024-01-01 to 2024-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity of year 2024 is 0.474 kgCO$_2$e per kWh.

EMISSIONS	Notes	tonnes CO_2e
Category 1: Direct GHG emissions and removals		**952.4150**
1.1 Stationary combustion		445.6367
1.2 Mobile combustion		73.4400
1.3 Industrial processes (anthropogenic systems)		0.2369
1.4 Fugitive (anthropogenic systems)		433.1014
1.5 Land use, land use change and forestry		0.0000
Direct emissions in tonnes of CO_2e from biomass		0.0000
Category 2: Indirect GHG emissions from imported energy		**6,824.9074**
2.1 Indirect emissions from imported electricity	location-based approach	6,824.9074
2.2 Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.0000

Originally Issue: 2025-05-04 Latest Issue: 2025-05-04

Page: 2 of 5


Holds Statement No: GHGEV 815603

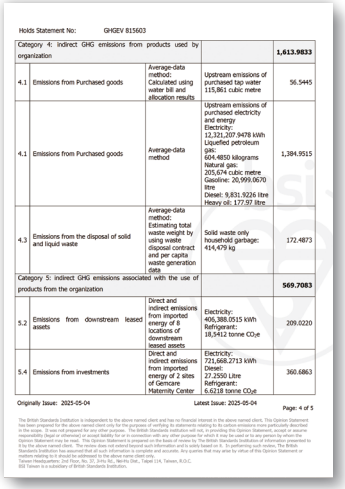
Agreed-upon procedures (AUP)

- AUP are specific types of verification activities, BSI have performed the evidence-gathering procedures for the period from 2024-01-01 to 2024-12-31.
- BSI do not express any assurance on the GHG emissions, removals and storage in listed below.

EMISSIONS	Notes	AUP Item(s)	tonnes CO_2e
Category 3: Indirect GHG emissions from transportation			**373.4576**
3.3 Emissions from Employee commuting	Distance-based method: Use questionnaires and the total number of employees to estimate total emissions	The total number of people surveyed: 438 Motorcycle: 296,675 pkm Electric motorcycle: 24,205 pkm Bus: 141,725 pkm MRT: 323,000 pkm Car: 381,650 pkm Railway: 22,025 pkm High speed rail: 11,050 pkm	270.8141
3.5 Emissions from Business travels	Fuel-based method: private car used for business Distance-based method: taxi, airplane, Taiwan High Speed Rail and travel in Japan (bus, shinkansen, railway and metro)	Gasoline: 21,835.3350 litre Diesel: 534.2720 litre Taxi: 30,915.3110 pkm Airplane: 329,509 pkm High Speed Rail: 2,139.45 kg CO$_2$e Travel in Japan (bus, shinkansen, railway and metro): 6,714.57 pkm	102.6435

Originally Issue: 2025-05-04 Latest Issue: 2025-05-04

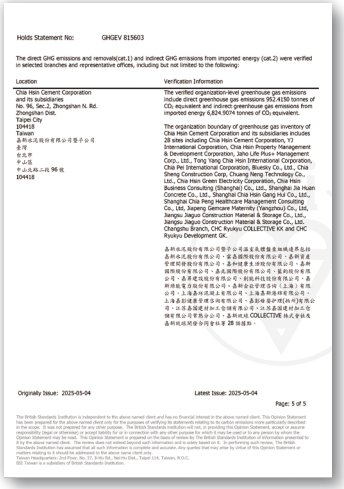
Page: 3 of 5


Holds Statement No: GHGEV 815603

Category 4: indirect GHG emissions from products used by organization			**1,613.9833**
4.1 Emissions from Purchased goods	Average-data method: Calculated using water bill and allocation results	Upstream emissions of purchased tap water 115,861 cubic metre	56.5445
4.1 Emissions from Purchased goods	Average-data method	Upstream emissions of purchased electricity and energy Electricity: 12,321,207.9478 kWh Liquefied petroleum gas: 604.4850 kilograms Natural gas: 205,674 cubic metre Gasoline: 20,999.0670 litre Diesel: 9,831.9226 litre Heavy oil: 177.97 litre	1,384.9515
4.3 Emissions from the disposal of solid and liquid waste	Average-data method: Estimating total waste weight by using waste disposal contract and per capita waste generation data	Solid waste only household garbage: 414,479 kg	172.4873
Category 5: indirect GHG emissions associated with the use of products from the organization			**569.7083**
5.2 Emissions from downstream leased assets	Direct and indirect emissions from imported energy of 8 locations of downstream leased assets	Electricity: 406,388.0515 kWh Refrigerant: 18,5412 tonne CO_2e	209.0220
5.4 Emissions from investments	Direct and indirect emissions from imported energy of 2 sites of Gemcare Maternity Center	Electricity: 721,668.2713 kWh Diesel: 27,2550 Litre Refrigerant: 6.6218 tonne CO_2e	360.6863

