信大水泥股份有限公司
HSING TA CEMENT COMPANY LIMITED

2024 信大水泥 永續報告書

SUSTAINABILITY REPORT

▶Annual Report of Hsing Ta Cement

Cover design idea

Using Mount Taibai as the central visual theme, combined with images of the company's facilities, the design incorporates elements such as seedling cultivation and greening, ropeway transportation, local education, and mother-tongue learning as part of its corporate social responsibility. This illustrates the company's commitment to promoting local culture and education, as well as its dedication to environmental greening and the tangible results achieved. At the same time, it symbolizes the company's deep local roots and its vision of sustainable prosperity in harmony with the environment.

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Message from Managers

To those who care about the sustainable management of Hsing Ta Cement:

The global economic environment is filled with uncertainties. Throughout 2024, the costs of raw materials, electricity prices, and carbon fees have continued to rise. The U.S. presidential election adds to the international political uncertainty, increasing the risk of future price fluctuations. In mainland China, the property market and economic recovery have been sluggish; construction activity has slowed, which in turn further weakens demand for cement. Facing these challenges, the Company will closely monitor the market, adjust strategies with flexibility, expand market opportunities, and stabilize production and sales to ensure solid development.

The government is promoting policies to stabilize the housing market, including adjusting loan-to-value ratios, implementing selective credit controls, and shortening grace periods. As a result, the market is gradually returning to rationality, and construction industry investment is becoming more prudent. Since September 2024, although the concrete market has been affected, the Taoyuan area has benefited from large public construction projects such as the airport city, railway undergrounding, and the MRT Green Line, which have boosted cement demand in the northern region. The Company continues to optimize products and services and strengthen competitiveness in order to respond to market changes.

As the share of imported cement continues to expand, the domestic industry has demonstrated solidarity in safeguarding fair competition. Following the advocacy of the Cement Industry Association, the Ministry of Economic Affairs released preliminary findings in September 2024, confirming that imported cement poses a risk of harm to the domestic industry and initiating a follow-up investigation. At the same time, the Association has continued to advise the Ministry of Environment to impose border carbon fees on imported cement and clinker to promote a low-carbon transition and safeguard market fairness. The Company will continue to track policy developments, implement sustainable operations, and enhance competitiveness through product optimization, green supply chains, and low-carbon technologies in order to ensure steady growth.

Great corporate governance is the foundation for the Company's operating system. The Company upholds the business philosophy of integrity, diligence, pragmatism, frugality, and social responsibility, and enhances governance performance through the operation of the Board of Directors and functional committees. Corporate governance achievements in 2024 are as follows:

- In 2024, the consolidated revenue was NT$4.656 billion, and the consolidated net income was NT$524 million.
- Promoted and strengthened ESG-related training for directors, with sustainability-related courses accounting for 57% of total training hours in 2024.
- Executed ISO 14067 product carbon footprint verification in 2024, with third-party BSI assurance statements and the Ministry of Environment "Carbon Footprint Label" expected to be obtained in 2025.
- Completed the bag filter replacement project, upgrading electrostatic precipitators in the raw material process to bag filters, which reduced particulate pollutant emission concentrations by more than 66%, demonstrating the Company's strong commitment to environmental sustainability.

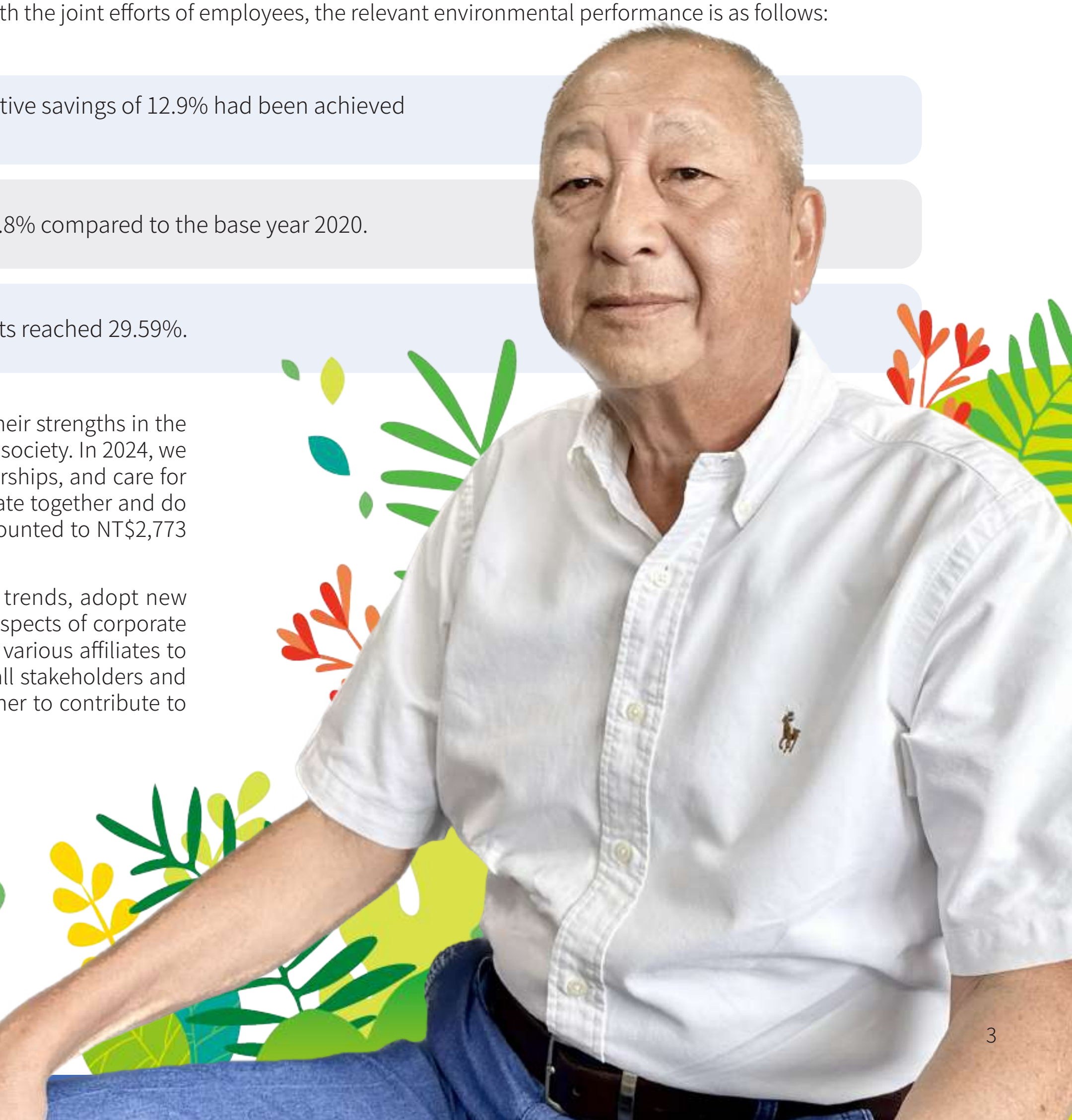
We are committed to sound corporate governance and pursue long-term revenue and profit growth. At the same time, we value environmental protection, employee rights, sustainable supply chain, social charity, and the balanced interest of all stakeholders. We fulfill our corporate social responsibility in the countries where we operate and actively give back to society. According to the Group's sustainable development strategy blueprint, we integrate the Group's operational and management resources, actively invest in research and development (R&D) of energy-saving and carbon-reduction production technologies, and continue to leverage the Group's internal resources for sales to maintain our competitive advantages. Our aim is to implement energy-saving manufacturing and achieve a low-carbon transition through cross-sector collaboration in the future.

Employees are the Company's most important asset, and creating a safe, healthy, harmonious, and positive work environment is our most important task. In terms of professional training, in addition to new employee education and training, the Company offers various professional skills, knowledge, and related management courses according to the needs of employees at each level, function, and department, and spares no effort in education and training courses for other functions.

In terms of health management, in addition to regular health checkups, health and safety seminars are held every year, and employees are encouraged to participate in outdoor activities to enhance their fitness. At the same time, in order to facilitate smooth communication with employees, in addition to holding quarterly labor–management meetings, we have set up physical and intranet mailbox as communication channels as a reference for the Company and units to improve, so that they can unleash their potentials at the Company without underlying worries.

Faced with the impact of global climate change, the Company actively invests in the innovative R&D of low-carbon cement to fulfill its responsibility for environmental sustainable development. From the perspective of the life cycle, we strive to comply with international environmental regulations in R&D, procurement, manufacturing, and after-sales services to meet the demand for environmentally friendly products, thereby moving toward low-carbon manufacturing and reducing environmental impacts. We have formulated environmental policies in response to the government's concept of energy conservation, carbon reduction, and pollution prevention, while conducting ISO 14064-1 greenhouse gas inventory and emission management. On a daily basis, we carry out awareness-raising events on environmental protection issues, such as water use, energy conservation, and waste sorting. With the joint efforts of employees, the relevant environmental performance is as follows:

- Continuing the nationwide target of 1% annual electricity savings initiated in 2020,a cumulative savings of 12.9% had been achieved by the end of 2024, meeting the target.
- The Company's total Scope 1 and Scope 2 greenhouse gas emissions in 2024 decreased by 9.8% compared to the base year 2020.
- In 2024, the Company's resource reuse and raw material substitution rate for cement products reached 29.59%.



In terms of social care, the Company and all employees make full use of limited resources to maximize their strengths in the regions where they are located, actively support the disadvantaged, and increase the invisible stability in society. In 2024, we continued to make donations to disadvantaged groups, clean the community environment, offer scholarships, and care for the local community. We also encourage partners, employees, and their relatives and friends to participate together and do their best for social charity through practical actions. The total social engagement expenses in 2024 amounted to NT$2,773 thousand.

Looking into the future, we will continue to pay attention to the corporate sustainable development trends, adopt new technical construction methods, as well as rigorously make plans and execute them thoroughly in the aspects of corporate governance, innovation management, environmental sustainability, and social care, to lead the Group's various affiliates to gradually implement the concept and vision of corporate sustainable development. We also hope that all stakeholders and partners who care about the Company will give us more guidance and encouragement and work together to contribute to the earth and the well-being of mankind.

楊智雄

Editorial policy

The reporting period of this sustainability report is from January 1 to December 31, 2024. It is the issue of Hsing Ta Cement Co., Ltd (hereinafter referred to as "Hsing Ta Cement" or "Hsing Ta"). The content includes the disclosure of sustainability indicators, such as corporate governance, economy, society and environment. In order to fully disclose the effectiveness of sustainable development at Hsing Ta and present the results of stakeholder communication, we made reference to the latest GRI Standards, the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and aligned with the United Nations Sustainable Development Goals (SDGs), and reported the Company's economic, environmental, and social strategies and activities, to demonstrate the Company's determination to fulfill social responsibilities and promote sustainable development.

Report review

The information and data in this report have been collected by the Sustainable Development Committee under the General Manager. Each committee member collects domestic and international economic, environmental, and social sustainability issues, learns about various stakeholders' concerns through multiple channels, adopts negotiation processes and analyses to identify material topics involving the Company, and gathers management policies and performance information related to those topics. After compilation, they are reviewed and confirmed by the Sustainable Development Committee, and ultimately approved by the Chairman and the General Manager before being disclosed to stakeholders through public channels. The financial data in this report has been cited from the financial report certified by PwC Taiwan, and some of the statistical data has been cited from the Company's annual report. This report is not externally assured.

Report preparation principles and guidelines

We considered industry requirements and important international economic, environmental, and social issues, collected stakeholders' impact assessment results through questionnaires, and convened a Sustainable Development Committee meeting based on the Company's operational strategy to select material topics. The chair of the committee then approved the topics. Subsequently, the implementation results were disclosed in this report.

The economic aspects and financial management performance of this report are based on the consolidated financial statements. The monetary value of financial data is denominated in NTD. The environmental and social performance indicators are disclosed within the scope of Hsing Ta headquarters and the Nanshenghu Plant, while overseas sites and other investees are not included in the scope of this report. If there is any part beyond the scope of Taiwan, it will be disclosed in the notes to each chapter of the report.

Report management process

Responsible Unit: ● Sustainable Development Committee ● Relevant Operating Departments

Phase	Topic	Responsible unit
Topic collection	1. Determination of stakeholders 2. Collection of issues of concern	● (Sustainable Development Committee)
Determination of material topics	1. Evaluation of the impact of external economic, environmental, and human impacts on stakeholders 2. Assessment of the impact on internal operations 3. Resolutions made by the Sustainable Development Committee	● (Sustainable Development Committee)
Information aggregation	Management approaches and performance data collection	● (Sustainable Development Committee)
Preparation for the first draft	Report information compilation	● (Sustainable Development Committee) ● (Relevant Operating Departments)
Review of the final draft	Report internal review	● (Sustainable Development Committee)
Announcement for release	Report to the General Manager/ Publication of the report	● (Sustainable Development Committee)

Publication date and cycle

The Company publishes the report on an annual basis. The report publication times are as follows:

- Last publication time: The second publication was in August 2024.
- Current publication time: The third publication was in August 2025.
- Scheduled next publication: The fourth publication is in August 2026.

Restatement

The report was not restated due to major changes in the organization or scope of the reporting period.

Contact information

In response to environmental protection and fulfillment of corporate citizenship, this report has been published electronically in Traditional Chinese on the Company's website for readers' reference in line with our paperless operations. Please refer to Hsing Ta's website at http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7 (in PDF format).

If you have any questions or suggestions about this report, please feel free to contact us.

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- Contact point: Contact point of sustainable development
- Email: Momo_Du@hsingta.com.tw
- Website: http://www.hsingta.com.tw/Aboutusdetail.asp?lv=-1&id=14

About Hsing Ta

1.1 Company Profile

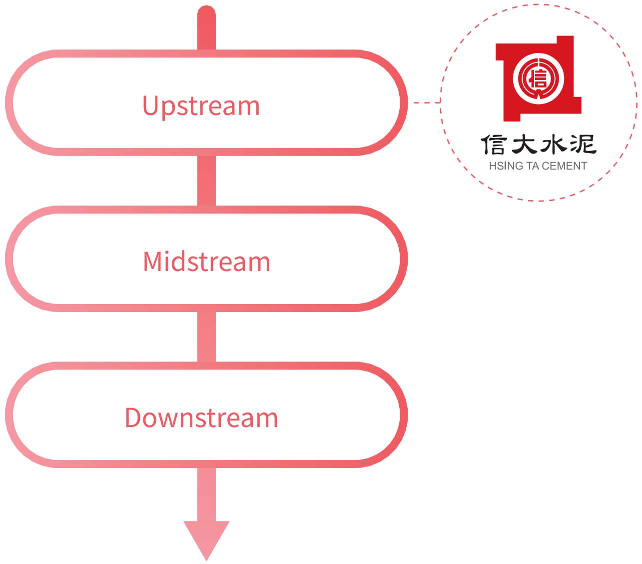
The Company was established in March 1964 and was formerly known as Hsing Ta Quarry and Cement Co., Ltd. It was founded by Tang-Hai Yang after taking over the Taibaishan mine. At the beginning of its establishment, the Company mainly engaged in the production and sale of limestone. In order to align with the government's economic construction plan and meet economic development needs, a cement plant was established in 1970 and renamed Hsing Ta Cement Co., Ltd in June 1980. Currently, the Company mainly engages in the production and marketing of cement and clinker.

