嘉新企業團
CHIA HSIN CEMENT GROUP

2025 TCFD

Task Force on Climate-related Financial Disclosures Report

CHIA HSIN CEMENT GROUP





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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 IFRS Taskforce, 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 third standalone publication in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. For climate-related financial disclosures from previous years, please refer to the "Sustainability Performance and Report Downloads" section of CHC's official website.

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Reporting Boundary

- Disclosure Scope:
  Chia Hsin Cement Corporation Consolidated Financial Statements.
- Reporting Period:
  January 1, 2025 to December 31, 2025

01 Company Overview

1.1 Company Profile

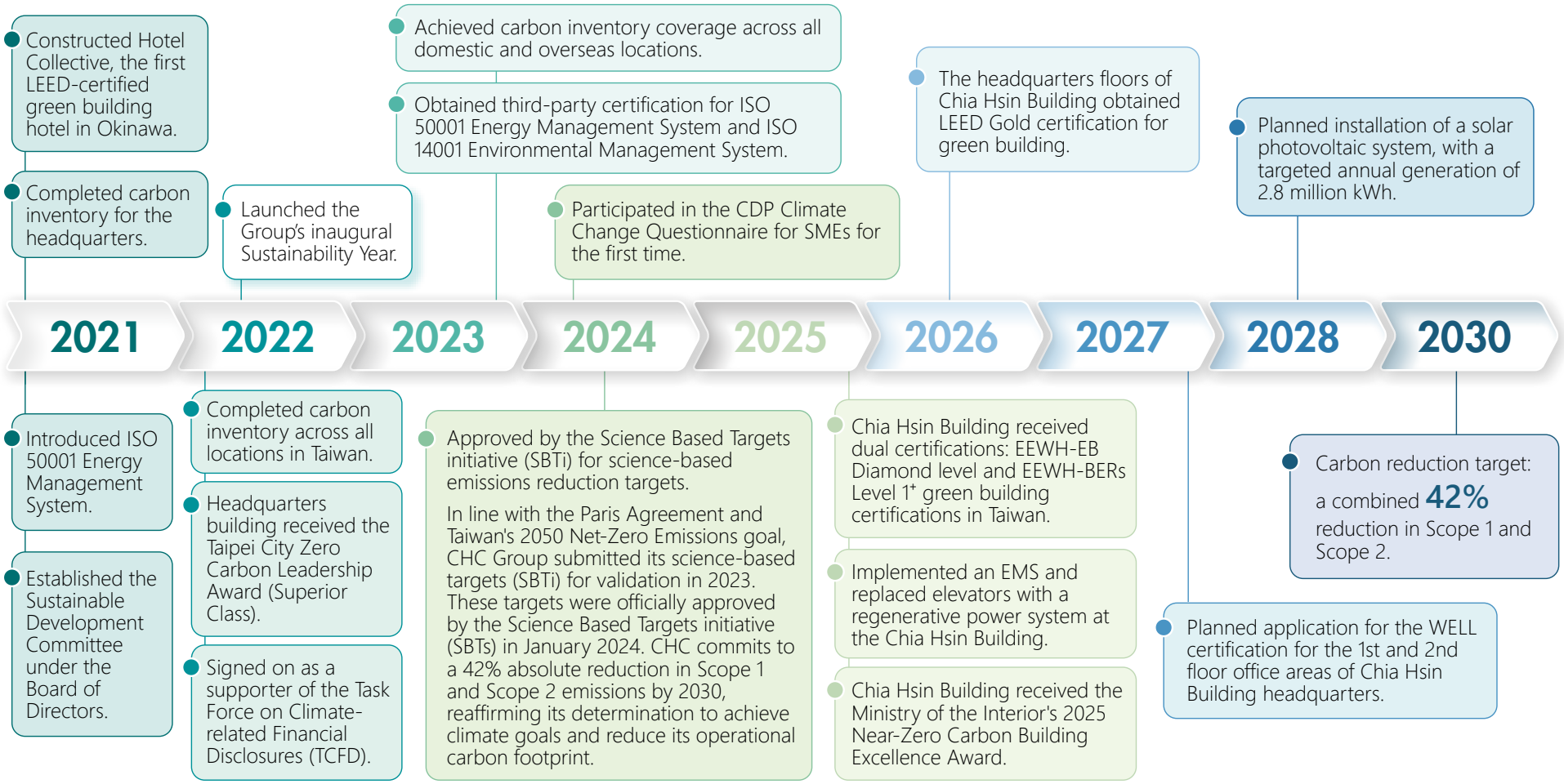
Chia Hsin Cement Corporation (CHC) was founded in 1954 by Mr. M. Y.Chang and is the first privately established cement company in Taiwan.

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, Assets 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 response to global climate change, CHC firmly believes that enterprises should actively participate in climate action and reduce greenhouse gas emissions. For four consecutive years, CHC has completed greenhouse gas inventories at all domestic and overseas sites and continues to actively promote energy conservation and carbon reduction, moving toward a net-zero, low-carbon future.