Originally Issue: 2025-05-04 Latest Issue: 2025-05-04

Page: 4 of 5


Holds Statement No: GHGEV 815603

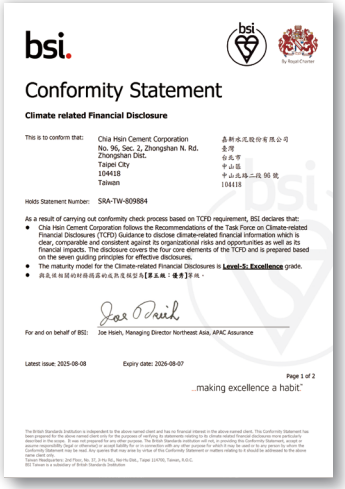
The direct GHG emissions and removals(cat.1) and indirect GHG emissions from imported energy (cat.2) were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
Chia Hsin Cement Corporation and its subsidiaries No. 96, Sec.2, Zhongshan N. Rd. Zhongshan Dist. Taipei City 104418 Taiwan 嘉新水泥股份有限公司暨子公司 臺灣 台北市 中山區 中山北路二段 96 號 104418	The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 952.4150 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 6,824.9074 tonnes of CO_2 equivalent. The organization boundary of greenhouse gas inventory of Chia Hsin Cement Corporation and its subsidiaries includes 28 sites including Chia Hsin Cement Corporation, Y3 International Corporation, Chia Hsin Property Management & Development Corporation, Jaho Life Plus+ Management Corp., Ltd., Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Bluesky Co., Ltd., Chia Sheng Construction Corp, Chuang Neng Technology Co., Ltd., Chia Hsin Green Electricity Corporation, Chia Hsin Business Consulting (Shanghai) Co., Ltd., Shanghai Jia Huan Concrete Co., Ltd., Shanghai Chia Hsin Gang Hui Co., Ltd., Shanghai Chia Peng Healthcare Management Consulting Co., Ltd, Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd., Jiangsu Jiagus Construction Material & Storage Co., Ltd., Jiangsu Jiagus Construction Material & Storage Co., Ltd. Changzhu Branch, CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK. 嘉新水泥股份有限公司暨子公司基金範圍包括嘉新水泥股份有限公司、嘉基國際股份有限公司、嘉新資產管理股份有限公司、嘉新健康生活股份有限公司、嘉新國際股份有限公司、嘉基環境股份有限公司、嘉利股份有限公司、嘉基環境股份有限公司、彩虹科技股份有限公司、嘉新綠電生物股份有限公司、嘉新企管(上海)有限公司、上海嘉新混凝土有限公司、上海嘉新海祥有限公司、上海嘉新建管理合同有限公司、嘉新綠電(蘇州)有限公司、江蘇嘉隆建材加工倉儲有限公司、江蘇嘉隆建材加工倉儲有限公司常熟分公司、嘉新綠能 COLLECTIVE 株式會社及嘉新綠能開發合同會社等 28 個據點。

Originally Issue: 2025-05-04 Latest Issue: 2025-05-04

Page: 5 of 5

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


bsi.

Conformity Statement

Climate related Financial Disclosure

This is to conform that: Chia Hsin Cement Corporation
No. 96, Sec. 2, Zhongshan N. Rd.
Zhongshan Dist.
Taipei City
104418
Taiwan

嘉新水泥股份有限公司
臺灣
台北市
中山區
中山北路二段 96 號
104418

Holds Statement Number: SRA-TW-809884

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- Chia Hsin Cement Corporation follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Guidance to disclose climate-related financial information which is clear, comparable and consistent against its organizational risks and opportunities as well as its financial impacts. The disclosure covers the four core elements of the TCFD and is prepared based on the seven guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures is **Level-5: Excellence** grade.
- 與氣候相關的財務揭露的成熟度模型為【**最高級：優秀**】等級。

For and on behalf of BSI: Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Latest issue: 2025-08-08 Expiry date: 2026-08-07

Page 1 of 2

...making excellence a habit.


Statement number: SRA-TW-809884

Location:	Conformity Check Overall Result:
Chia Hsin Cement Corporation No. 96, Sec. 2, Zhongshan N. Rd. Zhongshan Dist. Taipei City 104418 Taiwan 嘉新水泥股份有限公司 臺灣 台北市 中山區 中山北路二段 96 號 104418	The maturity model for the Climate-related Financial Disclosures is **Level-5: Excellence** grade. 與氣候相關的財務揭露的成熟度模型為【**最高級：優秀**】等級。

Latest issue: 2025-08-08 Expiry date: 2026-08-07

Page 2 of 2

Appendix 2 : Index of TCFD Disclosures

▼ Guidance for All Sectors

Aspect	TCFD Recommended Disclosures	Corresponding Section in This Reportv	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	2.1	p.5
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	2.2	p.6
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	3.1	p.7
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, disclosing the actual financial impact and information on the organization's low-carbon transition plans.	3.2 5.5	p.8~p.16 p.31~p.32
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3.3	p.17~p.21
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	4.1	p.22~p.23
	b) Describe the organization's processes for managing climate-related risks.	4.1	p.22~p.23
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4.1	p.22~p.23
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5.2 5.5	p.25~p.26 p.31~p.32
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	5.3	p.27~p.29
	c) Describe the organization's targets for managing climate-related risks and opportunities, and the performance against those targets, including interim targets where applicable (for organizations that have set medium- and long-term goals).	5.2 5.4 5.5	p.25~p.26 p.30 p.31~p.32

▼ Cross-Industry, Climate-related Metrics for Management

Indicator	Items and Descriptions	Page
Greenhouse gas emissions		p.27~p.29
Transition Risks	● Emission reduction ● Investment in low-carbon products ● Water consumption ● Renewable energy usage	p.24 p.25 p.30~p.32
Climate Related Opportunities	Renewable energy generation and usage rate	p.26 p.32
Capital Allocation	Investment in environmental protection	p.25~p.26
Internal Carbon Pricing	No current plan, but may introduce carbon pricing in the future as a tool for environmental management	-
Remuneration		p.6

嘉新企業團
CHIA HSIN CEMENT GROUP

Chia Hsin Cement Group

Chia Hsin Cement Group FB

Hotel Collective

Gemcare Maternity Centers

CSR Report Download

CHIA HSIN CEMENT CORPORATION

| Address | No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan
| Telephone | +886-2-2551-5211
| Website | www.chcgroup.com.tw

FSC™ www.fsc.org

MIX
Paper | Supporting responsible forestry
FSC® C178401