Company name	HSING TA CEMENT CO., LTD
Industry of the Company	• A TWSE listed company in the cement industry in Taiwan • The building materials industry of extraction and mineral processing in the SASB industry classification system
Location of headquarters	7F, No. 37, Baoqing Rd., Zhongzheng Dist., Taipei City
Ticker symbol	1109.TW (listed on TWSE in 1991)
Date of Incorporation	March 1964
Operating sites in each region	Number of operating sites (2) Taiwan (Taipei and Yilan)
Number of employees in Taiwan	338 people (Taipei and Yilan)
Main products/services	The Company mainly engages in the production and sales of cement and clinker, with a revenue proportion of 60.75%; the second is the production and sales of concrete, with a revenue proportion of 17.88%. Main products: • Taiwan: Portland type I cement, type I low alkali cement, type II low alkali cement, type II (MH) even heat cement, blended hydraulic blast furnace slag cement, limestone, and concrete. • China: P II 52.5 and PO42.5.
Production quantity	The production volume of cement and clinker in 2024, Taiwan parent company: 586,400 metric tons; Mainland China subsidiary: 1,240,000 metric tons.
Capital	NT$3.411 billion
Consolidated revenue in 2024	NT$4.656 billion

Note: The number of employees was based on the data as of December 31, 2024.

Industry value chain

In terms of the cement industry chain, the Company operates in the upstream sector, which includes limestone mining, cement manufacturing, limestone-containing production, and cement clinker production. Midstream players consist of ready-mixed concrete and cement suppliers, limestone distributors, and delivery services. Downstream players include construction companies, chemical industries that use limestone, civil engineering contractors, and those involved in the construction of civil buildings.



Chronicle

1964
The Company was incorporated and officially named Hsing Ta Quarry and Cement Co., Ltd.

1970
Established Su'ao Nanshenghu Cement Manufacturing Factory.

1980
Renamed Hsing Ta Cement Co., Ltd.

1983
Approved by the Securities Commission, Ministry of Finance as a public company.

1990
Established subsidiary HSIN I READY MIXED CONCRETE CO., LTD. and the HSIN I Banqiao factory officially went into operation.

1991
Approved by the Securities Commission, Ministry of Finance as a class 1 listed stock.

1994
The Nankan factory of subsidiary HSIN I READY MIXED CONCRETE CO., LTD. joined operations.

1995
Completed the improvement project in the Nanshenghu Plant of the pre-grinding system of the No. 3 cement mill to reduce power consumption and reduce cement production costs.

1996
Established subsidiary HSIN I READY MIXED CONCRETE CO., LTD. and the HSIN I Banqiao factory officially went into operation.

1998
Completed the renewal project in the Nanshenghu Plant of No. 3 cement mill shell to increase cement production capacity and reduce breakdowns and downtime.

2001
Nanshenghu Plant officially started the mass production of Portland Type II low-alkali cement to expand cement business base.

2003
Nanshenghu Plant completed the raw meal pre-grinding system to improve the fineness of raw materials and reduce production costs.

2021

Subsidiary HSIN I READY MIXED CONCRETE CO., LTD. and the HSIN I Banqiao factory officially ended the operations.

2023

The NanKan Plant of Subsidiary HSIN I READY MIXED CONCRETE CO., LTD. completed the installation of the second set of mixer.

2024

Completed the bag filter replacement project, upgrading electrostatic precipitators in the raw material process to bag filters, which reduced particulate pollutant emission concentrations by more than 66%, demonstrating the Company's strong commitment to environmental sustainability.

2020

Jiangsu Xinning New Building Materials Co., Ltd., a subsidiary in mainland China, was awarded Grade A in the performance evaluation of key industries, as announced by the Department of Ecological Environment of Jiangsu Province. It is the first cement company to receive Grade A in Jiangsu Province.

2019

Mainland subsidiary Jiangsu Xinning New Building Materials Co., Ltd. and Shanghai Sanrong Environmental Protection Engineering Co., Ltd. jointly invested in Nanjing Xinrong Environmental Protection New Material Co., Ltd. to produce denitrifying agent for green environmental protection.

2018

Completed the denitrification technology improvement project of No. 3 cement kiln preheater, significantly reducing the NOx emission.

2011

Mainland subsidiary Jiangsu Xinning New Building Materials Co., Ltd. completed the plant construction and ignition for operations.

2013

The waste heat power generation equipment in Mainland subsidiary Jiangsu Xinning New Building Materials Co., Ltd. went online.

2015

Added a neutron online analyzer in Nanshenghu Plant, completed the process water recycling improvement project, and mining sites completely afforested with the "thick layer mesh spraying method" for permanent residual walls.

2017

Added SNCR equipment to #3K preheater to reduce nitrogen oxide emissions

1.2 Sustainable vision strategy

The Company actively promotes corporate sustainable development. The Board of Directors has approved the Sustainable Development Best-Practice Principles, which clearly regulate the implementation of corporate governance, the development of a sustainable environment, the maintenance of social charity, and the enhanced disclosure of corporate sustainable development information. We comply with the requirements of the said principles and uphold the spirit of co-prosperity and symbiosis. We implement the concept of sustainable management in all business decisions and actions of the Company through concrete actions, such as corporate governance with integrity, care for employees, emphasis on environmental issues, and community care, thereby fulfilling social responsibilities and creating sustainable value for the Company.

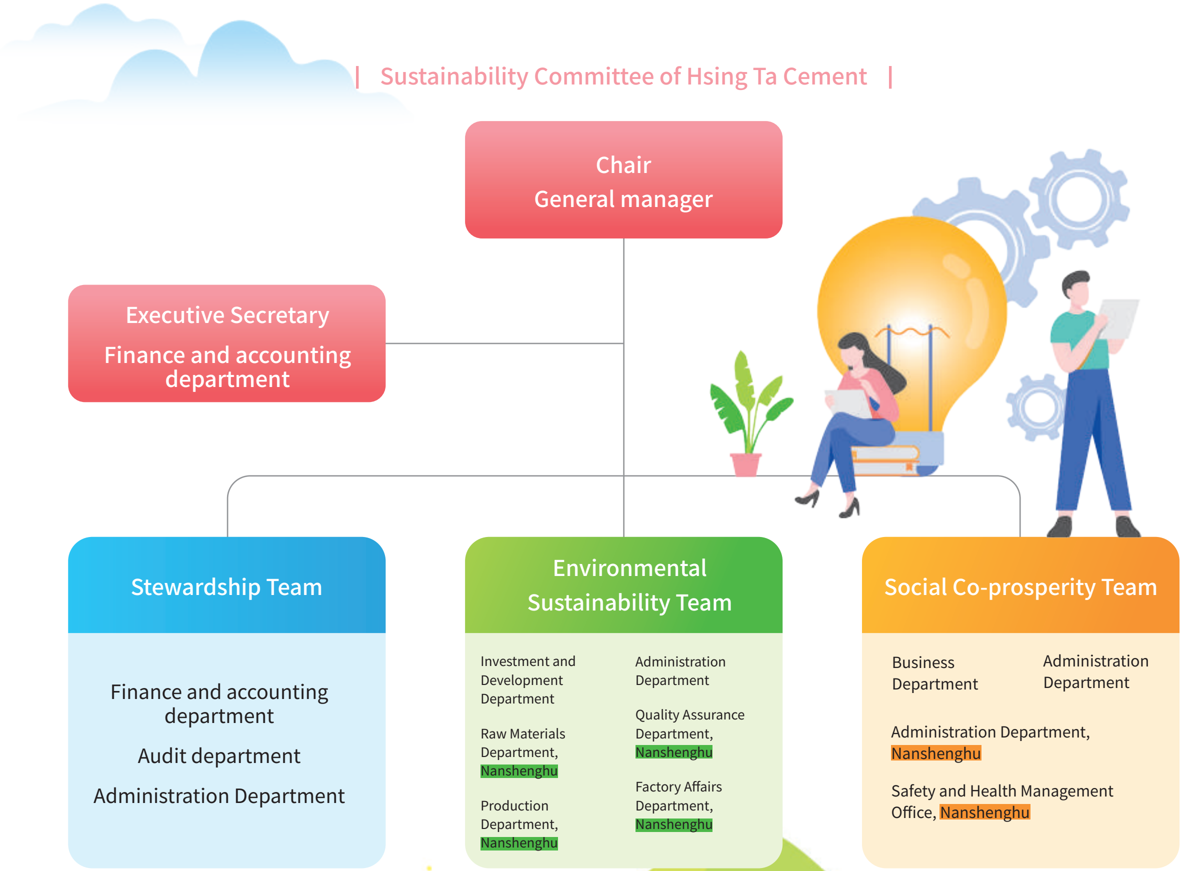
Sustainable Development Committee

As sustainable development encompasses the environment, society, and governance (hereinafter referred to as ESG), the Company transformed the existing CSR Office team into the Sustainable Development Committee in 2022. This committee is chaired by the General Manager and includes senior managers from various departments as members. They jointly inspect the Company's situation and set out short-, medium-, and long-term sustainable development plans, while regularly reporting the implementation and results to the Board.

The Sustainable Development Committee has established a special team responsible for collecting stakeholders' issues of concern regarding environmental protection, occupational safety, supply chain management, labor rights, business performance, and corporate governance. To respect the rights and interests of stakeholders, we have established a stakeholder area on the Company's website to appropriately address the important sustainability issues that concern them.

▶ Sustainable Development Best-Practice Principles

▶ Stakeholders section



Functions of the Sustainable Development Committee

- Establishing goals and strategies for corporate sustainable development
- Promoting and supervising corporate sustainable development
- Reviewing the results of corporate sustainable development work
- Handling other matters related to corporate sustainable development
- Reviewing sustainability reports

Duties of the chair

- Formulating sustainable development policies
- Supervising the members of the Sustainable Development Committee in implementing various policies and preparing sustainability reports
- Reporting the implementation of sustainable development policies to the Board of Directors every year

In principle, the Sustainable Development Committee convenes a meeting every six months to discuss the implementation targets and results of each working group. The number of meetings may be flexibly adjusted if necessary in response to changes in the environment or laws and regulations. In addition to the committee's routine meetings, the chair may invite members of the working group to participate in the meetings according to the contents of the motions. All resolutions adopted by the Sustainable Development Committee or matters discussed and approved will be recorded. The Sustainable Development Committee meeting in 2022 completed the amendments to the Sustainable Development Best Practice Principles and the formation of the Sustainable Development Committee. A committee meeting was held on November 5, 2024 and reported to the Board of Directors on November 12, 2024, hoping that the operation of the committee will strengthen the Company's implementation of sustainable development, enhance the disclosure of sustainability-related information, and strengthen information security. We aim to continuously improve and grow on the road to sustainable development in the spirit of Plan-Do-Check-Act (PDCA).

Teams of the Sustainable Development Committee and related sustainability issues

Stewardship Team

- Operational risk management
- Internal audit
- Financial performance
- Information security
- Supply chain sustainability
- Legal compliance
- Ethical corporate management
- Governance practices of Board of Directors

Environmental Sustainability Team

- Green product
- Energy management
- Greenhouse gas emissions
- Climate change
- Water resource management
- Product safety and responsibility
- Waste management

Social Co-prosperity Team

- Education and training
- Employees diversity and equal opportunity
- Occupational safety and health
- Customer service
- Employment
- Human rights policy
- Social charity activity

SDGs

The United Nations SDGs is a program released by the United Nations in 2015. It proposes 17 SDGs and 169 targets as the guiding principle for member states and global enterprises to implement sustainable development by 2030.

Hsing Ta Cement has integrated the SDGs into the Company's business strategy, expanding the previous focus on financial performance to take into account environmental protection and legal compliance, thereby improving employee benefits to retain outstanding talents, eliminating various unequal conditions in the workplace, and mitigating the discharge of wastewater and greenhouse gas emissions. We also invite suppliers to work together to improve the environment and benefits. In the future, Hsing Ta Cement will continue to make more contributions to the SDGs and fulfill its corporate social responsibility.

SDGs	Targets	Hsing Ta Cement's response
1 消除貧窮	1.4 Ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources	• We provide salaries that are better than the laws and regulations and competitive in the market, as well as comprehensive benefit measures, so that employees can work with dignity and improve the standards of living for themselves and their families. • We appropriately adjust employee salaries based on the Company's profitability to increase their commitment to the Company.
4 優質教育	4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including people with disabilities, indigenous peoples, and disadvantaged children. 4.7 Ensure all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, and the promotion of a culture of peace and non-violence.	• We arrange for competency training for employees with different functions to ensure that each employee receives vocational training opportunities. • We plan courses on sustainable development, workplace equality, and labor rights to encourage employees to participate. • We offer human rights awareness education and training for all employees every year.
5 性別平等	5.1 End all forms of discrimination against women and girls everywhere. 5.4 Recognize and value unpaid care and domestic work through the provision of social protection policies.	• Gender is not used as a factor for employee appointment, evaluation, and promotion. • Employees of both genders are provided with the right to apply for unpaid parental leave.
7 可負擔的永續能源	7.3 By 2030, double the global rate of improvement in energy efficiency.	• In 2023, solar power generation equipment was installed at the Nanshenghu Plant in Yilan. • In 2024, the Company purchased renewable energy certificates to reduce its use of purchased electricity, effectively lowering Scope 2 emissions.

SDGs	Targets	Hsing Ta Cement's response
8 就業與經濟發展	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7 Prohibit child labor and eliminate forced or compulsory labor. 8.8 Protect labor rights and promote safe and secure working environments of all workers, particularly women migrants, and those in precarious employment	• Gender is not used as a factor for employee appointment, evaluation, and promotion. • We appropriately adjust employee salaries based on the Company's profitability to increase their commitment to the Company. • We respect labor rights, including the prohibition of child labor and any form of workplace discrimination. • The duties of maternal employees are adjusted according to the law to reduce their workload and substantively protect maternal employees. • We implement the ISO 45001 occupational safety and health management system to effectively enhance the workplace safety of employees.
9 永續工業與基礎建設	9.5 Encourage innovation and increase the number of R&D personnel and R&D expenditure.	• We increase R&D expenditure year by year. In 2024, our R&D expenditure amounted to NT$24,965 thousand.
10 消弭不平等	10.2 Promote the social, economic and political inclusion of all irrespective of age, sex, disability, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory practices.	• The Company does not take employees' physical or psychological differences into account in recruitment, evaluation, and promotion. • There are channels for employee whistleblowing and comprehensive whistleblowing procedures in place to protect whistleblowers.
12 責任消費與生產	12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse.	• We produce green products, optimize the design process, and reduce waste generation. • In 2024, the total amount of waste reused reached 169,174 metric tons, and the resource reuse and raw material substitution rate for cement products per unit reached 29.59%.
13 氣候行動	13.2 Integrate climate change measures into national policies, strategies and planning.	• Since 2022, we have implemented climate change risk governance with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) requirements and disclosed them in the sustainability report. • The risks analyzed in 2022 have been managed, and efforts continue toward achieving a 50% carbon reduction target from the base year through 2045.
16 制度的正義與和平	16.6 Develop effective, accountable and transparent institutions at all levels. 16.7Ensure responsive, inclusive, participatory and representative decision-making at all levels.	• We strengthen corporate governance, ensure that employees abide by the Company's regulations through internal control, and have established whistleblowing procedures and channels. • Through stakeholder communication, we understand their requirements and expectations for the Company, and regularly report to the Board of Directors.

1.3 Organizational Participation and Global Initiatives

In addition to improving our competitiveness in the industry, the Company actively communicates with stakeholders from all sectors. By participating in industry-related associations, we have positive interactions with members of the associations and stay abreast of the latest development trends in the industry.

As the world pays more attention to climate issues and drives companies to actively take action to mitigate climate change, the Company responded to the TCFD initiative in 2022 and followed the TCFD recommendations to disclose the strategies and measures taken by the Company in response to climate change and to fulfill its corporate social responsibility with the vision of transitioning to a low-carbon economy.