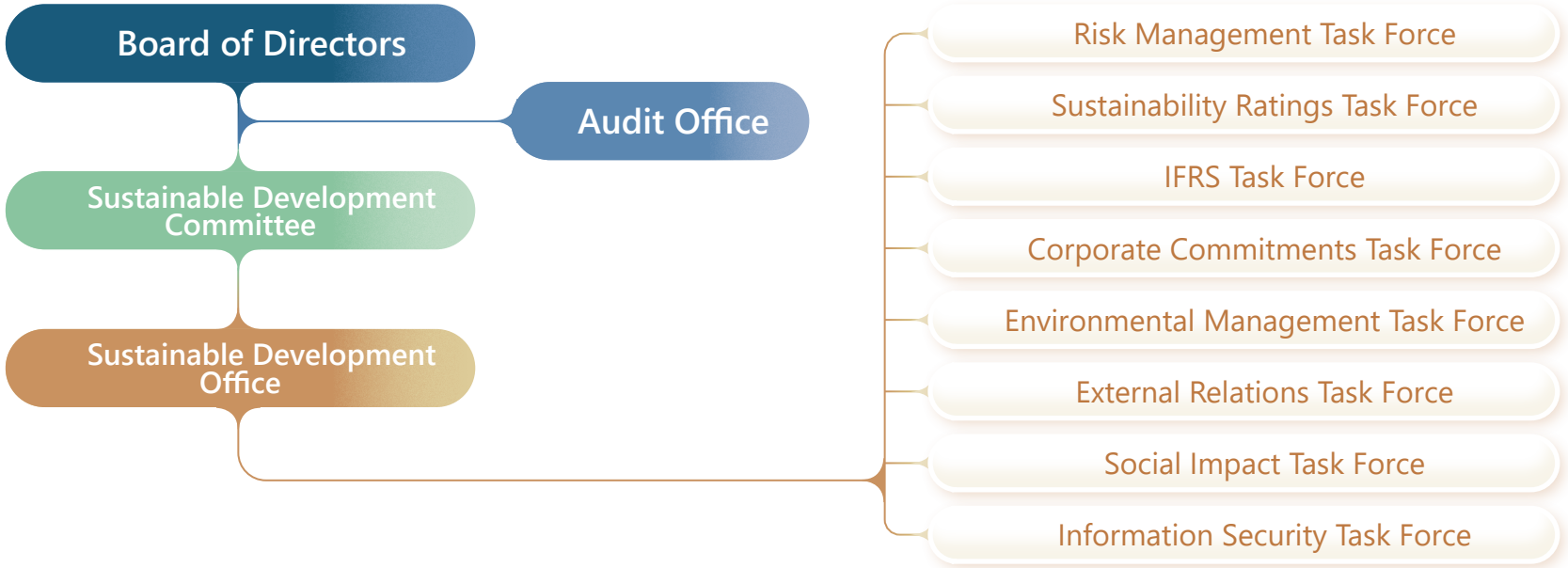
02 Climate Change Governance

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

The Board of Directors is the highest governing body for CHC's sustainability issues, while the Sustainable Development Committee is responsible for periodically reporting to the Board on material sustainability issues, including the Group's climate-related risks and opportunities. The Sustainable Development Committee is a functional committee chaired by the Chairman of the Board, and comprises 1 director and 2 independent directors, with independent directors accounting for 50% of the committee to strengthen the independence and professionalism of governance.

In 2025, all directors continuing education courses were related to ESG, totaling 75 hours, or an average of 10.71 hours per director. For details on the 2025 director continuing education courses, please refer to the "Continuing Education of Directors and Independent Directors" section under "2.3.1 Operation of the Board of Directors" in the 2025 Annual Report (page 26).

CHC has established a Sustainable Development Office dedicated to implementing and advancing the sustainability goals resolved by the Board of Directors, under the overall coordination of the Chief Sustainability Officer. The Sustainable Development Office holds regular meetings to drive the execution of sustainability goals and monitor progress. In 2025, a total of 2 reports were presented to and discussed by the Sustainable Development Committee, covering topics such as: the 2024 Sustainability Report, adjustments to the sustainability development roadmap, greenhouse gas inventory results, revisions to the "Ecological Environment and Energy Policy," the 2026 budget proposal, and progress reports on various projects. For complete attendance records and discussion topics of the Sustainable Development Committee, please refer to the official website — Sustainable Development Committee.



As of the end of 2025, the Office adjusted the names and scopes of its internal taskforces based on their respective responsibilities. It now comprises eight functional taskforces: Risk Control, Rating, IFRS, Corporate Commitment, Environmental Management, External Relations, Social Impact, and Information Security. These are formed by cross-functional teams from operational units and departments.

The Office holds regular meetings to strengthen cross-departmental collaboration and the effectiveness of sustainability governance. A total of 11 team meetings were held in 2025.

In addition, CHC has incorporated climate-related targets and their level of achievement into the performance evaluation and compensation system for senior executives, to strengthen oversight and management of the achievement of climate-related goals. For further details, please refer to the linkage between senior executive compensation and ESG performance under "4.1.2 Balancing Every Share – Salary Equality and Fairness Mechanism" (page 53) in the 2025 Sustainability Report.

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

Climate change and sustainability issues are primarily addressed by the IFRS Taskforce, the Environmental Management Taskforce, and the Risk Control Taskforce. The IFRS Taskforce is 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; it also plans and coordinates climate-related financial disclosures (TCFD), and enhances information transparency through participation in external evaluations to strengthen communication with shareholders and stakeholders. The Environmental Management Taskforce is primarily responsible for energy conservation and carbon reduction issues and energy management, and for advancing the science-based targets (SBTs) and carbon reduction pathway. The Risk Control Taskforce is responsible for developing risk management frameworks, establishing measurement and monitoring mechanisms, and providing timely reporting and early warnings for significant risks. It also monitors domestic and international governance trends, supports the Board in enhancing its effectiveness, and formulates supplier management guidelines in alignment with international standards.

To ensure climate governance is effectively implemented across operations, CHC has incorporated climate issues into material decision-making and management processes, establishing an integrated management mechanism spanning risk identification, strategic planning, and performance tracking. The assessment of climate-related risks and opportunities has been incorporated into operational and investment decision-making processes; major investment and procurement cases must be evaluated for their impact on greenhouse gas emissions and energy use and are reviewed by management. CHC also regularly monitors decarbonization and energy-saving performance through tracking of its Science Based Targets (SBTs) pathway, its Energy Management System (EMS), and digital tools, strengthening the data foundation for management decision-making. Related performance outcomes and risk management status are reported regularly to the Sustainable Development Committee and the Board of Directors, ensuring that climate issues continue to be incorporated into corporate strategic planning and operational management, forming a complete climate governance decision-making framework.

To institutionalize climate governance, CHC has incorporated environmental policy and key performance indicators (KPIs) into Board oversight and strengthens the linkage between climate issues and corporate operational decision-making through regular tracking.

Outcomes of Institutionalizing Climate Governance

To strengthen the depth of governance on climate issues, the Company continues to advance the institutionalization of climate management, integrating policy formulation, performance oversight, and decision-making processes into the Board's oversight framework. The main outcomes are as follows:

Policy Institutionalization

In 2025, the Board of Directors approved a revision to the Ecological and Environmental Energy Policy, clearly articulating the Company's commitment and management direction regarding climate change and environmental sustainability.

Governance Oversight Indicators

The Board of Directors regularly reviews and oversees the following key environmental performance indicators:

- Greenhouse gas emissions and decarbonization progress
- Energy use efficiency and energy-saving performance
- Status of ISO international standards and sustainable building adoption
- Progress of climate risk management and transition actions

Integration into the Decision-Making Process

- Climate issues have been incorporated into the evaluation process for major investment and procurement decisions
- Major capital expenditures must be evaluated for their impact on carbon emissions and energy use
- Climate management performance and risk management outcomes are reported to the Board of Directors on a regular basis

Through this institutionalization, climate governance has progressed from a policy declaration to an operating mechanism that integrates decision-making and performance oversight, continuously strengthening the Company's governance resilience in the face of climate transition.