Name of external association	Role of Participation
Taiwan Cement Manufacturers' Association	General member
Taiwan Marble and Stone Mining Association	Member
Industrial Safety and Health Association of the R.O.C	General member
Yilan County Industrial Association	General member
Yilan County Federation of Trade Unions	General member

1.4 Stakeholders and material topics

| Stakeholders and material topics identification process |

1 Understanding of the organization's context

Referred to the relevant industry standards for sustainability; reviewed the organization's operating activities, business relations, and the process of identifying stakeholders to understand the overall situation of the organization and related impacts; and identified sustainability stakeholders.

2 Identification of actual and potential impacts

Identified the actual and potential impacts on the economy, environment, and people, including positive and negative, short-, medium-, and long-term, intentional, or irreversible impacts, based on an overall overview of the organization and its business relations; and selected 24 issues of concern related to sustainability.

3 Assessed the significance of the impact

Conducted materiality analysis through the questionnaire on the external economic, environmental, and people impact and the questionnaire on the impact on internal operations.

4 Sorted the most significant impacts for reporting

The identified issues were ranked by impact and assessed for materiality based on sustainability-related industry standards and the review of committee members, resulting in the selection of 11 material topics.

1.4.1 Understanding of the organization's context

Identification of major stakeholders and communication

Interacted with various stakeholders through routine business transactions → Discussed through internal meetings and referred to practices adopted by companies in the same industry → Identified seven categories of major stakeholders

While pursuing corporate sustainable management, we value the voices of stakeholders. We include all individuals or groups that may have a significant impact on the Company's operations as stakeholders. Through the five principles of the AA1000 Stakeholder Engagement Standard (SES): dependency, responsibility, influence, diverse perspectives, and tension, the Company's Sustainable Development Committee has identified seven types of major stakeholders: government agencies, employees, suppliers, customers, banks, communities, shareholders/investors.

Due to the differences in the status of stakeholders, their issues of concern are often different. The Company provides information related to corporate sustainable development on its official website and maintains open and direct communication channels for stakeholders to stay informed about their requirements and expectations. This enables the Company to respond in a timely manner, aiming to create a win-win situation with stakeholders for effective corporate sustainable management while continuously reviewing and improving its performance in corporate sustainable development. The communication with major stakeholders is reported to the Board of Directors every year as a reference for sustainable strategic planning.

▶ Stakeholders section

Stakeholder communication channels and issues of concern

Categories of major stakeholders	Significance of stakeholders to the Company	Issue of concern	Communication channel	Frequency of communication	Communication records
Government agencies	Government agencies supervise and audit the Company's compliance with various laws and regulations.	• Legal compliance • Information security • Ethics and integrity • Corporate governance • Occupational safety and health • Energy conservation and carbon reduction • Energy consumption • Waste management • Air pollution control • Social engagement • Climate change response	Market Observation Post System	Irregularly	Market Observation Post System
			Corporate Governance Evaluation	Annually	Corporate Governance Evaluation
			Visits by competent authorities	Annually	Factory audit and operational investigation
			Policy awareness-raising events	Irregularly	Official document system
			Official correspondence and policy awareness-raising events	Irregularly	Official document system
Shareholders	Investors are the Company's supporters. The Company should protect their rights and interest, treat all of them fairly, and ensure that they have the right to fully know, participate in, and decide on the Company's material issues.	• Product innovation • Legal compliance • Ethics and integrity • Financial performance • Corporate governance • Operational risk management	Market Observation Post System	Irregularly	Various irregular announcements/material information announcements/announcements related to the shareholders' meetings
			Monthly revenue or quarterly financial report	Annually	Monthly revenue or quarterly financial report
			Shareholders' meeting	Annually	Shareholders' meeting minutes
			Official website, telephone, or email	Irregularly	Investor section and email
			Investor conference	Annually	Investor conference videos
Suppliers	Long-term positive interactions with supply partners can ensure a stable supply of raw materials, materials, and services. In addition, measures taken together with supply partners can effectively prevent environmental pollution and labor rights violations.	• Supplier social assessment • Supplier environmental assessment • Energy consumption • Legal compliance • Financial performance • Information security	Supplier/contractor meetings	Irregularly	Meeting minutes/email/telephone/Webex
			Contractor negotiation meetings	Annually	Meeting minutes
			Construction safety and health instructions	Irregularly	Safety, health, and environment commitment
			Auditing of suppliers/contractors	Annually	Audit reports
			Supplier questionnaires	Irregularly	Prohibited and restricted substances guarantee Prohibited and restricted substances survey

Categories of major stakeholders	Significance of stakeholders to the Company	Issue of concern	Communication channel	Frequency of communication	Communication records
Customers	Customers are the main sources of revenue for the Company. The Company regards product quality, safety, and after-sales service as its highest commitment to customers. Maintaining high customer satisfaction with the Company will help increase customers' recognition of the Company.	• Supplier environmental assessment • Supplier social assessment and product innovation • Legal compliance • Information security • Customer service • Ethics and integrity • Financial performance • Corporate governance • Occupational safety and health • Operational risk management • Customer health and safety • Energy conservation and carbon reduction • Waste management • Energy consumption • Human rights policy • Climate change response • Water resource management	Meetings with customers	Irregularly	Email/telephone/Webex
			Customer satisfaction survey	Annually	Customer satisfaction survey questionnaire
			Auditing by customers	Irregularly	Customer feedback mailbox
			Customer questionnaire	Irregularly	Customer commitment or customer-related questionnaire
Employees	Employees are the cornerstone of the Company's operations. The Company is committed to providing them with a healthy and diversified workplace so that they can work without worries.	• Ethics and integrity • Financial performance • Diversity and equal opportunity • Employment • Talent cultivation and retention • Legal compliance • Occupational safety and health • Salary and benefits • Human rights policy	Labor–management meetings	Quarterly	Meeting minutes
			Employee complaint email	Irregularly	Suggestion box
			Employee Welfare Committee meetings	Quarterly	Meeting minutes
			Department meetings and performance interviews	Regularly	Weekly report (according to the needs of each department)
			Internal announcement	Irregularly	Performance evaluation form
			Safety and Health Committee meetings	Quarterly	Meeting minutes

Categories of major stakeholders	Significance of stakeholders to the Company	Issue of concern	Communication channel	Frequency of communication	Communication records
Banks	Banks are the main source of working capital. Through close communication and interaction with them, we can obtain stable and competitive working capital and ensure sustainable operation.	• Financial performance • Legal compliance • Energy conservation and carbon reduction • Energy consumption • Product innovation • Social engagement • Climate change response	Visits to banks	Irregularly	Email/Telephone
Community	Social co-prosperity is the goal of sustainable operations, and the positive influence on society is enhanced by giving back to society.	• Social engagement • Legal compliance • Climate change response • Energy conservation and carbon reduction • Energy consumption • Waste management • Water resource management • Air pollution control	Community meetings Donations to social charity activities	Irregularly	Emails, phone calls, and physical meetings Company website

1.4.2 Identification of actual and potential impacts

The issues of concern raised by various departments and key stakeholders in daily operations were selected and compiled by the Sustainability Committee. At the same time, we referred to the specific topics of the 2021 GRI Standards and the SASB Standards, and assessed the actual and potential positive and negative impacts of these topics on the economy, environment, and people. We identified 24 sustainability issues related to economic, environmental, and social aspects, ensuring that the sustainability information disclosed by Hsing Ta Cement in the environmental, social, and governance (ESG) aspects meets stakeholders' expectations. The positive and negative impacts of the Company's sustainability issues evaluated in 2024 are as follows.

Sustainability issue	Positive impact	Negative impact	Actual/Potential
Financial performance		√	Potential
Energy conservation and carbon reduction		√	Potential
Energy consumption	√		Actual
Occupational safety and health	√		Actual
Air pollution control	√		Potential
Waste management	√		Actual
Climate change response	√		Potential
Operational risk management	√		Actual
Ethics and integrity	√		Actual
Legal compliance		√	Potential
Corporate governance	√		Actual
Employment	√		Actual

Sustainability issue	Positive impact	Negative impact	Actual/Potential
Talent cultivation and retention	√		Actual
Supply chain environmental assessment	√		Actual
Supplier social assessment	√		Actual
Water resource management	√		Actual
Customer service	√		Actual
Customer health and safety	√		Actual
Salary and benefits	√		Actual
Product innovation	√		Actual
Human rights policy	√		Actual
Social engagement	√		Actual
Diversity and equal opportunity	√		Actual
Information security	√		Actual

1.4.3 Assessment of the significance of impacts and sorting of the most significant impacts for reporting

The Sustainable Development Committee distributed an online questionnaire to key stakeholders regarding the 24 sustainability issues that were assessed for their positive and negative impacts. In 2024, a total of 70 valid copies of the questionnaire were returned, indicating the impacts of various sustainability issues (on governance, the environment, and people) as scored by major stakeholders. An online questionnaire was also distributed to the Company's management, executives, and independent directors, totaling eight copies of the questionnaire. They were asked to evaluate the impact of the Company's business activities and relationships on governance, the environment, and society based on sustainability issues. The above scores were combined to produce a material topic matrix. Finally, after discussions by the Sustainable Development Committee, the material topics of the year were determined, confirming that Hsing Ta Cement should disclose the environmental, social, and economic aspects first. Changes in this year's report compared to the previous year are listed in the table below. This report will explain the management approaches and related disclosure items for each material topic.

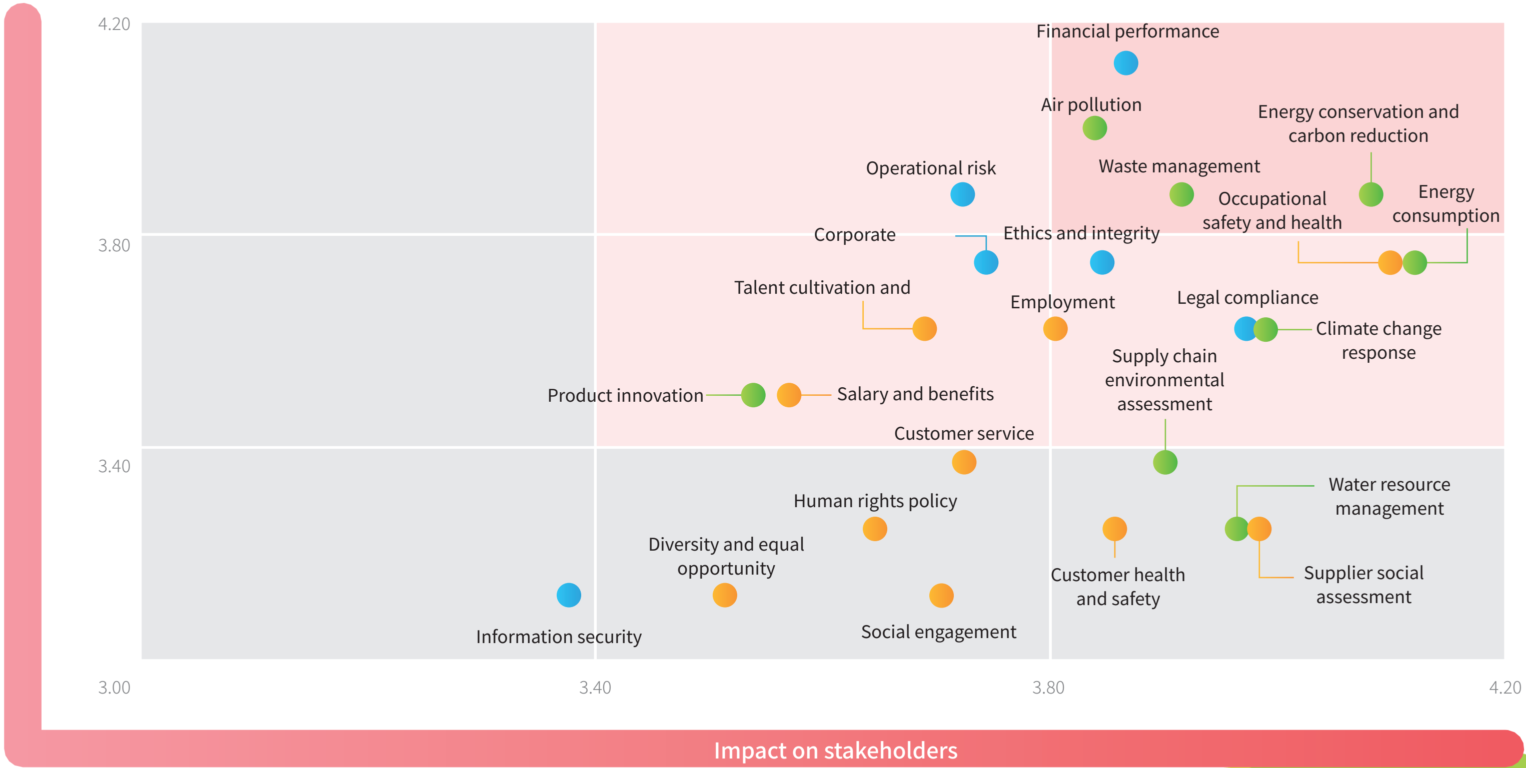
- Changes in Material Topics in 2024

+Added.

- Financial performance
- Waste management
- Climate change response
- Ethics and integrity
- Corporate governance

-Deleted

- Water resource management
- Talent cultivation and retention
- Salary and benefits
- Employment
- Information security



Sorting of material topics to be reported based on their impacts

The members of the Sustainable Development Committee referred to the results of the stakeholder impact assessment and the internal operation impact assessment, as well as the Company's sustainable development strategies, and sorted the material topics as follows:

Aspect	Sustainability issue	Sorting
Corporate governance aspect	Financial performance	1
Environmental aspect	Energy conservation and carbon reduction	2
Environmental aspect	Energy consumption	3
Social aspect	Occupational safety and health	4
Environmental aspect	Air pollution control	5
Environmental aspect	Waste management	6
Environmental aspect	Climate change response	7
Corporate governance aspect	Operational risk management	8
Corporate governance aspect	Ethics and integrity	9
Corporate governance aspect	Legal compliance	10
Corporate governance aspect	Corporate governance	11
Social aspect	Employment	12
Social aspect	Talent cultivation and retention	13
Environmental aspect	Supply chain environmental assessment	14
Social aspect	Supplier social assessment	15
Environmental aspect	Water resource management	16
Social aspect	Customer service	17
Social aspect	Customer health and safety	18
Social aspect	Salary and benefits	19
Environmental aspect	Product innovation	20
Social aspect	Human rights policy	21
Social aspect	Social engagement	22
Social aspect	Diversity and equal opportunity	23
Corporate governance aspect	Information security	24

1.4.4 List of material topics

Aspect	Material topics	Positive and negative impacts on Hsing Ta Cement	Internal impact boundary	External impact boundary						Corresponding GRI Standards	Disclosure in the report
			Companies	Shareholders/ Investors	Suppliers	Customers	Competent authorities	Banks	Community		
G Corporate governance	Financial performance	Affected by rising raw material prices, higher electricity costs, and the imposition of carbon fees, production costs continued to increase. Together with fluctuations in market demand, this has posed challenges to operations and represents a potential negative impact.	●	●	●	●				201-1-201-2	2.4 Products and business performance
E Environment	Energy conservation and carbon reduction	Due to the implementation of the Climate Change Response Act, Taiwan started to impose a carbon fee in 2024, which is expected to increase the Company's operating costs and present a negative potential impact.	●			●	●	●	●	302-1-302-5	3.1 Energy management
E Environment	Energy consumption	The implementation of the Climate Change Response Act of the Ministry of Environment and the amendment to the Renewable Energy Development Act of the Ministry of Economic Affairs require the mandatory installed capacity of renewable energy users to add green energy equipment. This is expected to increase the Company's operating costs, resulting in a potential negative impact.	●			●	●	●	●	302-1-302-5	3.1 Energy management
S Society	Occupational safety and health	The Company provides employees with a healthy and safe work environment where they can work with peace of mind. There were no major occupational injuries in 2024, which is a positive outcome.	●		●	●	●			403-1-403-10	4.3 Occupational safety and health
E Environment	Air pollution control	The Company strictly controls process air emissions, which is stricter than the government's emission standards, leading to a positive impact.	●				●		●	305-7	3.3 Pollution control
E Environment	Waste management	The Company assists businesses in handling industrial waste, promotes the circular economy, and enhances environmental benefits, thereby creating sustainable business opportunities and generating a positive actual impact.	●		●	●			●	306-3-306-5	3.3 Pollution control