03 Climate Change Response Strategy and Risk Analysis

In 2025, CHC conducted a strategic assessment of the impact of climate-related issues on its products and services, supply chain and/or value chain, adaptation and mitigation activities, R&D investment, business operations, acquisitions or divestments, and access to capital:

Business Unit	Products and Services	Value Chain Impact			Operational Impact (Adaptation and Mitigation Activities, R&D Investment, Business Operations)	Capital Allocation (Acquisitions or Divestments, Access to Capital)
		Upstream	Own Operations	Downstream		
Assets Management	Real estate management	-	Office buildings	Commercial tenants	Need to replace related equipment in response to changes in emerging energy and building regulations; rising demand for green buildings in the assets management market.	● Installation of renewable energy equipment. ● Improvement of building equipment energy efficiency. ● Equipment replacement/ upgrades.
Cement and Warehousing	Coal and cement warehousing services	Raw material suppliers, port authorities	Coal warehousing	Customers	Demand for coal is expected to decline gradually, affecting cargo handling revenue; may also be affected by carbon fee regulations.	● Low-carbon cement products. ● Coal warehouse conversion.
Hospitality	Hotels, postpartum care centers	Food and amenity suppliers	Hotels	Customers	Extreme weather events may cause transportation disruptions, affecting the delivery of raw materials as well as occupancy rates or hospitality operations.	No significant capital allocation currently



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

In response to climate change and the global net-zero trend, CHC follows the Board-approved Ecological Environment and Energy Policy, treating environmental metric management and reduction pathways as important governance tools for advancing sustainable development. Given that the greenhouse gas emissions generated by current operating activities are primarily derived from electricity use, CHC accordingly focuses on improving energy use efficiency, reducing electricity-related emissions, and continuously strengthening overall environmental management and resource use efficiency.

In line with the Science Based Targets (SBTs) initiative and the national 2050 net-zero emissions policy direction, CHC has established and disclosed short-, medium-, and long-term environmental metrics approved by the Board of Directors, serving as the core basis for advancing environmental management, energy transition, and mitigation actions across the Group. These metrics cover key topics such as greenhouse gas emissions, energy use, and water resource management, and ensure the continuous tracking and rolling revision of all goals through existing management systems and regular review mechanisms.

In response to the impacts of extreme weather and climate change, CHC identifies climate-related risks and opportunities through the IFRS 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 Risk Control 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; for details of the 2025 assessment, please refer to Section 4.1, Integration of Climate-Related Risk Identification, Assessment, and Management Processes.

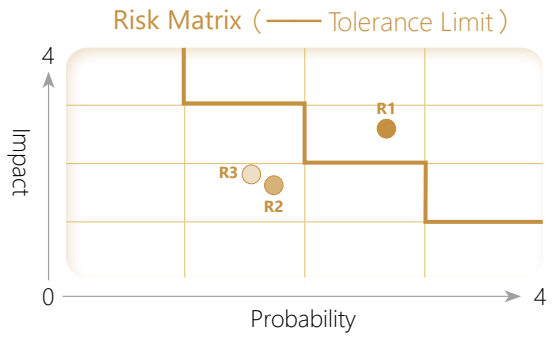
Once material climate risks are identified, CHC estimates their potential financial impacts and develops corresponding response plans and adaptation measures. These efforts aim to enhance operational resilience, mitigate the effects of climate-related risks, and capture potential opportunities arising from climate change. The identified material risks are also submitted to the Risk Control 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—Assets Management, Cement and Warehousing, 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 Assets Management Business

Climate Risk and Opportunity Matrix



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：Climate-related disasters may affect operations	
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 (<3 yrs)	Mid-term (3~5 yrs)	Long-term (>5 yrs)
R2、O3	O2	R1、R3、O1

Material Climate-related Risks and Opportunities and Corresponding Response Strategies – Assets 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 Chia Hsin Building received dual certification: EEWH-EB Diamond and EEWH-BERSe Level 1+.

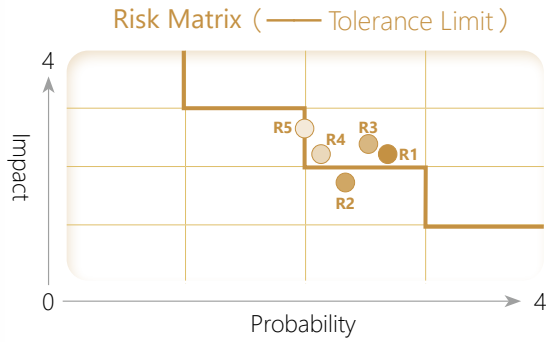
Type of Opportunity	Opportunity Driver	Opportunity Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Products and Services	Provision of low-carbon products and services	Use of renewable energy, high-efficiency materials, 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 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 elevators with more energy saving and carbon reduction. • Complete installation of a building Energy Management System (EMS) by 2026, using real-time monitoring and data analysis to improve energy use efficiency and implement energy-saving and carbon-reduction management.
Resource Efficiency	Improve building energy efficiency	Enhance building resource efficiency through equipment upgrades, electricity savings, and evaluating solar panel installation potential.		✓	✓	Reduced operating costs; increased revenue.	

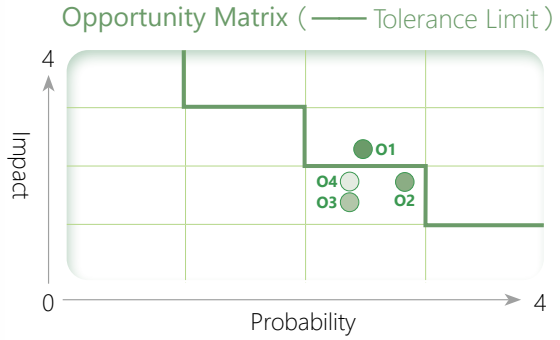
3.2.2 Cement and Warehousing Business

Impact Timing of Various Risks and Opportunities

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

Climate Risk and Opportunity Matrix





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 for inclusion 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 transition-related infrastructure	

Material Climate-related Risks and Opportunities and Corresponding Response Strategies – Cement and Warehousing

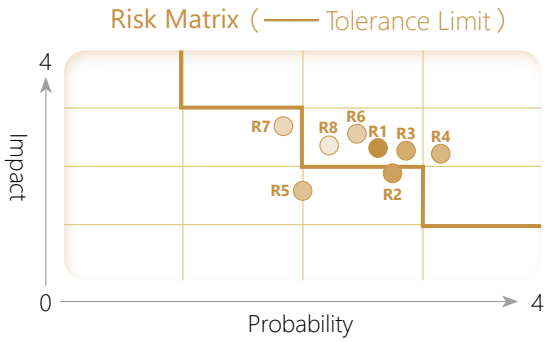
Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Transition – Policy and Regulatory	Strengthening regulations for existing products and services	Regulatory requirements in response to national net-zero emissions targets: • paying carbon fees increases 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 (SBTs). • Maintain ISO 50001 Energy Management System certification at Taiwan facilities. • Install solar photovoltaic (PV) systems, with annual power generation expected to exceed 2.8 million kWh. • 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.