Aspect	Material topics	Positive and negative impacts on Hsing Ta Cement	Internal impact boundary	External impact boundary						Corresponding GRI Standards	Disclosure in the report
			Companies	Shareholders/ Investors	Suppliers	Customers	Competent authorities	Banks	Community		
E Environment	Climate change response	In response to the Climate Change Response Act, the Company must invest additional resources in equipment upgrades and technological improvements to ensure environmental compliance. At the same time, extreme weather events may disrupt the supply chain, increasing operating costs and risks and resulting in adverse impacts.	●	●		●	●			302-1-302-5	3.5 Climate change response
G Corporate governance	Operational risk management	The Stewardship Team, under the Sustainable Development Committee, is responsible for annual risk assessment and implementation, as well as reviewing risk changes on a rolling basis and responding in a timely manner. In 2024, we effectively responded to environmental risks from climate change and information security risks, resulting in a positive material impact.	●	●		●	●			Self-defined material topics	2.3 Risk management
G Corporate governance	Ethics and integrity	Upholding the core values of "diligence and fidelity, with trust as the highest principle," the Company adheres to integrity in management and has long maintained fair trading practices with its supply chain. With employees having an average tenure of over 10 years, this demonstrates a stable corporate culture and constitutes a positive substantive impact.	●	●	●	●			●	401-1–3/402-1	2.5 Customer service and supply chain sustainability 4.2 Right person for the right place
G Corporate governance	Legal compliance	Legal compliance is the cornerstone of the sustainable operation of Hsing Ta Cement. There were no major violations of laws and regulations in 2024, which is a positive material impact.	●	●		●	●			2-27	2.2 Ethical corporate management and legal compliance
G Corporate governance	Corporate governance	The Company is committed to strengthening corporate governance to ensure operational transparency and regulatory compliance in decision-making. Through sound board operations, internal control mechanisms, and risk management, the Company enhances corporate resilience and sustainability capabilities, representing a positive substantive impact.	●	●			●			2-10-2-21	2.1 Governance practices

Stewardship

Material topic: Financial performance

Policy/Commitment	• Prudent operation and development • Risk control and capital utilization • Protecting shareholders' rights and interest
Goals	• Strengthen financial control and optimize the operational structure to enhance management efficiency and risk resilience.
Responsible department/grievance mechanism	• Responsible department: Finance and accounting department. • Grievance mechanism: In the stakeholders section on the official website, stakeholders can directly contact the relevant departments and give feedback on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• Monthly financial performance analyses are conducted to supervise the operating status of the organization, with the analysis results finalized and signed off by the Chairperson. • Irregular training and external learning opportunities are provided for financial and accounting professionals to strengthen expertise and regulatory knowledge.
Evaluation mechanism	• Quarterly and annual financial statements are audited by certified public accountants and submitted to the Audit Committee and the Board of Directors. • Annual financial statements and business reports are approved by the Shareholders' Meeting.

Material topics: Operational risk management/corporate governance

Policy/Commitment	• Shaping of a risk culture • Effective preventive control • Strengthen the corporate governance framework to ensure transparency, impartiality, and compliance in decision-making.
Goals	• Implement sustainable environmental, social, and governance risk management
Responsible department/ Grievance mechanism	• Responsible department: Stewardship Team • Grievance mechanism: Grievance mechanism: In the stakeholders section on the official website, stakeholders can directly contact the relevant departments and give feedback on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• Continuously strengthen the TCFD climate risk management framework. • Establish a sustainability risk identification process covering the environmental, social, and governance dimensions. • The Sustainable Development Committee – Stewardship Team regularly reviews and assesses risks.
Evaluation mechanism	• The Sustainable Development Committee convenes annually to review the results of annual risk identification and the effectiveness of implementation. • Quarterly updates on sustainable governance are reported to the Board of Directors as a reference for senior management decision-making.

Material topics: Legal compliance/Ethics and integrity

Policy/Commitment	• The Company conducts its business activities in full compliance with applicable laws and regulations, while continuously monitoring domestic and international policies and regulations that may affect its operations. This ensures effective legal compliance and establishes a corporate culture of lawful management and integrity in governance.
Goals	• No major violations of laws and regulations occurred during the year / No major complaints were received from stakeholders.
Responsible department/ grievance mechanism	• Responsible department: Administration Department • Grievance mechanism: Grievance mechanism: In the stakeholders section on the official website, stakeholders can directly contact the relevant departments and give feedback on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• Corporate governance aspect The Company has an ethical corporate management team and the Administration Department is the executive unit, and the Board of Directors and the management regularly promote and continuously supervise the implementation. • The Company has established the "Ethical Corporate Management Best-Practice Principles," "Code of Ethical Conduct," and "Employee Code of Conduct" as the basis for employees and stakeholders to follow. • Senior management takes the lead in implementing regulatory compliance, with internal training provided to strengthen all employees' adherence to laws, regulations, and internal policies. • Environmental safety and health aspect: We formulate relevant management methods and supervision measurement and performance management methods to manage the occupational safety, health, and environmental laws and regulations, and other requirements that should be followed in relation to the Company's operating activities, products, or services to ensure full compliance with laws and regulations. • Grievances/Whistleblowing: The "Procedures for Reporting Dishonesty and Misconduct" and "Procedures for Investigating Reports" have been established, and platforms and information communication channels for reporting misconduct have been set up on the Company's website and with a mailbox, and relevant information has been announced by email and bulletin boards.
Evaluation mechanism	• We regularly report to the Board of Directors on the implementation of the Company's ethical corporate management policy. The most recent date for the implementation report in 2024 was May 13, 2025. • The Company also organized internal and external education and training on ethical corporate management issues in 2024 (including ethical corporate management, compliance, safety and health management, accounting systems, and internal control) with 3,634 hours and 550 participants. • In 2024, the Company did not have any record of major violations in various aspects, including ethical management, anti-competition, business accounting, environmental protection, labor rights, occupational safety and health and product liability, socioeconomics, customer privacy, and customer health and safety.

Note: Major violations refer to those with a fine of more than NT$500,000.

The Company believes that a sound board operation and effective risk control are at the core of robust corporate governance, which not only helps reduce operational risks but also strengthens competitiveness and creates brand value. We are committed to fostering a culture of integrity and accountability, adhering strictly to regulations, and implementing ethical business practices. Through a solid governance framework, the Company safeguards the rights and interests of investors and stakeholders while advancing sustainable development.

The Shareholders' Meeting is the Company's highest authority, convened annually in accordance with the Company Act and the Securities and Exchange Act. Major matters are reported and proposed by the Board of Directors. The Board, as the Company's highest governance body, fulfills its duties by formulating business strategies, reviewing financial performance, and ensuring compliance with laws and regulations. The Chairperson is responsible for promoting the strategies established by the Board of Directors, while the President is responsible for daily operations as well as the planning and implementation of sustainability strategies, with regular reporting to the Board, thereby ensuring clear division of responsibilities.

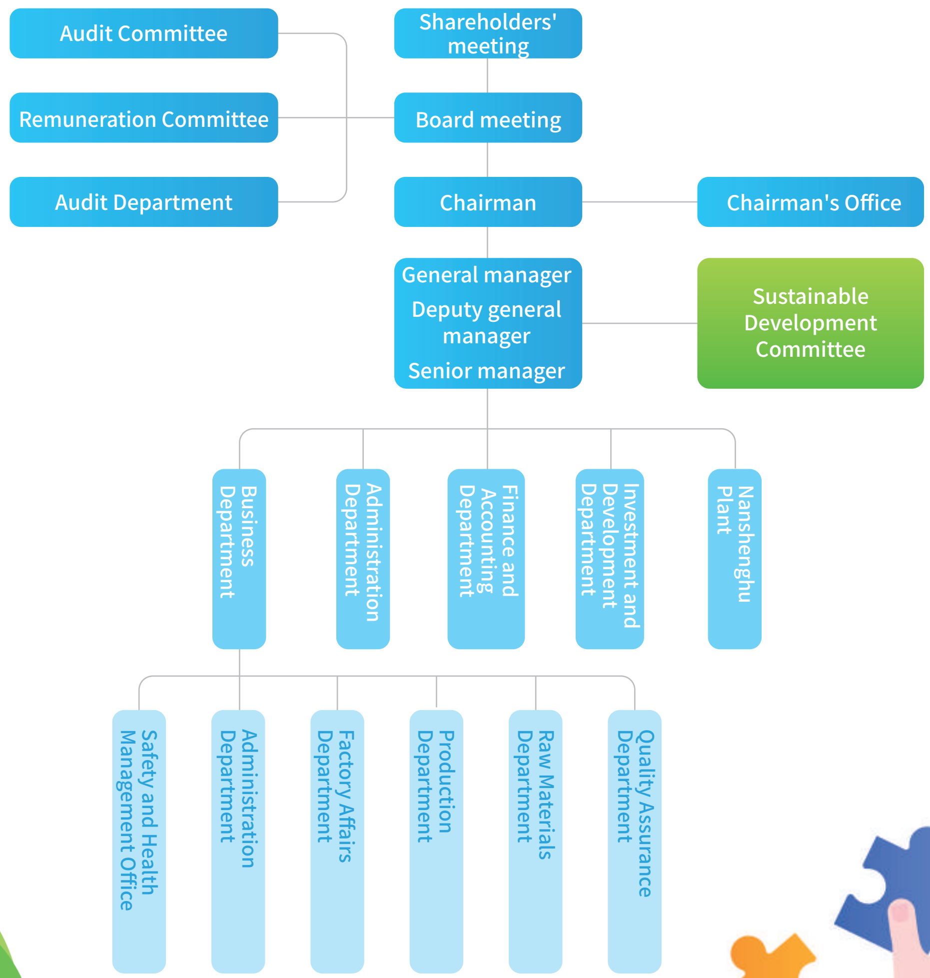
The Company's financial statements are audited and attested by PwC Taiwan to ensure accurate and timely disclosure of financial information. Looking ahead, Hsing Ta Cement will continue to strengthen board functions, enhance information transparency, and progressively integrate elements of sustainable governance into its corporate governance framework to achieve the objectives of responsible governance.

Corporate Governance Principles

- Protecting shareholders' rights and interest
- Strengthening the functions of the Board of Directors
- Exercise the supervisory role of the Audit Committee
- Respecting the rights and interest of stakeholders
- Enhancing information transparency
- Establishing an effective corporate governance structure

2.1 Governance practices

Governance structure



Responsibilities of governance units

Unit	Responsibilities
Audit Committee	Assisting the Board of Directors in overseeing the quality and integrity of the Company's implementation of accounting, auditing, financial reporting processes and financial controls.
Remuneration Committee	Improving the remuneration system for the Company's directors, supervisors, and managers, appointing them by resolution of the board, and convening meetings in accordance with the law.
Audit department	Being responsible for matters related to the audit of internal control systems and the planning and review of rules and regulations.
Chairman's Office	Assisting the Chairman in matters related to the planning and promotion of the Company's development strategy, and the execution of the business plans and projects assigned by the Chairman.
Sustainable Development Committee	Supervising and managing the implementation of the Company's overall corporate sustainable development policies and being committed to the sustainable development and promotion of measures in the environmental, social, and governance aspects.
Business department	Being responsible for matters related to product sales, logistics, marketing, assessment of the credit period of clients' notes, and supervision and assessment of local sales teams.
Administration Department	Being responsible for matters related to human resources, documentation, general affairs, procurement, fixed asset management, planning, execution and management of construction and maintenance, and computer operation management.
Finance and accounting department	Being responsible for matters related to finance, accounting, reinvestment, stock affairs, and corporate governance.
Investment and Development Department	Being responsible for matters related to market research, evaluation, execution and management of the investment and development of new businesses and resource recycle and reuse business.
Nanshenghu Plant	Being responsible for matters related to limestone mining and transportation, cement and clinker manufacturing, warehousing and delivery.

Note: Mr. Chih-Hsiung Yang serves as the Chairman of the Company and Mr. Ta-Kuan Yang serves as the General Manager of the Company. Thus, the Chairman does not concurrently serve as the General Manager of the Company, and the two are not directly related by blood.

2.1.1 Board of Directors

Hsing Ta Cement has established a corporate governance system in compliance with the Securities and Exchange Act and the Company Act of Taiwan. In order to strengthen the protection of shareholders' rights and interests, as well as the functions of the board, the Company's Corporate Governance Best-Practice Principles stipulate the requirements for board members. The Company nominates and elects qualified candidates based on fair, just, and open selection procedures, and regularly elects new board members based on the principle of meritocracy. At the same time, the diversity of the composition of directors is taken into consideration, including, but not limited to, the two major standards for basic requirements, values, and professional knowledge and skills. They should also generally possess the knowledge, skills, and qualities necessary to perform their duties. The board members of Hsing Ta Cement have extensive experience and professional capabilities in the fields of industry, accounting and finance, and are well versed in the development of the industry. The Company's Board of Directors currently consists of nine directors, including three independent directors, with extensive experience and expertise in accounting, finance, management, and technology. In addition, the Company pays attention to the gender equality of board members, and there is one female director, accounting for 11% of the board members.

The Board of Directors sets the Company's business strategy and is accountable to shareholders and other stakeholders. The directors faithfully perform their duties and exercise their duty of care as good managers with a prudent attitude. The execution of the Company's business and the operations and arrangements of various governance systems should be resolved by the board, except for matters that should be resolved by the shareholders' meeting in accordance with laws or the Articles of Incorporation. During board meetings, directors abide by the Company's Rules of Procedure for Board of Directors Meetings and uphold a high degree of self-discipline to recuse themselves from conflicts of interest. If directors have a personal interest in the proceedings of the board meeting for themselves or the juristic person they represent, they must explain the important aspects of that interest during the meeting. A director may not participate in the discussion and voting if it is likely to be detrimental to the Company's interests. They should recuse themselves from the discussion and voting and may not exercise voting rights on behalf of other directors.

The Board of Directors convenes at least once a quarter in accordance with the Rules of Procedure for Board of Directors Meetings to review the Company's business performance, discuss important strategic issues, and communicate key material events according to the Internal Material Information Handling and Insider Trading Prevention Procedures, including economic, environmental, and social impacts, risks, and opportunities. The board confirms the responsible units for subsequent handling during the meeting and follows up on the progress at the next meeting. When the unit in charge of board meetings provides various proposals and report materials to board members, it will review in advance whether the content of the reports is relevant to any stakeholders and any recusal is required, and parties concerned will be reminded in advance. In 2024, the Board of Directors held five meetings, and the attendance rate of all directors was 97.78%. In 2024, there were no instances of conflicts of interest requiring recusal by board members. A total of 29 pieces of material information were released in 2024. Please refer to the Market Observation Post System (MOPS) for related information.

▶ Market Observation Post System

Nomination and selection process for the Board of Directors and various committees

Required qualifications

In accordance with the Company's Articles of Incorporation, the Corporate Governance Best Practice Principles, and the Regulations Governing the Election of Directors and Independent Directors, a candidate nomination system was adopted for the election of directors, including independent directors. The board considered the Company's future operational development and accepted director candidates who were professionals in various fields, as nominated by the directors. The list of director (independent director) candidates was reviewed by the board, and they were found to possess the knowledge, skills, and qualities that directors (independent directors) should have.