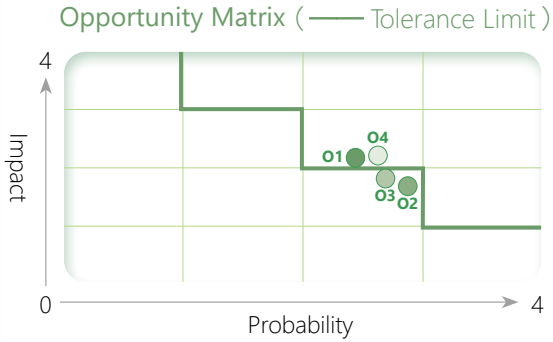
Type of Risk	Risk Driver	Risk Description	Impacts on Business Model / Value Chain			Potential Financial Impact	Response Measures
			Upstream	Own Operations	Downstream		
Physical Acute Risk	Increased severity of extreme weather events – operational disruption	The increasing frequency of extreme weather event 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 – Chronic Risk	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 disruption, 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 and environmentally friendly warehousing equipment	Provide low-carbon and environmentally friendly warehousing facilities and services, including the installation of renewable energy generation equipment and smart energy-saving handling equipment, to increase automation and work efficiency and reduce operating costs.	✓	✓	✓	Increased revenue and capital expenditures.	• Obtain certification for the ISO 50001 Energy Management System at Taiwan facilities. • Install solar photovoltaic (PV) systems, with annual power generation expected to exceed 2.8 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 Business

Climate Risk and Opportunity Matrix





Impact Timing of Various Risks and Opportunities

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

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; currently considered an acceptable risk, with no immediate action planned.
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., shifts in precipitation patterns, rise in average temperature)	Above tolerance threshold; prioritized in response strategy.
Opportunity	Resource Efficiency	O1：Improving building energy efficiency	Above tolerance threshold; prioritized in 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 strategic planning.

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 use of low-carbon materials and green electricity, raising operating costs and capital expenditures.	✓	✓		Equipment procurement and replacement; increased capital and operating costs.	• Purchase high energy-efficiency and energy-saving equipment. • Use total heat exchangers to reduce HVAC electricity load. • Adopt VRV systems that automatically adjust cooling output based on indoor temperature to reduce energy consumption. • Use heat pumps to produce hot water in place of boilers. • Install rainwater harvesting systems for landscape irrigation to reduce potable water consumption. • Install LED lighting throughout the facility, with 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 consumption.
Transition – Technology Risk	Investment in low-carbon technologies, equipment, and management	Transition to renewable energy and changes in energy supply may lead to increased costs.	✓	✓		Increased capital and operating costs.	• Expand into new energy businesses 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 – Market Risk	Rising raw material and energy prices	The rise in raw material and energy prices increases the cost of products and services supplied through the value chain, raising operating costs for the hospitality business.	✓	✓	✓	Increased operating costs.	• Set near-term science-based targets (SBTs). • Strengthen energy management to improve efficiency.
Physical – Acute Risk	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.	✓	✓	✓	Decreased 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 – Chronic Risk	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 costs and capital expenditures.	• 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 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	Improving building energy efficiency	Improve utilization efficiency of energy, water, carbon, and waste through smart monitoring equipment and real-time data, reducing resource use and operating costs; enhanced sustainability image strengthens stakeholder perception of the brand, increasing brand value.	✓	✓		Reduced operating costs; increased brand value.	• Implement energy management practices to continuously monitor and reduce off-peak energy use in hotel operations. • Obtain LEED and WELL healthy building certifications to enhance brand image. • Use energy-efficient equipment to lower energy consumption and reduce operating costs. • Reduce the use of disposable items by refraining from proactively providing single-use amenities; replace bath products with large-format dispensers. • Select eco-friendly and recycled materials for amenities. • Digitize in-room notices to reduce paper usage. • Promote reduced linen change frequency for guests staying multiple nights.
Products and Services	Transparent disclosure of sustainability-related information	Disclosing sustainability and environmental data, goals, and strategic actions to different stakeholders strengthens brand awareness and reputation, and boosts investor/financial institution confidence in financing or investment decisions.		✓	✓	Increased revenue; increased 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. • Set near-term science-based targets (SBTs) to enhance corporate image.

3.3 Scenario Analysis

In line with TCFD recommendations, CHC selected material physical and transition risks that have an impact on business operational decision-making, and conducted a climate risk scenario analysis to assess the expected financial impact and management cost implications. Based on the results of this analysis, CHC has appropriately planned Group-wide response strategies to enhance climate resilience and climate adaptation capacity.

1 Physical Risk | Climate Risk Scenario of 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℃)
	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$4.45 million in 2026, accounting for 0.55% of projected revenue.
Expected Management Cost	Ongoing management costs for maintaining operations are estimated at NT$2.03 million, accounting for 0.25% of expected 2026 revenue.
Financial & Management Cost Impact (% of 2026 revenue)	0.805%
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℃)
		SSP1-2.6 (temperature rise of 1.5℃)
	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 the SSP5-8.5 (4.0℃ rise) and SSP1-2.6 (1.5℃ rise) temperature scenarios, the projected financial impact is 0%. (Note)
Financial & Management Cost Impact (% of 2030 revenue)	
Response Strategies	● 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.