Invitation and document review

The Chairman shall invite candidates with governance expertise or shareholders, each holding more than 1% of the Company's shares, to nominate candidates. Candidates shall fill out a statement of education and experience as a director (including independent directors) and attach a copy of their highest academic diploma, relevant credit certificates, or professional certificates. They must also provide proof of employment separation and certificates of service issued by their previous and current organizations, respectively. The board will review the candidates' qualifications and materials. Those who pass the review will be listed as candidates for directors (including independent directors).

Board resolution

The proposal for the nomination of candidates for directors (including independent directors) is submitted to the Board of Directors for discussion. After approval by resolution, it is submitted to the shareholders' meeting for an election. The directors shall be elected with reference to the Regulations Governing the Election of Directors and Independent Directors.

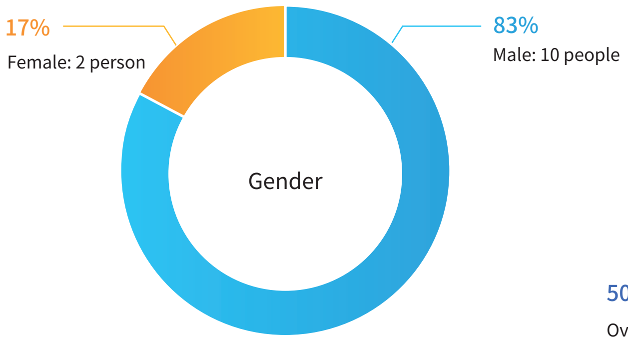
Board members

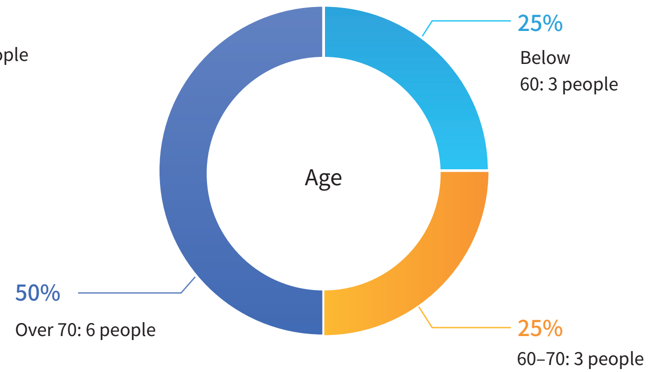
Title	Name	Attendance in person (%)	Number of other companies where the individual concurrently serves as a director	Capabilities in related fields	Shareholdings in competitors, suppliers, and customers
Chairman	Chih-Hsiung Yang	100%	0	Has more than five years of work experience and expertise in the cement industry and business management; is not under any circumstances under Article 30 of the Company Act.	None
Director	Chung-Hsiung Yang	100%	0	Has more than five years of work experience and expertise in the cement industry, finance, and business management; is not under any circumstances under Article 30 of the Company Act.	None
Director	Jen-Hsiung Yang	100%	0	Has more than five years of work experience and expertise in the cement industry, trade, and business management; is not under any circumstances under Article 30 of the Company Act.	None
Director	Ta-Chin Yang	100%	0	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	None
Director	Hua-Ling Lin (Note 2)	100%	0	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	None
Director	Yin-Hsing Yang(Note 2)	100%	0	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	None
Director	Po-Wei Yang	75%	0	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	None
Independent director	Cheng-Ting Chen(Note 2)	50%	2	Has more than five years of work experience and expertise in accounting, finance, and management; holds a CPA license; is not under any circumstances under Article 30 of the Company Act.	None
Independent director	Cheng-Tung Shih(Note 2)	100%	2	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	None
Independent director	Jui-Tai Wu	100%	0	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	None
Independent director	Ta-Hsiung Chen(Note 2)	100%	1	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	None
Independent director	Li-Hsiung Chen(Note 2)	100%	0	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	None

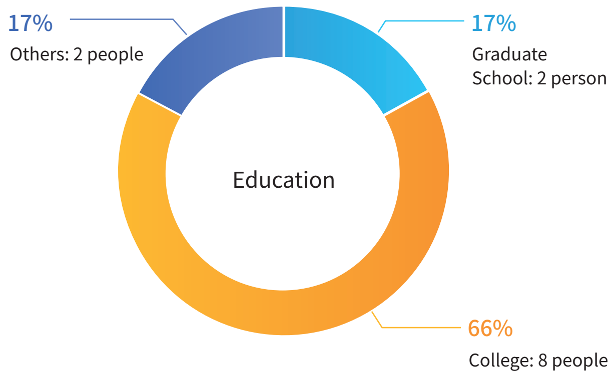
Note 1: Only the number of TWSE/TPEx listed companies is counted for the number of companies where the individual concurrently serves as a director.

Note 2: The 20th term of the Company's Board of Directors expired on July 8, 2024. In advance, the re-election of the 21st term of directors was completed at the Shareholders' Meeting on June 19, 2024, maintaining nine board members. Three directors, Hua-Ling Lin, Cheng-Ting Chen, and Cheng-Tung Shih, stepped down from their positions. Three new directors, Yin-Hsing Yang, Ta-Hsiung Chen, and Li-Hsiung Chen, were elected. The number of female directors remained at one, and all other members were re-elected. In 2024, the Board of Directors convened five meetings (two for the 20th term and three for the 21st term).

| Director diversity data/Year for 2024 |







Note: This statistic covers the 20th-term directors from January 1 to June 19, 2024, and the 21st-term directors from June 19, 2024, onward, with the data combined for reporting.

In addition, to effectively control risks and increase professionals' willingness to serve as directors, the Company purchases liability insurance for all directors each year for an amount of NT$90,000,000. The scope of insurance covers the Company and its subsidiaries. Directors and managers are the primary insured parties, protecting the Company, directors, and managers from the liability risks and expenses associated with alleged misconduct in the performance of their duties. This coverage alleviates concerns while they fulfill their responsibilities, reducing and diversifying the risks of directors' mistakes or negligence and the potential for significant damage to the Company and its shareholders.

Board of Directors training and performance evaluation

In order to strengthen the ethical standards for conduct for the Company's internal personnel and implement ethical management, we have established the "Code of Ethical Conduct," "Ethical Corporate Management Best-Practice Principles," and "Employee Code of Conduct." The contents include the prevention of conflicts of interest, avoidance of personal gain, confidentiality, fair trade, protection and proper use of corporate assets, compliance with laws and regulations, encouragement of reporting any illegal or unethical behavior, and disciplinary measures. Relevant standards are implemented after being approved by the board and are sent to independent directors, and reported at shareholders' meetings. Anti-corruption policies are communicated and promoted to employees. At the same time, we actively raise directors' awareness of following the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and advise them to take at least six hours of training each year on corporate governance topics during their term of office. In addition to courses on finance, risk management, business, commerce, law, accounting, sustainability, internal control systems, and financial reporting responsibilities, we continue to arrange courses on sustainable performance management, corporate governance, legal compliance, risk management, and anti-money laundering and combating the financing of terrorism for directors and employees.

Continuing education of directors in 2024

Title	Name	Date	Organizer	Title of course	Training hours (H)	Total hours of continuing education in the year (H)	Sustainability related
Independent director	Jui-Tai Wu	December 24, 2024	Taiwan Corporate Governance Association	• Infinite Net Zero Path of Business Opportunities – Analyze the Strategic Direction from the Industry's Vision	3	6.0	✓
		December 20, 2024	Taiwan Corporate Governance Association	• Notice to Directors and Supervisors: Insight on how to use the methods and strategies of non-regular transactions and related party transactions by the criminal.	3		
Independent director	Ta-Hsiung Chen	July 11, 2024	Securities and Futures Institute	• Digital Reconstruction and New AI Future – Case Study of AI Application	3	9.0	
		February 21, 2024	Taiwan Corporate Governance Association	• Strengthen corporate governance and achieve sustainable operation	3		✓
		December 24, 2024	Taiwan Corporate Governance Association	• Infinite Net Zero Path of Business Opportunities – Analyze the Strategic Direction from the Industry's Vision	3		✓
Independent director	Li-Hsiung Chen	November 07, 2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	• Workshop for directors and supervisors of the Company – Prevention of Money Laundering and Counter Terrorist Financing and Expansion of International Regulations and Domestic Laws and Regulations	3	6.0	
		October 07, 2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	• 2024 Taishin Net Zero Summit	3		✓
				Total training hours (H)	21		12
				Sustainability-related training (%)		57%	

The Company has established the "Regulations Governing the Self-Evaluation or Peer Evaluation of the Board of Directors." According to Article 2 of the Remuneration Committee Charter, the Company conducts a performance evaluation every year before the first quarter of the following year. The self-evaluation questionnaire is used to assess the performance of the Board of Directors. It includes items such as attendance at board meetings, pre-meeting understanding and participation in motion discussions, interaction with the management team, compliance with laws and regulations, adherence to best-practice principles, improvements in corporate governance, ongoing training in corporate governance courses, understanding of the Company, its management team, and the industry in which it operates, as well as other items designated by the competent authority. It aims to regularly evaluate the performance of directors and managers. In order to strengthen the functions of the functional committees of the Board of Directors, the Company added the performance evaluation of functional committees in 2023, including the evaluation of members of the Audit Committee and the Remuneration Committee. The evaluation results of the Board of Directors and functional committees in 2024 were reported to the competent authority in 2025 and announced on the Company's official website. In order to increase the independence of the evaluation, the Company plans to have an external professional independent institution or a team of external experts and scholars conduct the evaluation once every three years in the future.

Hsing Ta Cement continues to be committed to sustainable development and will gradually plan to incorporate sustainability goals and performance into the compensation system for directors and managers. As the Company's internal sustainability culture continues to mature, it will also remain attentive to external trends and, in due course, consult with the Compensation Committee on whether to formally incorporate sustainability performance into the compensation evaluation mechanism.

Promotion of corporate governance

The Company's General Manager is also the chief corporate governance officer, responsible for overall planning and execution, providing the information required by directors and Audit Committee members to perform their duties, handling matters related to the Board of Directors and shareholders' meetings according to laws, handling company registration and registration of changes, and preparing the minutes of board meetings and shareholders' meetings.

- Corporate governance implementation in 2024, please refer to the Company's website: https://www.hsingta.com.tw/Download.asp?lv=0&id=7.

Stakeholder consultation and grievance channel

In order to implement the core value of the Company's ethical corporate management culture, the Company has established a reporting system according to Article 23 of the Company's "Ethical Corporate Management Best-Practice Principles" and clearly established the Company's reporting channels and investigation procedures to implement the Company's Corporate Management Best-Practice Principles as required and safeguard the legal rights of whistleblowers.

Whistleblowing channel	
• Unethical and improper conduct reporting system	http://www.hsingta.com.tw/report.asp
• Reporting hotline	(02)2381-6731 ex. 109
• Reporting email	cys@hsingta.com.tw

In addition, to actively and extensively understand the needs of various stakeholders and continue to respond to their topics of concern, the Company maintains interactions with stakeholders through dedicated contact points in daily business activities. In addition to the company profile and product information, a stakeholder section has been created on the official website to provide diverse communication channels, such as email and a hotline, serving as a means of communication between stakeholders and the Company. This aims to promote smooth communication of internal and external opinions and information while meeting the needs of stakeholders in a timely manner. Stakeholder section:https://reurl.cc/112k5V.

2.1.2 Audit Committee

In accordance with the Articles of Incorporation and Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, the Company has established an Audit Committee consisting of three independent directors with exceptional professionalism. The purpose of the operation of the Audit Committee is to ensure that the Company's operations comply with relevant government laws and regulations, and is responsible for supervising the following matters:

- Fair presentation of the Company's financial statements.
- The appointment (dismissal), independence and performance of attesting CPA.
- Material financial or business activities in which the Company engages, such as the acquisition or disposal of assets, derivative trading, lending funds to others, or providing endorsements or guarantees for others as stated in Article 36-1 of the Securities and Exchange Act.
- Effective implementation of internal control.
- Compliance with the relevant laws and regulations.
- Management and control of the Company's existing or potential risks.

In 2024, the Audit Committee held four meetings, and the attendance rate was 92%.

For the detailed operation of the Audit Committee, please refer to the Company's website: https://reurl.cc/Eopb31

▶ Audit Committee

2.1.3 Remuneration Committee

In order to improve corporate governance and the remuneration system for the Company's directors and managers, Hsing Ta Cement has complied with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Company has established the Remuneration Committee to evaluate its directors' and managers' remuneration policies and systems in a professional and objective manner and has formulated the Remuneration Committee Charter as a basis for compliance.

In accordance with Article 26 of the Articles of Incorporation, the Company pays remuneration to its directors. The remuneration to directors and supervisors should be from the Company's net income before tax (i.e. the pre-tax income is the income before the remuneration of employees and directors is deducted) for the year. If there is a profit, no less than 1% to 3% should be allocated for employee remuneration, and no more than 5% for director remuneration. However, if the Company still has a cumulative deficit, it should reserve the amount needed to compensate for it in advance and then allocate employee and director remuneration in accordance with the percentages mentioned above.

If there is a surplus in the annual final account, the Company should first pay the profit-seeking enterprise income tax and make up for a cumulative deficit, if any; appropriate 10% of the remaining balance as the legal reserve and a special reserve as necessary. The Board of Directors should make a distribution proposal based on the above earnings after the distribution and the cumulative undistributed earnings from previous years and submit it to the shareholders' meeting for approval.

The annual remuneration of the Company's managers includes salaries, bonuses, and employee bonuses distributed from the earnings. The relevant remuneration is subject to the general standards of the industry, with the reasonableness of the relations between individual performance, the Company's operating performance, and future risks considered, before suggestions are made to the board as a reference in its decision-making.

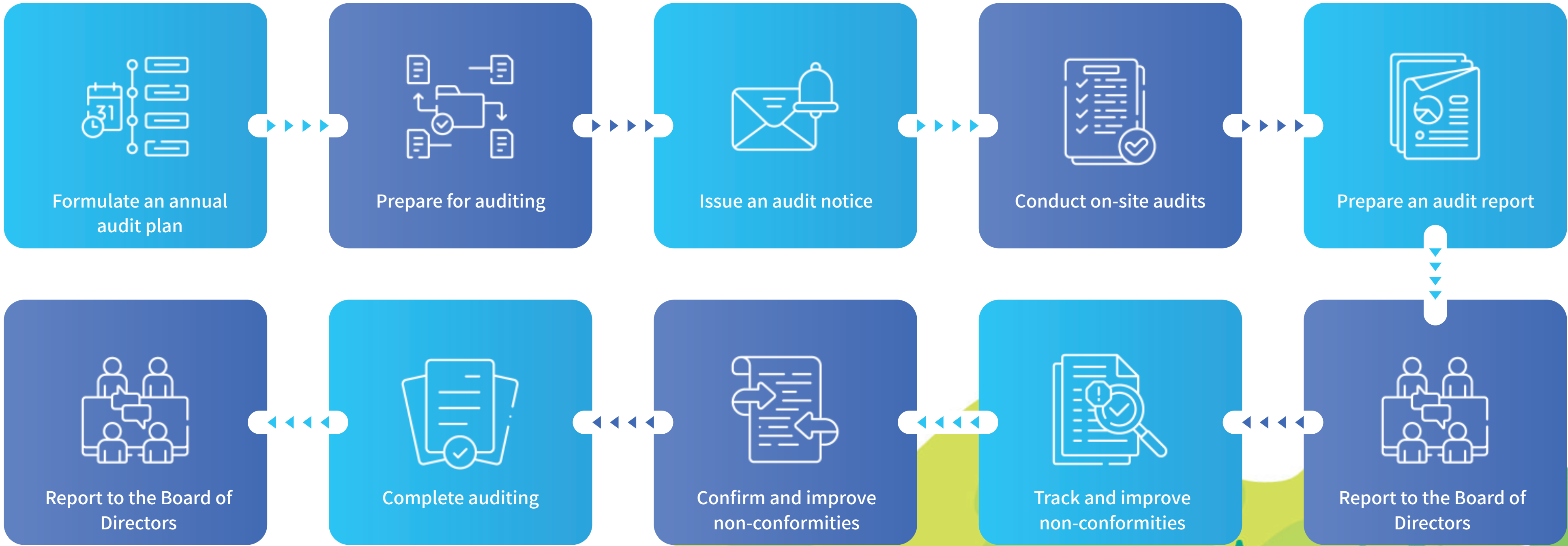
In 2024, the Remuneration Committee held two meetings, with an attendance rate of 100%. For detailed information on the operation of the Committee, please refer to the Company's website and the Hsing Ta Cement Annual Report → "Chapter 3 Corporate Governance Practices" → "(IV) Composition, Duties, and Operation of the Remuneration Committee."