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 | Strengthened 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
		IEA NDC Scenario SSP1-2.6 (temperature rise of 1.5℃), Taiwan achieving NDC targets
	Impact period	Medium term (3–5 years). Analysis based on 2030 (Note 1)
	Affected parties	Upstream, own operations and downstream

Risk Topic	Strengthened regulation of existing products and services.	
Operational Impact	Government carbon management regulations require the payment of carbon fees.	
Expected Financial Impact	IEA Stated Policies Scenario	Cost increase: carbon fees are projected to rise by approximately NT$620,000 to NT$6.93 million by 2030, accounting for about 0.006% to 0.072% of the business unit's projected revenue.
	IEA NDC Scenario	Cost increase: carbon fees are projected to rise by approximately NT$690,000 to NT$7.70 million by 2030, accounting for about 0.007% to 0.08% of the business unit's projected revenue.
Expected Management Cost	To reduce carbon fee expenditures, CHC plans to invest in energy-efficient equipment upgrades and other measures; total management costs of approximately NT$42 million are planned for 2024–2025, accounting for approximately 0.439% of the business unit's projected revenue.	
Financial & Management Cost Impact (% of 2030 revenue) (Note 2)	IEA Stated Policies Scenario	0.446%~0.512%
	IEA NDC Scenario	0.446%~0.520%
Response Strategies	• Set science-based targets (SBTs). • Obtain certification for the ISO 50001 Energy Management System at Taiwan facilities. • Install solar photovoltaic (PV) systems, with annual power generation expected to exceed 2.8 million kWh. • Diversify business by actively exploring new commercial opportunities and development directions. • 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 SBTs reduction pathway and the Business As Usual (BAU) scenario.

4 Transition Risk | Rising Raw Material Prices Leading to Increased Operating Costs.

Rising raw material prices increase 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℃); Taiwan/Japan achieving NDC targets
	Impact period	Short term (<3 years). Analysis based on 2026
	Affected parties	Upstream, own operations and downstream

Risk Topic	Rising raw material prices, increased costs.
Operational Impact	The cost of products and services provided by the supply chain has increased.
Expected Financial Impact	Cost increase, estimated at approximately NT$5.8 million, accounting for about 0.72% of the business unit's projected revenue.
Expected Management Cost	0
Financial & Management Cost Impact (% of 2026 revenue)	0.72%
Response Strategies	● Set near-term targets under the Science Based Targets initiative (SBTs). ● 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 2.8 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. A 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 electricity 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$38 million, accounting for 0.077% of projected revenue.
Expected Management Cost	Operating costs are expected to total approximately NT$30 million by 2030, accounting for around 0.06% of projected revenue.
Financial & Management Cost Impact (% of 2030 revenue) (Note)	0.137%
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 2.8 million kWh starting in 2028.

Note: Financial impact, management costs, and revenue figures are for the period 2026–2030.

04 Climate Risk and Opportunity Management



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

In response to business diversification, CHC conducts a reassessment of climate-related issues for its three major business units—Assets 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, to confirm whether related issues need to be adjusted.

In 2025, in response to the disclosure requirements of the International Financial Reporting Standards (IFRS), CHC began progressively implementing procedures to identify and assess climate-related risks and opportunities in accordance with IFRS S2. As the operational fundamentals of the three major business units and peer industry trends remained stable, the identification results showed no significant changes compared with previous years. To maintain the comparability of information during this regulatory transition period, the existing risk framework was maintained this year, with updates and deeper data analysis conducted to facilitate the integration of management metrics at each future stage.

In terms of industry trends, the identification process is based on existing climate-related risks and opportunities, focusing 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, inviting responsible staff and managers from each business unit, as well as the audit unit, finance unit, Risk Control Taskforce, IFRS Taskforce, and Environmental Management Taskforce, to participate in workshops and complete questionnaires to identify material climate-related risks and opportunities Once material risks are identified, their potential financial impacts and operational implications are further assessed, and corresponding response plans are developed. In line with CHC's materiality criteria for risk management, and following discussion with the Risk Control Taskforce, specific indicators are developed across financial, strategic, reputational, regulatory, legal, and operational dimensions, each rated on a four-level scale (minor, low, medium, high) to comprehensively analyze the materiality of risks and opportunities. From a financial perspective, materiality is primarily based on the proportion of impact on the Company's 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 are 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 are identified. These identified material physical and transition risks are then submitted to the Risk Control Taskforce for inclusion in 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.

CHC has identified short-, medium-, and long-term climate-related risks and opportunities. For those considered significant—defined as having a product of likelihood and impact score exceeding 8 out of a maximum of 16—priority is given to mitigation and control measures. For physical disaster risks, risk transfer (such as disaster insurance) is prioritized, while risk issues below the tolerance threshold are managed through acceptance and monitoring. To address the potential future impacts of each issue, CHC incorporates them into its investment planning and financial resource allocation. This financial assessment process begins with the responsible departments preparing preliminary budgets and resource plans. These are documented in investment planning files that cover the full scope and strategies of the specific risks or opportunities, which are then submitted to the Sustainable Development Office. The Sustainable Development Office reviews the financial budget and implementation status of each risk or opportunity annually.

Climate Change Risk Management Process

Identification of Climate-related Issues

- Climate-related risks and opportunities are identified based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the framework set out in IFRS S2 Climate-related Disclosures.
- The Company identifies its climate-related risks and opportunities by holding cross-departmental discussions across its three business groups to identify their respective climate-related risks and opportunities, thereby completing the climate change risk identification process.

Assessment and Prioritization of Climate-related Issues

- Climate-related risks are assessed based on the likelihood of occurrence, time horizon, and potential impacts on operations and financial performance.
- CHC evaluates climate-related risks using the Company's Risk Management Materiality Criteria as the basis for determining risk priorities.

Monitoring and Improvement of Climate-related Issues

- Based on the risk assessment results, CHC identifies material climate-related risks and opportunities, establishes corresponding response measures, and enhances its climate change management mechanisms and policies.

  Material climate-related issues are submitted to the Risk Management Task Force for incorporation into the Company's overall risk prioritization process and are subject to ongoing monitoring and regular review.

On-site Experience Feedback

CHC's Risk Management Process

Operations → Risk Identification → Risk Analysis and Assessment → 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. 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 sustainability certification standards and implements relevant ecological protection measures. From building design and construction to operational practices, 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 2.8 million kWh by 2028.

Environmental Metrics and Reduction Pathway Approved by the Board of Directors

In response to climate change, energy transition, and resource sustainability issues, the Board of Directors formally approved a revised environmental policy in November 2025, together with related short-, medium-, and long-term environmental metrics and reduction targets for greenhouse gas emissions, electricity use, and water use, to serve as the basis for advancing environmental management and related initiatives. Each target has been established with comprehensive consideration of national policy, international initiatives, and CHC's operational characteristics, and is tracked and reviewed on an ongoing basis through existing management systems.

Environmental Metric	Base Year	Short-term Target	Medium-term Target	Long-term Target	Management Goals and Approach
Science Based Target (SBTs) (Note 1)	2022	2026 reduction: 21%	2030 reduction: 42%	2050 reduction: 100% (Net Zero)	Using 2022 as the base year, GHG reduction targets are set in line with the Science Based Targets (SBTs) initiative and the national 2050 net-zero emissions policy direction. Going forward, CHC will continue to advance GHG reduction actions through improved energy efficiency, planned renewable energy adoption by 2028, and strengthened management systems.
Electricity Use	2023 (Note 2)	2024 reduction: 1%	2027 reduction: 4%	2030 reduction: 7%	Six operating sites have adopted the ISO 50001 Energy Management System, with energy use efficiency continuously improved through a phased approach.
Water Use	2023 (Note 2)	2024 reduction: 1%	2027 reduction: 4%	2030 reduction: 7%	Phased water reduction targets are set according to operational characteristics, with water use efficiency continuously improved through water audits, conservation, and recycling/reuse measures.

Note 1: The Science Based Target (SBTs) formally set and committed to by the Company covers only the short- and medium-term reduction targets (21% by 2026, 42% by 2030). The 100% (net zero) reduction target shown for 2050 represents the Company's long-term vision, established in alignment with Taiwan's "2050 Net-Zero Emissions" policy direction and national net-zero transition goals.

Note 2: Due to internal organizational and reporting boundary adjustments in 2023, the electricity and water use targets used that year as the base year.

The Energy Management Plan, Waste Management Plan, and Water Resource Management Plan serve as the concrete frameworks for implementing these environmental targets. Through existing management mechanisms, these plans are regularly reviewed and continuously improved to ensure that all environmental measures effectively support CHC's long-term reduction and resource management goals.

5.1 Environmental and Energy Management System

To implement the environmental policy and related environmental metrics approved by the Board of Directors, CHC continues to advance energy-saving, carbon reduction, and resource management measures through its environmental and energy management system, integrating daily management and continuous improvement mechanisms at its operating sites to reduce the environmental impact of operational activities and strengthen CHC's operational resilience in the face of climate and resource issues.

Energy Management and Environmental Management Systems

CHC headquarters adopted the ISO 50001 Energy Management System starting in 2021 and the ISO 14001 Environmental Management System starting in 2022, integrating them internally into a combined environmental and energy management system. The Chief Sustainability Officer serves as chair, with the Sustainable Development Office and colleagues from each operating site forming a working group to progressively expand the system to all of CHC's locations in Taiwan.

CHC completed its first third-party verification covering six sites in Taiwan in the fourth quarter of 2023 (Q4 2023). In 2025, the internal energy and environmental management system continued to operate across six sites, while external third-party audits were conducted at representative operating locations, including the Chia Hsin Building headquarters, the Dunhua Postpartum Care Center, and Keelung Port.

Environmental and Resource Management Plans

To strengthen the implementation of its environmental management system, CHC follows the ISO 50001 and ISO 14001 management system frameworks to establish management plans covering energy, waste, and water resources, reducing the environmental impact of operational activities through institutionalized management and continuous improvement mechanisms.

1 Energy Management Plan

CHC follows the ISO 50001 Energy Management System framework to establish an energy management mechanism covering planning, implementation, checking, and continuous improvement, systematically improving energy efficiency and reducing environmental impact.

Key measures include

- **Energy Review and Performance Assessment:** Regular analysis of energy use and energy management review meetings to assess energy performance and improvement measures.
- **Quantifiable Energy-Saving Target Management:** Setting energy-related KPIs and continuously tracking implementation outcomes.
- **Energy-Saving Improvement Measures:** Advancing energy-saving projects such as lighting system upgrades, energy-efficient elevators, air conditioning optimization, and adoption of high-efficiency equipment.
- **Performance Evaluation of Energy-Saving Plans:** Analyzing implementation outcomes and driving continuous improvement through energy data and performance indicators.
- **Renewable Energy Adoption Assessment:** Evaluating renewable energy options such as solar power and green electricity procurement to reduce carbon emissions.
- **Energy-Saving Technology and Innovation:** Adopting smart energy management systems and high-efficiency energy-saving equipment as operational needs require.
- **Employee Education and Training:** Regularly conduct energy- and environment-related training to raise employee awareness of energy conservation.

2 Waste Management Plan

CHC follows the ISO 14001 Environmental Management System to establish a waste management mechanism, reducing the environmental impact of operational activities and improving resource efficiency.

Key measures include

- Regularly inventorying the types and generation of waste at each site.
- Advancing waste reduction, segregation, and resource recycling.
- Regularly evaluating waste management performance.
- Ensuring waste disposal complies with regulatory requirements.
- Raising employee awareness of environmental management through education and training.

Going forward, CHC will continue to evaluate the feasibility of setting related targets based on operational conditions and management needs.

3 Water Resource Management Plan

CHC follows the ISO 14001 management framework to establish a water resource management system, improving water efficiency and reducing the impact of operational activities on water resources.

Key measures include

- Regularly monitoring water sources and usage at each operating site.
- Setting water management and conservation targets and continuously tracking them.
- Advancing water conservation measures and water recycling and reuse.
- Continuously monitoring water-related regulations and risk issues.
- Raising employee awareness of water conservation through education and training.

5.2 Sustainable Building and Environmentally Friendly Design

When developing new business projects, CHC actively incorporates international sustainable building certifications and environmentally friendly design concepts, improving environmental quality and occupant health through building design, construction, and operations, and fulfilling its responsibility for environmental management and ecological protection.

By 2025, all of CHC's hospitality business sites have obtained international sustainable building certifications, and the Chia Hsin Building headquarters obtained the Green Building Certification in the second quarter (Q2) of the same year. Revenue coverage from sustainable buildings has reached approximately 38%.


綠建築標章證書

建築物名稱：嘉新總部大樓
建築物概要：地下1層，地上14層鋼筋混凝土造，鋼骨鋼筋混凝土造空調型(辦公、餐飲分區)及其他類建築
建築執照字號：56使字第1163號、(60)使字第1323號
建築基地地號：臺北市中山區中山段四小段0024-0000地號
建築物門牌：臺北市中山北路2段96號、臺北市民生西路3巷9號
有效期限：自114年4月2日至119年4月1日
評估版本：既有建築類（2022年版）
綠建築等級：鑽石級
建築能效等級：第1級（BERS-EB-01-00027）
內政部 部長 劉世芳
中華民國114年4月2日