▶ Remuneration Committee:

2.1.4 Audit Department and internal audit

The Audit Department is an independent unit under the Board of Directors. It is responsible for the execution of audit business and is equipped with two full-time auditors, including the chief auditor and an auditor. The appointment and dismissal of the chief auditor is approved by the board. The internal auditors perform their duties in an objective and fair position, and the chief auditor also attends the board meetings to report in accordance with the regulations. In the fourth quarter of each year, we formulate an audit plan for the following year based on the risk assessment results. Afterwards, we implement the audit plan approved by the Board of Directors and prepare an audit report based on the audit results with internal audit defects found during the audit process and the responsible units' improvement measures and submit it to the Chairman for review to ensure the continuous and effective implementation of the internal control system. The Company reports the annual audit plan, the roster of auditors and their training hours, the implementation of the annual audit plan, the statement of the internal control, and the improvement to the defects and abnormalities of the internal control system to the competent authority according to the regulations. There were no major defects found during the internal audit in 2024, and all relevant improvements have been completed.

| Audit Flowchart |



2.2 Ethical corporate management and legal compliance

2.2.1 Ethical corporate management

Each department of the Company interacts with stakeholders through routine channels on a regular basis. If there is a potential significant negative impact between stakeholders and the Company, the responsible department will perform due diligence of the financial position and market reputation of stakeholders, and report the investigation results to the General Manager and the Chairman. The Chairman, depending on whether the specific findings cause significant harm to the Company's overall operations, will assess whether to report to the Board of Directors. Finally, the Board of Directors will approve by resolution the due diligence report submitted by the department. In 2024, there were no potential negative material incidents between the Company and stakeholders, so there was no record of such reporting to the Board of Directors. Hsing Ta Cement understands that the current due diligence of stakeholders' financial position and market reputation is not sufficient. In the future, depending on the influence of stakeholders, the scope of due diligence will include stakeholders' legal compliance, environmental protection, and labor rights records, making our due diligence of stakeholders and the role of the board in facing potential negative material impacts be more complete.

The Company's organizational culture "integrity first" has shaped Hsing Ta Cement's core value. To ensure that the Company's ethical management philosophy is implemented throughout the Company, the Company has valued the morality of employees and formulated the "Ethical Corporate Management Best-Practice Principles," "Code of Ethical Conduct," and "Employee Code of Conduct," emphasizing the core corporate values of integrity, innovation, discipline, positivity, and customer trust, with connecting the world with innovation and care as our mission. In accordance with the Company's "Ethical Corporate Management Best-Practice Principles," an ethical corporate management team has been established under the Board of Directors, and the Deputy General Manager is appointed as the convener. The Administration Department promotes the implementation and assists the management in reviewing and evaluating the implementation of preventive measures for ethical corporate management, while regularly evaluating relevant business processes. The promotion of ethical corporate management in each year will be reported to the first board meeting in the following year. On new employees' first day of work, the Administration Department will raise their awareness of integrity. At the same time, the management will be required to lead by example and abide by the principle of integrity to subtly shape the overall integrity culture of the Company.

Hsing Ta Cement has also established a complaint/reporting channel, where stakeholders can make a complaint, and the case will be filed and investigated by designated personnel. In 2024, we did not receive any complaint. In addition, through the Stewardship Team under the Sustainable Development Committee, Hsing Ta Cement is responsible for designing and reviewing grievance channels and accepting cases. In the future, the stakeholder communication meetings will be held with customers and suppliers to communicate and discuss such cases as a reference for improving the complaint mechanism.

2.2.2 Legal compliance

Legal compliance is the cornerstone of corporate security and sustainable development. Effective legal compliance can prevent fraud, reduce the loss of labor, time, and expenses, such as judicial investigation, fines, lawsuits, and negative news, and enhance corporate image and attract high-quality independent directors, employees, and transaction counterparties, so that the Company, shareholders, and stakeholders can jointly create a win-win situation. In terms of corporate governance, the Company has established an Audit Committee to supervise the Company's financial position and internal control system, and formulated the Rules of Procedure for Board of Directors Meetings to strengthen the functions of the board.

In terms of personnel management, the Company has established and implemented whistleblowing channels, and at the same time, the management has set an example, requiring each employee to ensure that relevant business conduct to be in compliance with laws and the Company's policies and internal regulations, thereby ensuring compliance by each unit through internal control operations. In terms of personnel training, the Company also protects the lawful labor rights and interest of employees in accordance with labor laws and regulations, and provides training on laws and regulations related to business implementation to employees of different units and different job levels to ensure that the Company's operations are in compliance with the requirements of various laws and regulations.

In terms of environment, safety, and health, Hsing Ta Cement ensures compliance with workers' safety and environmental protection laws and regulations through the implementation of the ISO 45001 occupational safety and health management system and environmental management mechanism. There is an emergency response plan in place for our plants; we have established an emergency response center and plan to set up an emergency response team. When an emergency occurs, the emergency response team will respond to the emergency. In addition, the Company is committed to providing all employees with a safe and reasonable working environment and protecting their rights and interests. We regularly offer safety and health education and training for employees, including the provision of necessary health and first-aid facilities, and are committed to reducing hazards to employees' safety and health and preventing occupational accidents.

In 2024, the Company did not have any record of major violations in various aspects, including ethical management, anti-competition, business accounting, environmental protection, labor rights, occupational safety and health and product liability, socioeconomics, customer privacy, and customer health and safety.

2.3 Risk management

The corporate risk management is carried out by the Stewardship Team under the Sustainable Development Committee. The members of the committee are responsible for the management according to the functions of each committee member. The process is as follows: Each committee member first recognizes, analyzes, and measures the potential internal risks of the business operations; selects the appropriate method to control, handle, manage, and monitor the risks, and then formulates countermeasures against high-risk items; and conducts either centralized management or hierarchical implementation according to the characteristics of different risks, so that all high-risk items can be effectively controlled in a timely manner.

Category of risk	Risk description	Risk countermeasure
Sustainable environment	Carbon costs derived from greenhouse gas emissions	• Completed the bag filter replacement project, upgrading electrostatic precipitators in the raw material process to bag filters, which reduced particulate pollutant emission concentrations by more than 66%. • Since 2013, the Company has continuously implemented ISO 14064-1 greenhouse gas inventories and has passed third-party verification for three consecutive years to ensure the validity of the inventories. • In 2024, the Company carried out a voluntary ISO 14067 product carbon footprint inventory, with third-party BSI assurance statements and the Ministry of Environment "Carbon Footprint Label" expected to be obtained in 2025. • In response to the potential carbon cost risks arising from the formal imposition of carbon fees in the future, the Company plans to adopt a "voluntary reduction plan" to implement carbon reduction measures and reduce greenhouse gas emissions, thereby effectively managing and mitigating the impact of carbon fees on operating costs. • In 2024, the Company continued to promote energy-saving and carbon reduction projects and further purchased renewable energy certificates to increase the proportion of green energy use and achieve carbon reduction targets. • The Company has completed the application for the CNS Mark of Hydraulic Blended Cement – Limestone Cement and continues to seek alternative raw materials to replace clinker ratios in order to reduce carbon emissions at the source.
	Climate change	• The impact of torrential rain is becoming more and more serious, causing raw materials stacked in the open to become damp, increasing heat consumption due to drying. In the plant area, the waterproof facilities and daily drainage system maintenance are strengthened, and personnel response drills, including stakeholder communication, are conducted to reduce the impact of torrential rain. • Regarding the impact of typhoons, when a typhoon warning is issued, a typhoon prevention team is formed to accurately keep abreast of the trend of the typhoon and the situation in the plant, and the typhoon forecast in the plant is issued, so that the personnel can effectively understand the typhoon situation and take prevention measures, and strive to minimize the impact of the typhoon. When a flood occurs, the typhoon prevention center coordinates manpower to respond to the situation and address it and continues the subsequent recovery work after the flood subsided. • The global warming continues to rise, resulting in an increase in the cost of electricity consumption. The Company reduces energy consumption and protects personnel safety through green procurement, energy efficiency of refrigeration and air conditioning equipment, and the addition of solar energy equipment to generate green electricity for self-consumption.
	Supplier business continuity	• The Company has established a supplier management policy and requires suppliers to sign and fulfill their responsibilities for sustainable development. In the future, environmental and social due diligence/audit of suppliers will be conducted as appropriate. • In the future, it is planned to keep abreast of the management and implementation of suppliers in terms of sustainable development. We continue to encourage suppliers to value ethics, protect labor rights, pay attention to the labor working environment, safety and health, and environmental sustainability, and develop products that reduce environmental impact.
	Compliance with environmental laws and regulations	• Through the proper operation of the environmental management system, the Company ensures that the air pollution, water pollution, waste management, and chemical management are in compliance with the legal requirements.

Category of risk	Risk description	Risk countermeasure
Co-prosperity in society	Occupational safety	• Offer occupational safety and health training for new employees and existing employees. • Continue to implement the ISO 45001 occupational safety and health management system and uphold the spirit of legal compliance, risk management, hazard prevention, and continuous improvement to achieve a healthy workplace.
	New infectious diseases	• Form a task force. • Continue to monitor pandemic information and make timely adjustments in response to government regulations. • Implement a substitute mechanism. • Implement mechanisms for response to new infectious diseases.
	Labor shortage	• When faced with labor shortage due to the industry and the macro environment, we seek to improve our capabilities through internal training and explore multiple external recruitment channels, and seek technical and talent development cooperation with the community or academia to cope with labor shortage.
Corporate governance	Operational risk	• Domestic cement continues to face competitive pressure from imports. In September 2024, regarding the anti-dumping complaint filed by the Cement Manufacturers' Association against Vietnam, the Ministry of Economic Affairs issued a preliminary determination that imports posed a risk of harm to the domestic industry. However, as the Ministry of Finance is still awaiting the results of subsequent investigations, no provisional anti-dumping duties have been imposed, and the issue of imported cement remains unresolved. In addition, the Association has recommended to the Ministry of Environment the imposition of border carbon fees on imported cement to reduce unfair competition faced by domestic cement under the carbon fee policy. • Major operational challenges in 2024 include the imposition of carbon fees, the termination of the preferential reduction of commodity taxes, and risks arising from changes in international political and economic conditions. The Ministry of Environment has announced that, starting in 2025, a carbon fee of NT$300 per metric ton of emissions will be levied, with increases scheduled every two years. Although preferential rates are offered, this still places pressure on operating costs. If the preferential reduction of commodity taxes on cement is canceled, prices will face upward pressure. At the same time, international political developments, such as the outcome of the U.S. presidential election, may also influence fluctuations in global raw material prices. The Company will continue to carefully adjust its pricing strategies to cope with multiple risks. • In accordance with the Company's carbon reduction plan to reduce carbon emissions by 50% by 2045, we began to produce and sell limestone low-carbon cement, which not only reduces carbon emissions during the production stage but also motivates construction companies using Hsing Ta Cement to make joint efforts in carbon reduction.
	Financial risk	• The Group has had a sound financial structure, used funds conservatively and prudently, kept abreast of financial information at all times, and used financial instruments in a conservative and prudent way to reduce the risk of changes in interest rates and exchange rates.
	Ethical and integrity risk	• Promote internal regulations such as the "Ethical Corporate Management Best-Practice Principles" and the "Code of Ethical Conduct," and implement education and training, internal audits, and whistleblowing mechanisms to reduce governance risks.
	Information security	• A designated Chief Information Security Officer and information security personnel are responsible for management and control. • Use the Fortinet next-generation VPN system. • Organize annual information security-related courses and monthly information security information promotion to enhance employees' information security awareness. • Plan to establish an information security section on the employee website to promote and share internal information security information. • Continue to regularly change company personal account ID and passwords and set complex password rules. • Continue to set PC to lock computer screen automatically
	Raw material supply and demand risk management	• In response to the uncertainty of the supplier's supply of goods, in addition to the development and transfer of the supply country, hedging procurement is carried out to reduce the risk of interruption of supply. • We adopt a logistics collection mechanism and require suppliers' risk management, while working with companies in the same industry to share ship transportation, using a free-on-board mechanism, and taking out marine cargo insurance for raw materials to reduce the risk of damage to raw materials and the control risk of breakbulk cargo.

Information security

Hsing Ta Cement's Chief Information Security Officer and dedicated personnel are responsible for the Company's information security protection, including information security strategy formulation, information security risk assessment and management, and information security incident response. We regularly offer information security education and training for all employees to enhance their information security awareness in daily operations. It is to meet the requirements of stakeholders, protect product and service information, prevent unauthorized access, modification, use, disclosure, and losses caused by natural disasters; gain the trust of customers and suppliers; ensure the continuous operations of the Company's important business; and fulfill our commitments to shareholders. We strive to ensure the confidentiality, integrity, and availability of important information assets and comply with relevant laws and regulations through the implementation of the information security management policy.

Information security policy

In order to implement and enhance information security management, we ensure the confidentiality, integrity, availability, and legitimacy of data, systems, equipment, network security, and the information assets to which they belong; comply with relevant laws, regulations, and contract requirements to protect them from internal and external deliberate or accidental threats. All our employees work together to achieve the following policy goals:

- Ensure the confidentiality and integrity of information assets.
- Ensure that data access is regulated according to departmental functions.
- Ensure the continuous operation of the information system.

- Prevent unauthorized modification or use of data and systems.
- Regularly perform information security audits to ensure the implementation of information security.
- Establish a remote backup system according to the risk level of the Company's information system to ensure data security.
- Continuously enhance security defense capabilities to prevent information security threats with the network applications diversified.

Information security policy

The Administration Department is responsible for the Company's overall information security business. It is responsible for formulating the Company's information security policy, planning, and implementing information security protection and information security policies. In order to prevent various internal and external information security threats, the Company takes various information security measures to improve the security of the overall information environment.

Item	Policy statement
Cyber security control	• Install a firewall for control Have Norton and Firewall inspect data packet to block the connection of malware or URLs. • Scan the computer system and data storage media for viruses in real time. • Continue to filter malicious emails. • Has adopted an endpoint equipment management system and continuously monitor with the Fortinet system. • Continue to set PC to lock computer screen automatically • Implement regular vulnerability scanning projects as appropriate in the future,. • Establish a system record for real-time monitoring of various network services depending on the situation to track abnormalities in the future. Collect and analyze information security logs and adjust information security policies on a regular basis. • Establish a threat detection and response service system as appropriate in the future to complete endpoint detection, advanced threat analysis, monitoring, and event reporting to strengthen the overall defense of corporate information security.
Data access control	• Have designated personnel keep and manage computer equipment and set user IDs and passwords. • Before equipment is retired, confidential and sensitive data as well as licensed software must be removed or overwritten. • Apply and approve as appropriate access to information system accounts. • All system accounts are secured with strong passwords, and error input controls are enforced. • Permit the access to the information system based on users' rights and responsibilities.