建築能效標示證書

建築物名稱：嘉新總部大樓
建築物概要：地下1層，地上14層鋼筋混凝土造，鋼骨鋼筋混凝土造空調型(辦公、餐飲分區)及其他類建築
建築執照字號：56使字第1163號、(60)使字第1323號
建築基地地號：臺北市中山區中山段四小段0024-0000地號
建築物門牌：臺北市中山北路2段96號、臺北市民生西路3巷9號
有效期間：自114年4月2日至119年4月1日
建築能效評估系統版本：建築能效評估系統（2022年版）
建築能效等級：第1級（近零碳建築）
內政部 部長 劉世芳
中華民國114年4月2日

Certification Name	LEED International Green Building	WELL Building Standard	EEWH Green Building Label and Building Energy Efficiency Certification
Level	Certified	Platinum	Existing Building Diamond Level certification; Building Energy Efficiency Rating System Level 1 certification
Sites Certified and Year	Hotel Collective (2021) Chia Hsin Building (2026)	Dunhua Gem Care Postpartum Health Center (2020) Yangzhou Gem Care Postpartum Health Center (2022)	Chia Hsin Building (2025)
Sites Planned for Certification (Note)	None	Chia Hsin Building headquarters floors, planned application in 2027	None

Note: Chia Hsin Building headquarters floors are expected to apply for LEBR low-carbon building certification in 2026

5.3 Renewable Energy Planning and Carbon Reduction Initiatives

To reduce operational carbon emissions and improve energy efficiency, CHC continues to evaluate renewable energy adoption options. In addition to tracking electricity usage at each site and advancing energy-saving equipment replacement through its energy and environmental management system, CHC is also actively planning renewable energy usage models.

CHC aims to achieve carbon neutrality at its office locations by 2030, and it will progressively advance solar power generation and energy storage projects going forward. Solar panels expected to become operational in 2028 are projected to generate over 2.8 million kWh of electricity annually on average, increasing the share of renewable energy use and reducing operational carbon emissions.

1 Greenhouse Gas Inventory

To support the planning of greenhouse gas reduction strategies, CHC completed its GHG inventory in 2023 using the consolidated financial reporting boundary, resetting the base year of its organizational GHG inventory. In 2025, Scope 1, Scope 2 and Scope 3 emissions were 948.1995 tCO_2e, 6,791.7466 tCO_2e and 1,983.8584 respectively, with total emissions reaching 9,723.8045 tCO_2e.

Year	GHG Inventory Scope	Third-Party Verification	Coverage Rate
2022	All locations in Taiwan	✓	92%
2023	All locations in Taiwan and overseas	✓	100%
2024	All locations in Taiwan and overseas	✓	100%
2025	All locations in Taiwan and overseas	✓	100%

2 Low-Carbon Transition Strategy and Action Plan

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 order to achieve its net-zero pathway and targets:

Strategic Pillar	Optimize Power Equipment and Management	Manage Fugitive Emissions	Manage Operational Fuel Use	Green Power Generation and Green Power 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 when equipment is repaired or serviced.	Manage kitchen natural gas usage, electrify kitchen equipment, and reduce fuel consumption through electrification of company-owned vehicles.	Phase 1 solar PV system to be launched in 2028; continued evaluation of expanding green power installations on available space at owned sites, and monitoring of green power procurement opportunities to increase green electricity use.
2030 Action Plan	• Survey of carbon-reducing equipment • Replace with high-efficiency lighting and LED fixtures • Switch public-area lighting in buildings to constant-light control	• Survey types of refrigeration equipment and refrigerant-using equipment • Evaluate feasibility of replacing with low-GWP refrigerants	• Survey aging company vehicles and phase them out	• Launch PV construction plan
2050 Action Plan	**Cement & Warehousing** • Replace factory lighting with high-efficiency LED fixtures • Replace high-energy-consuming electric motors with high-efficiency models • Evaluate compressor energy-saving options, install pressure-reduction devices • Plan to introduce an energy management system **Hospitality** • Review and optimize operating hours of lighting and air-conditioning equipment • Plan to introduce automatic on/off systems • Optimize guest room faucets and hot-water systems for water-saving design	**Hospitality** • Plan to replace high-energy-consuming air-conditioning equipment • Adopt low-GWP refrigerant equipment **Headquarters** • Replace GWP-value refrigerant equipment • Manage and operate refrigerant emissions	**Cement & Warehousing** • Heat-pump air conditioning for parking garages **Hospitality** • Electrify kitchen equipment • Plan to introduce ISO 50001	**Headquarters** • Install Phase 1 solar PV system — expected to generate approximately 2.8 million kWh annually starting in 2028 • Evaluate future installation potential • Increase green power procurement volume

CHC will continue to actively reduce carbon emissions from its own operations. By optimizing energy equipment efficiency, as well as managing fugitive sources and fuel usage, CHC aims to minimize its operational carbon output. Furthermore, CHC is investing in renewable energy equipment to increase the share of renewables in its energy mix and actively participating in net-zero technologies and carbon offset projects to offset unavoidable emissions, demonstrating its commitment to 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, improve energy efficiency, and strengthen internal motivation for carbon reduction actions.

Environmental Management-Related Expenditures and Investments

To ensure the effective operation of its environmental management system, CHC continues to invest in environmental protection and energy-saving improvements, including energy efficiency upgrades, maintenance of pollution prevention equipment, renewable energy adoption, and the operation of its environmental management system. These expenditures are primarily used to improve energy efficiency, reduce the environmental impact of operations, and strengthen CHC's overall environmental management capability.

In 2025, capital investment related to environmental management totaled approximately NT$130 million, primarily driven by interior renovation work at the headquarters office aimed at pursuing LEED and WELL international building certifications. This work focused on improving energy efficiency, indoor environmental quality, and employee health and wellbeing, including space planning optimization, equipment upgrades, and environmental quality improvements, thereby strengthening the sustainability performance of its operating space and laying the foundation for future international certification.