Item	Policy statement
Disaster recovery mechanism	• Implement a backup mechanism based on the risk level of the information system. • Regularly review the emergency response plan. • Conduct system recovery drills every year. • Establish a system backup mechanism and implement off-site backup.
Information security promotion and review	• Regularly promote information security information to enhance employees' awareness of information security. • Irregularly offer information security education and training courses and seminars. • Regularly produce information and communication security work reports and submit them to the Board of Directors every year.

Investment of resources in information security

- Update information security equipment and software. In 2024, about NT$450,000 was invested in information security.
- In 2024, a total of 12 information security awareness sessions were conducted, with cumulative employee participation reaching 1,248 attendees.
- In 2024, the average training hours for information security personnel reached 8 hours.

Specific achievements

Contents and results of the audits of the Information Department conducted by the internal and external auditors (CPAs):

- Internal audits: In 2024, there was no major non-compliance with cyber security.
- External audits: There was no suggestion for improvement in the 2024 audit result.

2.4 Products and business performance

The Company's main products are limestone, clay, silica sand, iron slag, and furnace stone, which are ground into fine powder in appropriate proportions and then calcined at high temperature in a rotary kiln to produce clinkers, and then ground into various cement products by adding appropriate gypsum and corresponding mixed materials in specific proportions.

Main products and applications in Taiwan

Product	Application
Portland Type I Cement	Portland type I cement is suitable for general construction and engineering works without sulfate corrosion or temperature rise, such as: pavement, floor, reinforced concrete structures, roads, pipelines, stucco works and other pre-cast bodies, etc.
Portland Type I Low Alkali Cement	Portland type I low alkali cement is similar to Portland type I cement in terms of physical properties. However, the total alkali content in its chemical composition must be less than 0.6% alkalis (Na2O + 0.658K2O), as excessive alkali can reduce the alkali silicate colloid produced during the reaction and help avoid building swelling and cracking.
Portland Type II Low Alkali Cement	The chemical composition of this cement is subject to more restrictions than that of type I cement. The alkali content in the chemical composition must be less than 0.6%, and it has moderate resistance to sulfate corrosion, thus avoiding the swelling and cracking caused by the reaction of alkali with aggregates. It has lower dry shrinkage and better durability, and is suitable for underpasses, sewers, piers, breakwaters, harbors and other engineering works.
Portland II (MH) cement	Portland II (MH) cement, also known as moderate heat cement, has properties similar to those of Portland II cement. However, the sum of tricalcium silicate and 4.75 times tricalcium aluminate must be less than 100% for its chemical composition. Its slow hydration reaction, low expansion rate, and relatively low heat of hydration can reduce water consumption and prevent the alkaline reaction of aggregates. It has moderate sulfate resistance and moderate heat of hydration. Its early strength is lower than that of type I, but its late strength is higher. It is suitable for engineering works such as reservoirs, dams, rapid transit systems, elevated roads, and mass concrete structures.
blended hydraulic cement IS Type (Portland blast furnace slag cement)	Blast furnace slag cement has the advantages of lower heat of hydration, higher late-stage compressive strength, durability and low cost, often used in foundation works of dams, bridges, tunnels, riverbanks and basements.
Blended hydraulic cement IL Type (Prestressed Portland cement)	Limestone cement features low-carbon and environmentally friendly properties, good workability, strong applicability, and high early strength, making it suitable for general engineering purposes and meeting most structural application requirements.

Business performance

In 2024, despite uncertainties such as the carbon fee policy, the possible termination of commodity tax incentives, and international geopolitical changes, Hsing Ta Cement demonstrated strong flexibility and adaptability. By optimizing production facilities and strengthening distribution channels in the north as well as supply chains in the south, the Company maintained its market position and further reinforced long-term relationships with customers. In the face of the net-zero transition, the Company has also proactively purchased green electricity, demonstrating its commitment to the environment and determination toward sustainable development.

Business development plans

Short-, medium-, and long-term plans

Short term: Taiwan's cement demand has entered the mature stage. In addition to maintaining market share and reducing costs, the goal is to increase brand awareness and promote environmentally friendly construction methods and products.

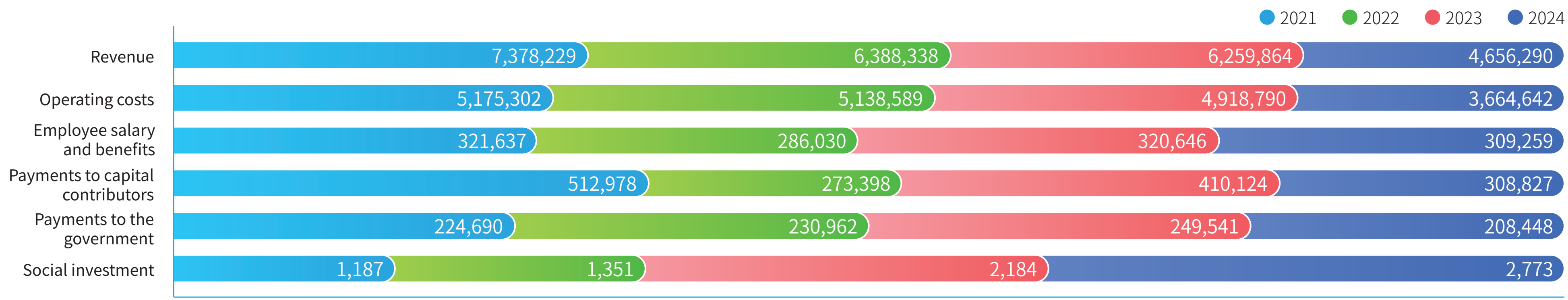
Long term: In conjunction with cement production and sales, improve brand image, expand the production and sales of high value-added, eco-friendly, energy-saving, and carbon reduction products in the adjacent areas in the way that promote circular economy.

Environmental cost response strategies

- Strengthen cost control to improve overall operating efficiency, enhance product diversity and quality, understand and satisfy customer needs, continue to strengthen business in the domestic market, and develop and enhance customers' loyalty.
- Actively cooperate with the government's policies and national development framework, implement environmental protection and green circular economy, and process business waste to allow the industry to maintain sustainable operation and stable development.
- Strictly control the orders accepted, quickly reflect the cost in the cement selling price, include the carbon tax (fee) to the quotes (borne by buyers), strongly require the government to levy a carbon border tax (fee) on importers for fair trade.

Business performance in recent years

Unit: Thousand $NT



Note:

- Revenue is defined as net sales plus income from financial investments and asset sales.
- Operating costs are defined as cash expenditures from the purchase of raw materials, product parts, facilities, and services that are paid outside the organization.
- Employee salary and benefits are defined as the total salary (including the employee salary and the amount paid to the government on behalf of the employee) plus the total benefits (excluding the cost of education and training, protective equipment, or other costs directly related to the employee's job responsibilities).
- Payments to capital contributors are defined as dividends paid to all shareholders, plus interest paid to lenders.
- Payments to the government are defined as all taxes and penalties paid by the organization in accordance with international, domestic, and local standards. Taxes may include business tax, income tax, and property tax.

Financial performance

In 2024, the Company's overall operating performance showed a declining trend compared to the previous year. Consolidated operating revenue was approximately NT$4.656 billion, representing a decrease of 25.62% compared to 2023; consolidated net income was approximately NT$524 million, a year-on-year decrease of 35.08%. The decline was mainly due to a sluggish housing market and reduced demand in the cement market. In Taiwan, although challenged by imported cement dumping and adjustments to the preferential mortgage policy, overall demand remained stable underpinned by government infrastructure projects. In China, however, the continued downturn in the real estate market made the operating environment even more challenging. As we face volatility and challenges, the Company has continued to strengthen its operating structure, improve cost control efficiency, and actively promote low-carbon transformation and product innovation, demonstrating its commitment to sustainable development and long-term competitiveness.

Comparison of Consolidated Financial Statements (2024–2023)

Unit: Thousand $NT

Item / Year	2024	2023	Increase (decrease) amount	Change Percentage (%)	Note
Operating revenues	4,656,290	6,259,864	(1,603,574)	(25.62)	(Note 1)
Operating gross margin	991,648	1,341,074	(349,426)	(26.06)	(Note 1)
Operating profits	651,364	989,292	(337,928)	(34.16)	(Note 1)
Non-operating income and expense	60,354	122,326	(61,972)	(50.66)	(Note 2)
Net income before tax	711,718	1,111,618	(399,900)	(35.97)	(Note 1)
Net income for the period	524,281	807,587	(283,306)	(35.08)	(Note 1)
Other comprehensive income (loss)	175,018	(89,947)	264,965	(294.58)	(Note 3)
Total comprehensive income for the period	699,299	717,640	(18,341)	(2.56)	
Net income attributable to shareholders of the parent	469,398	685,884	(216,486)	(31.56)	(Note 1)
Net income attributable to non-controlling interests	54,883	121,703	(66,820)	(54.90)	(Note 1)
Comprehensive income attributable to shareholders of the parent	590,400	624,638	(34,238)	(5.48)	
Comprehensive income attributable to non-controlling interests	108,899	93,002	15,897	17.09	
Earnings per share (Unit: NT$)	1.38	2.01	(0.63)	(31.34)	(Note 1)

Analysis and explanation of changes in the increase or decrease percentage in the most recent 2 years
Note 1: The sales volume declined, resulting in a decline in gross profit and net profit.
Note 2: Mainly due to the decline in the gain or loss on financial assets.
Note 3: Mainly due to exchange differences on translation of foreign financial statements of subsidiaries in Mainland China.

Innovation and R&D

Cement is a mature industry, characterized by limited product changes and long product life cycles, making it difficult to completely replace. For the foreseeable future, there will be limited increases or decreases to the existing product categories. However, in order to achieve the vision of net-zero carbon emissions by 2050, the Company plans to look for the possibility of alternative raw materials, clinker, and fuels in the existing product manufacturing process.

In 2023, the Company began using "alternative raw materials" to produce part of low-carbon cement. On the premise of not affecting the cement quality and meeting the CNS Standards, the Company plans to gradually increase the proportion of alternative raw materials to reduce the greenhouse gas emissions.

Also, due to the characteristics of high-temperature calcination in the cement production process, it can remove heavy metals and dioxin, which generally cannot be processed in garbage incinerators, and cement plants in advanced countries such as Europe, the U.S. and Japan have been participating in the treatment of household and business wastes, playing a key role in circular economy and achieving considerable results. In recent years, Hsing Ta Cement has also caught up with this trend and actively improved energy and resource efficiency through technological R&D and innovation.

Major technology R&D achievements in 2024

Unit: Thousand $NT

Item	Expenditure	Achievements
Improvement of transmission system of the grinder	24,965	Reduce vibration and energy consumption, improve equipment yield rate
Coal grinding and feeding for modification and replacement	649	Equipment elimination to improve precision and operation rate, ensure stable feeding, and meet production requirements.
A new set of dust inspection system was added to the coal dust outlet	788	To accommodate the environmental protection policy, the Company has increased the number of smoke test points and implemented control over emissions.
Coordinated disposal of general solid waste from cement kilns project	4,881	By using cement kilns to co-process calcium fluoride sludge, washed incineration ash and recycled aggregates, coal fly ash, desulfurized gypsum, construction waste soil, blast furnace slag, steel slag, and other materials as substitutes for cement raw materials, approximately 169,000 metric tons of natural raw materials were conserved in the cement manufacturing process.
Total R&D expenses	31,283	

2.5 Customer service and supply chain sustainability

2.5.1 Customer service

We value quality and have passed the ISO 9001 international quality management system certification. We have also implemented the "Service Management Measures" and "Personal Data Protection Management Measures" and set up a complaint channel on the website. In addition, the departments and personnel in charge of management and business are the front-line personnel to collect information and resolve and report relevant problems in real time. The Company's products, services and labeling are in accordance with government regulations and international standards.

The Company monitors customer relations through customer satisfaction surveys and handles customer complaints, and conducts real-time reviews and improvements based on customer feedback.

In order to collect and listen to customers' voices objectively, we will conduct a satisfaction survey of existing customers by means of questionnaires every year with the customer satisfaction survey management mechanism. After a survey is conducted, the Company plans to compile the customer satisfaction survey results and their feedback and suggestions, and communicate to relevant departments and senior executives so that they can use the results to review customer feedback to identify opportunities for improvement, make major improvements, and respond to customers by phone or visit in person. We will also provide improvement measures with a responsible attitude, continue to improve the quality of products and services, and ensure that customers' needs are learned and satisfied.

In addition, the high stability and high quality of products are the core of Hsing Ta Cement's ability to maintain product competitiveness and the foundation for the continuous growth of the Company's revenue. At the same time, transaction security is also the key to whether customers or supply partners can trust the Company.

The Company's Quality Assurance Department is responsible for formulating and implementing the Company's management, production, and quality management procedures. It regularly reviews the implementation results to ensure that internal personnel can effectively comply with the Company's operating procedures and that products meet CNS Standards, while ensuring product quality and stability through irregular quality meetings and awareness-raising events.

In addition, due to the unique nature of the cement industry, the Company manages the risk of leakage of trade secrets, trademarks, patents, copyrights, and other intellectual property resulting from the performance of its duties to a low level. However, the Company still makes announcements to remind employees to comply with the relevant regulations. The Company has established independent reporting channels and follow-up investigation procedures and conducted random audits to randomly check employees' conduct.

In 2024, we did not receive any customer complaints related to violations of customer contracts or product environmental and safety regulations.

In 2024, there were no incidents of leakage or loss of the Company's trade secrets or customer information.

2.5.2 Supply chain sustainability

Suppliers that provide sustainable services with stable quality have always been important partners of Hsing Ta Cement for sustainable development. The Group has attached importance to relationship with suppliers. In addition to building a foundation for mutual trust and benefit, the Group has also established a supplier evaluation system and requested commitments from suppliers to enhance the quality of procurement and transparency of transactions, to ensure that supplier services continue to meet the Company's needs.

Hsing Ta Cement's management is committed to providing customers with high-quality and safe products and services that comply with relevant laws, regulations, and standards. Additionally, the management is dedicated to preventing occupational accidents, protecting the environment, and preventing pollution to fulfill corporate social responsibilities. The Company purchases raw materials and consumables in compliance with relevant laws and regulations, as well as environmental and safety requirements. To achieve this goal, we make continuous improvements based on the requirements of the international management system standards of ISO 9001, ISO 45001, and ISO 14064.

In recent years, due to environmental changes and rising production costs caused by the greenhouse effect, we are forced to pay more attention to the sustainability of the overall industry chain. In addition to monitoring issues, such as supplier quality, service, and delivery management, we are gradually formulating relevant sustainable development policies, hoping that suppliers can gradually implement risk management and business continuity plans in the environmental, social, and governance aspects, in order to form a green supply chain with sustainable value. Hsing Ta Cement has established supplier management and policies to incorporate social responsibility into the supply chain and require suppliers to sign a letter of commitment. We continue to encourage suppliers to pay attention to business ethics, protect labor rights, value the labor working environment, safety and health, respond to climate governance, and develop materials and processes that reduce environmental impact.

▶ Supplier management policy

Supply chain integration and risk diversification and response

Hsing Ta Cement firmly believes in supporting and growing together with suppliers and partners in the process of sustainable development. The main operating sites of Hsing Ta Cement are in Taiwan and China. In order to promote local industry clusters and enhance regional economic development, we work with local suppliers as much as possible. The Company's main raw materials are mainly supplied by local supplies, with a small number of sources from abroad. In addition, with good long-term collaboration and services, the supply sources are stable and there is no risk of material shortages.