5.4 GHG Emission Statistics and Environmental Indicators

Scope	Category	Item	2022	2023	2024	2025
Scope 1	Category 1	Emissions（t-CO_2e）	834.8502	972.7627	952.4150	948.1995
		Per Capita Emissions（t-CO_2e / person）	1.88	2.32	2.25	2.23
		Emissions per NT$1 Million Revenue（t-$CO_2e$ / NT$1M revenue）	0.37	0.33	0.32	0.31
Scope 2 (location-based)	Category 2	Emissions（t-CO_2e）	6,807.5636	7,015.3239	6,824.9074	6,791.7466
		Per Capita Emissions（t-CO_2e / person）	15.33	16.70	16.10	15.94
		Emissions per NT$1 Million Revenue（t-$CO_2e$ / NT$1M revenue）	3.02	2.41	2.29	2.25
Total Scope 1 + 2 GHG Emissions		Emissions（t-CO_2e）	7,642.4138	7,988.0866	7,777.3224	7,739.9461
Scope 3	Category 3	Emissions（t-CO_2e）	103.1232	369.15	373.46	279.8614 (Note 3)
		Emissions per NT$1 Million Revenue（t-$CO_2e$ / NT$1M revenue）	0.05	0.13	0.13	0.09
	Category 4	Emissions（t-CO_2e）	1,187.4955	1,506.9443	1,613.9833	1,572.0188
		Emissions per NT$1 Million Revenue（t-$CO_2e$ / NT$1M revenue）	0.53	0.52	0.54	0.52
	Category 5	Emissions（t-CO_2e）	666.078	620.0883	569.7083	133.9782 (Note 4)
		Emissions per NT$1 Million Revenue（t-$CO_2e$ / NT$1M revenue）	0.30	0.21	0.19	0.04
	Category 6	Emissions（t-CO_2e）	-	-	-	-
	Total Scope 3 Emissions（t-CO_2e）		1,956.6963	2,496.1826	2,557.1492	1,983.8584

Note 1: GHG emissions are calculated using the operational control approach, with the calculation method being activity data × emission factor × GWP value. To comply with Financial Supervisory Commission requirements, this table uses GWP values from the IPCC AR6.
Note 2: Emissions at each operating site are calculated using the emission factors applicable in the respective country.
Note 3: 2025 Category 3 inventory emissions decreased compared with 2024, primarily due to a downward revision of Japan's transportation emission factor.
Note 4: 2025 Category 5 inventory emissions decreased compared with 2024, primarily due to the cessation of an equity-invested business and revenue declines at certain operating sites, leading to reduced emissions.

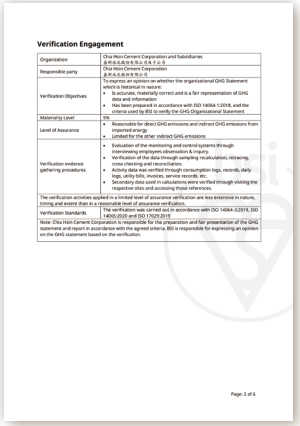
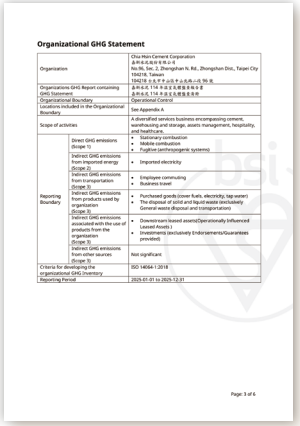
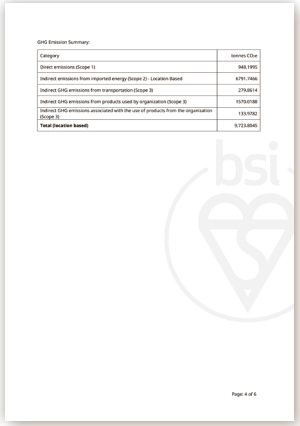
Environmental Indicator		2022	2023	2024	2025	Remarks
Electricity	Total Consumption (MWh)	11,771.51	12,053.27	12,321.21	12,163.81	
	Total Consumption (GJ)	42,377.40	43,391.74	44,356.31	43,789.72	1 GJ = 0.277778 MWh
	Consumption per Capita (GJ/ person)	95.44	103.31	104.61	102.79	
	Intensity per Revenue (GJ/ NT$1M)	18.80	14.90	14.86	14.52	
Energy (including electricity, natural gas, and LPG)	Total Consumption (MWh)				14,643.87	Conversion factors reference the unit heating value tables published by Taiwan's Bureau of Energy, Japan's Ministry of Economy, Trade and Industry, and Okinawa Gas; disclosed starting in 2025.
	Total Consumption (GJ)				52,717.89	1 GJ = 0.277778 MWh
	Consumption per Capita (GJ/ person)				123.75	
	Intensity per Revenue (GJ/ NT$1M)				17.49	
	Renewable Energy Consumption	-	-	-	-	No renewable energy currently in use.
Water	Total Water Consumption (metric tons)	147,492	239,363	186,684	141,770	Water data for Hotel Collective has been supplemented, and 2023–2024 figures restated accordingly; no significant impact on overall trends.
Waste	Total Waste (metric tons)	344.65	377.83	414.48	404.91	Annual waste data includes that of Chia Hsin Building tenants.
	Recyclable Waste (metric tons)	4.80	82.04	73.40	82.36	Hotel Collective achieved a waste recycling rate of 33.6%.
Total Employees (persons)		444	420	424	426	
Total Revenue (NT$1 Million)		2,254	2,912	2,985	3,015	

Appendix 1: Reference and External Verification Statements

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

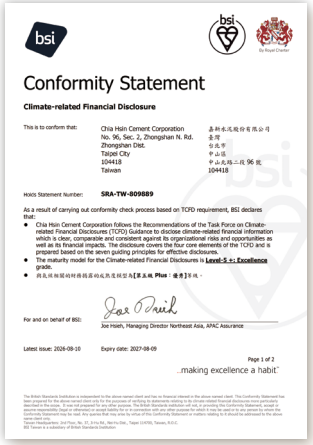
External Verification

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



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




Appendix 2: Index of TCFD Disclosures

Guidance for All Sectors

Aspect	TCFD Recommended Disclosures	Corresponding Section in This Report	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.7
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	3.1	p.10
	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 5.3	p.11~p.19 p.31~p.33
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario	3.3	p.20~p.24
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	4.1	p.25~p.26
	b) Describe the organization's processes for managing climate-related risks	4.1	p.25~p.26
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.1	p.25~p.26
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 5.4	p.30 p.33~p.34
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5.4	p.33~p.34
	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 5.2 5.3 5.4	p.27 p.30 p.31~p.33 p.33~p.34

Cross-Industry, Climate-related Metrics for Management

Indicator	Items and Descriptions	Page
Greenhouse gas emissions		p.31 p.33~p.34
Transition Risks	● Emission reduction ● Investment in low-carbon products ● Water consumption ● Renewable energy usage	p.27~p.29 p.31~p.34
Climate Related Opportunities	Renewable energy generation and usage rate	p.27 p.29 p.32
Capital Allocation	Investment in environmental protection	p.9 p.31 p.33
Internal Carbon Pricing	No current plan, but may introduce carbon pricing in the future as a tool for environmental management	p.32
Remuneration		p.7



Chia Hsin Cement Group

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Hotel Collective

Gemcare Maternity Centers

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