- The Company's main sources of raw materials

Role	Source of supply	Note
Limestone	• Self-mining	• The main raw materials for cement production include limestone, clay, silica sand, iron slag, and gypsum; the fuel is coal. In addition to limestone, which is mined by the Company for its own use, other raw materials are primarily sourced locally, while any shortages will be purchased from outside. • Long-term and short-term contracts are adopted to stabilize prices, and ensure that quantity and delivery time of suppliers can meet the Company's needs. • The Company maintains a good collaborative relationship with suppliers, and the source of supply is safe.
Clay	• Purchased domestically	
Silica sand	• For Taiwan, mainly purchased domestically or imported from Vietnam • For Mainland, mainly purchased locally from Nanjing	
Iron slag	• Mainly purchased locally, partly imported from Japan	
Gypsum	• Mainly purchased domestically	
Coal chips	• For Taiwan, imported from Russia • For Mainland, mainly purchased from Nanjing	
Furnace slag	• Mainly purchased locally, partly imported from Japan	
Dry fly ash	• For Mainland, mainly purchased from Nanjing	
Slag powder	• For Mainland, mainly purchased from Nanjing	

- Amount and percentage of purchases made by major suppliers who have accounted for 10% or more of total purchases over the past two years

Year	2023				2024			
Item	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer
1	C	546,548	20.25	None	B	326,222	18.13	None
2	B	414,489	15.36	None	F	294,760	16.38	None
3	A	381,942	14.15	None	E	280,053	15.56	None
4	E	336,607	12.47	None	C	250,342	13.91	None
5	F	310,356	11.50		A	126,388	7.02	None
5	Others	708,731	26.26	None	Others	521,918	29.00	None
	Net purchases	2,698,673	100.00	-	Net purchases	1,799,683	100.00	-

Note: The ratio of the purchases from the three major suppliers to those from all suppliers has not changed much. The main reason is that the Company mainly produces cement, and the raw material belongs to the ore category. As the production process consumes a significant amount of coal and electricity, the top three suppliers provide ore, coal, and electric power, respectively. To take into account the stability and adequacy of the supply of materials, there should be no significant changes in the purchase of these raw materials.

Reduction of the impact of raw material transportation on the environment

As the world faces increasingly frequent and severe climate events and record-high carbon emissions, climate summits have long become important indicators guiding global climate action. The COP29 Global Climate Summit held in Azerbaijan in November 2024 remained highly anticipated. Key topics of the summit included strengthening financial support for developing countries, enhancing transparency in information disclosure, and urging nations to adopt more binding and impactful climate targets in response to the urgent global call for climate action.

Hsing Ta Cement responds to international carbon reduction trends by striving to reduce its carbon footprint in raw material transportation. In supplier selection, in addition to considering the timeliness of supply and transportation costs, the Company also takes supplier location into account to shorten transportation distances, thereby reducing carbon emissions and potential environmental risks in the transportation process. At the same time, the Company jointly agrees with suppliers to insure maritime transportation, thereby dispersing transportation risks and enhancing supply chain resilience.

In practical transportation management, the Company continues to promote local procurement and regional diversification strategies, and adopts "full truckload and full container" as well as sea freight instead of air freight, reducing the demand for energy-intensive air transportation. According to data from the International Energy Agency (IEA), shipping significantly reduces carbon emissions per ton-kilometer compared to air transport, thereby helping to further minimize the environmental impact during the transportation phase.

Procurement policy

Hsing Ta Cement values long-term collaboration with suppliers and extends the scope of sustainable supply chain management to corporate social responsibilities, such as economy and governance, environmental protection, and social co-prosperity, including labor rights, environmental protection, safety and health, ethics, and management systems, as key supplier selection and audit requirements, thereby establishing risk management and control items and identifying high-risk suppliers. We will formulate improvement measures based on the assessment results and help suppliers continue to improve, hoping to improve the effectiveness of sustainable supply chain management, reduce supply chain operational risks, and establish a partnership for sustainable growth In addition, through local procurement, we enhance the flexibility of supply, shorten the development time of new products, and reduce production costs, in order to reduce the carbon emissions of the overall supply chain and transportation.

Hsing Ta Cement has established a procurement and supplier management system in accordance with the requirements of the ISO 9001 quality management system. In the future, we plan to conduct environmental and social audits of suppliers to ensure that all of them comply with various environmental protection, labor regulations, and international corporate social responsibility standards.

Supplier evaluation process

Supplier selection and raw material standard

- Enhance quality control capabilities in accordance with ISO 9001 quality management standards
- Prioritize local procurement and recycled raw materials
- Comply with international human rights, fair trade, and corporate social responsibility principles
- Comply with the Trade Secrets Act and personal data protection, and respect intellectual property rights

Contract performance and supervision

- Require new suppliers to sign a "Commitment to Integrity"
- Institutionalize energy conservation and carbon reduction, compliance audits, and occupational safety and health practices
- Establish dedicated channels for communication and grievance reporting

Conduct regular evaluations and continuous improvement

- Submit the "Supplier Evaluation Form" on a monthly basis
- Undergo a special evaluation by the Management Committee every November
- Compile the "Annual Quality Assessment Summary" in the following month

03

Sustainable environment

Material topics: Energy consumption, energy conservation and carbon reduction

Policy/Commitment	• Energy conservation, carbon reduction, and earth sustainability
Goals	• Since 2020, the annual target of 1% electricity savings has been continuously implemented. • Reduce carbon by 50% or more by 2045.
Responsible department/grievance mechanism	• Responsible department: Environmental Sustainability Team. • Grievance mechanism: In the stakeholders section on the official website, stakeholders can raise grievances on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• Continued to use alternative raw materials (air-cooled furnace slag, calcium fluoride, incinerated washed fly ash, incinerated recycled aggregate, coal fly ash), and replaced calcium carbonate with calcium oxide to reduce the amount of limestone used to achieve carbon reduction. • Continued to Use alternative clinker (limestone and quenched furnace slag), applied for the CNS Mark for blended hydraulic cements – limestone cement, produce limestone cement with a lower amount of clinker, and replaced ordinary cement with limestone cement, to reduce the carbon emissions from the manufacturing process. • To ensure that emissions comply with environmental protection regulations and to improve treatment efficiency, we regularly update and maintain pollution prevention equipment, including dust removal, desulfurization, and waste gas monitoring systems, to strengthen pollution control effectiveness and reduce environmental impact. In 2024, a total of NT$11,141 thousand was invested. • To increase the proportion of green electricity usage, a total of 160,000 kWh of renewable energy will be procured during 2024–2025, with 79,000 kWh of green electricity declarations completed in 2024.
Evaluation mechanism	• The annual Sustainable Development Committee meeting reviews the effectiveness and reports to the Board of Directors. • Electricity conservation: Since 2020, the Company has supported the government's energy conservation efforts and has continued to reduce energy consumption by 1% per unit of output. By the end of 2024, the Company achieved a cumulative energy conservation rate of 12.9%, meeting the government's target. • GHG reduction: The total carbon emissions reduced in 2024 were 1.77 metric tons of CO_2e, accounting for 3% of the year's emissions.

Material topics: Air pollution control and waste management

Policy/Commitment	• Legal compliance • Effective preventive control • Continuous improvement
Goals	• Zero violation
Responsible department/grievance mechanism	• Responsible department: Environmental Sustainability Team. • Grievance mechanism: In the stakeholders section on the official website, stakeholders can raise grievances on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• The improvement of the mill drive system was completed, reducing vibration and energy consumption and enhancing equipment reliability, with a total investment of NT$24,965 thousand in 2024. • By the end of 2024, the electrostatic precipitators in the raw material process were upgraded to bag filters, reducing particulate pollutant emission concentrations by more than 66% and effectively improving air quality. • To improve treatment efficiency and comply with regulations, the Company regularly upgrades pollution control equipment such as dust collectors, denitrification systems, and exhaust gas monitoring devices. Environmental protection expenditures amounted to approximately NT$11.14 million, effectively strengthening pollution control and reducing environmental impacts.
Evaluation mechanism	• The annual Sustainable Development Committee meeting reviews the effectiveness and reports to the Board of Directors. • In 2024, there were no major violations of air pollution–related regulations; however, one air pollution fine occurred during the year, which has been rectified with strengthened management.

Material topics: Climate change response

Policy/Commitment	• Legal compliance • Effective preventive control • Continuous improvement
Goals	• Zero violation
Responsible department/grievance mechanism	• Responsible department: Environmental Sustainability Team. • Grievance mechanism: In the stakeholders section on the official website, stakeholders can raise grievances on relevant issues. https://reurl.cc/OvpRQR
Invested resources	• Propose a voluntary reduction plan and implement carbon reduction measures to address the risks arising from carbon fees. • Continue to develop low-carbon cement products by reducing the clinker ratio to lower carbon emissions, and plan to pass cement strength tests to establish products with both low-carbon and high-strength characteristics. • Complete ISO 14067 product carbon footprint inventory, with the Ministry of Environment's Carbon Label expected to be obtained in 2025.
Evaluation mechanism	• The annual Sustainable Development Committee meeting reviews the effectiveness and reports to the Board of Directors. • The annual Sustainable Development Committee meeting reviews effectiveness and reports to the Board of Directors. • There was no violation of related regulations in 2024.

While pursuing balanced development, we support environmental protection. In terms of resources and equipment, the Company cooperates with the government to promote green procurement of office equipment and process equipment maintenance or replacement. In terms of product operations, we use alternative clinker and alternative raw materials through process improvement to reduce energy consumption and environmental damage. We declare on our official website our determination to protect the environment and workplace safety. Internally, we enhance environmental awareness through education and training, develop and implement environmental protection and energy conservation projects through green processes, and make environmental sustainability the core policy of the Company's sustainable operations.

Our approach

Aspect	Practices
Energy conservation	• Maximize energy efficiency and reduce energy consumption through energy conservation projects every year, and include it in our management goals to reduce energy consumption year by year to fulfill our responsibilities as a corporate citizen. • Office air conditioning is controlled between 26°C and 28°C, used in combination with circulation fans to reduce carbon emissions. • Turn off the lights in the office for one hour during the lunch break. • Promote lawful renewable energy procurement and strengthen internal green procurement mechanisms.
Waste reduction	• Promote waste sorting and set up resource recycling bins to achieve waste reduction. • Promote the use of zero disposable tableware to reduce the amount of domestic waste. • Implement the reuse of business waste to achieve a circular economy. • Control business waste according to law, sort and store each waste according to its chemical characteristics, and then dispose of it by a company approved by the competent authority.
Water resources	• A comprehensive recycling system is in place to cool down, recycle and reuse process water, and we have received a "Waste (Sewage) Water Storage Permit" from the Environmental Protection Bureau of the Yilan County Government to achieve the goal of zero discharge of water through recycling and reuse of the process water. • In the office, water saving is achieved by replacing water-saving faucets and water-saving toilets.

Aspect	Practices
Pollution control	• We are committed to adopting high-efficiency dust collectors and SNCR selective non-catalytic reduction equipment and SCC multi-stage combustion to significantly reduce dust emissions or fugitive emissions and reduce nitrogen oxides emissions. • With continuous automatic monitoring of nitrogen oxides (NOx) and light opacity (OPAC) emission concentrations 24/7, we regularly inspect and monitor air emission values and implement optimization projects.
Green procurement	• Localized procurement policy. • We select low-carbon raw materials that meet the requirements of environmental protection laws and regulations.
Greenhouse gas reduction	• We implement greenhouse gas inventory and regularly monitor the achievement of targets. • We use alternative raw materials, and alternative clinkers to reduce carbon emissions from the manufacturing process. • We establish long-term emission reduction targets and implement relevant projects every year.
Response and handling	• The Company has established an emergency response plan, an emergency response command center, and an emergency response team. In the event of an emergency, the emergency response team will conduct emergency response and handling to mitigate the impact on the environment and society. We organize emergency response education and training and fire drills on a regular basis, and conduct team exercises to cultivate colleagues' emergency response and self-safety management capabilities, so that they can take corresponding actions before the disaster situation expands to reduce the impact and injury caused by crises.

3.1 Energy management

As global energy resources become increasingly scarce, the Company continues to strengthen energy management to reduce waste and lower operating costs, incorporating energy-saving targets into the core of daily operations. At headquarters, energy sources include purchased electricity and gasoline, while at the plant, the primary sources are purchased electricity, coal, diesel, gasoline, and self-generated solar power. At the same time, reliance on traditional fossil fuels is being gradually reduced to promote low-carbon transformation, maximize energy utilization, and fulfill the Company's commitment to environmental sustainability.

Energy consumption

| Hsing Ta Cement – Energy usage statistics |

Unit: L, GJ

Year	Electricity (kWh)	Electricity (GJ)	Diesel (L)	Diesel (GJ)	Gasoline (L)	Gasoline (GJ)	Bituminous coal (metric tons)	Bituminous coal (GJ)	Total energy consumption (GJ)
2022	74,503,745	268,213	519,790	18,795	2,784.00	77.52	69,605	1,770,662.11	287,085.64
2023	83,274,014	299,786	515,310	18,633	2,299.20	66.67	82,455	2,098,552.31	318,485.77
2024	69,760,414	251,137	500,000	18,079	2,659.70	69.27	63,284	1,609,863.96	269,285.82

Note 1: Energy unit conversion is based on the following standards: 1 kWh = 3.6 MJ, 1 Kcal = 4,186 J, 1 GJ = 10^9 J. Calorific values are based on the Ministry of Environment's announcement on February 5, 2024 (Document No. 1139101231), and the latest data have been adopted for 2022–2024: diesel 8,642 Kcal/L, gasoline 7,609 Kcal/L, bituminous coal 6,080 Kcal/kg.

Note 2: In the Company's "Fuel Substitution" section, in response to the Ministry of Environment's "Standards for the Composition Ratio of Co-firing Fuels in Stationary Pollution Sources and the Control of Pollution Prevention Facilities," if small amounts of waste lubricating oil continue to be processed in-house as auxiliary fuel, additional monitoring and control equipment would be required, along with increased testing frequency, thereby raising costs. Beginning in 2025, the plant will cease reusing waste lubricating oil in-house as auxiliary fuel and will outsource its treatment instead. The Company will continue to evaluate the use of alternative fuels in the future.

Energy intensity

| Hsing Ta Cement – Energy intensity |

Unit: GJ/million revenue

Year	Revenue	Electricity	Diesel	Gasoline	Bituminous coal	Total energy consumption
2022	6,388	41.987	2.942	0.012	277.186	322.127
2023	6,260	47.889	2.976	0.011	335.232	386.108
2024	4,656	53.938	3.883	0.015	345.761	403.597

Green energy

The Company is committed to improving energy efficiency. In accordance with the Energy Management Act, energy management personnel have been appointed and an audit system has been established to regularly review energy usage. Through equipment replacement and process optimization, energy efficiency is enhanced. In 2024, dust collection equipment was replaced, with annual electricity savings of approximately 700,000 kWh per unit expected starting from 2025. In 2024, by participating in Taipower's electricity reduction measures and supplemental reserve capacity program, approximately 226,000 kWh of electricity savings were achieved. In addition, self-generated solar power reached approximately 700,000 kWh, further reducing reliance on the power grid. To increase the proportion of green electricity usage, the Company will procure a total of 160,000 kWh of renewable energy during 2024–2025, with 79,000 kWh declared in 2024 and 81,000 kWh expected to be declared in 2025. Combining renewable energy procurement and self-generation, total renewable energy use in 2024 reached approximately 779,000 kWh. From 2015 to 2024, the average annual electricity savings rate exceeded 1%. Looking ahead, the Company will continue to expand energy-saving and green energy applications to reduce environmental impact.

Total renewable energy use in 2024: approximately 779,000 kWh

Note: Renewable energy use comprised 707,812 kWh of self-generated solar power and 79,229 kWh of transferred green electricity. However, due to kiln suspension during the year, the overall electricity consumption structure was abnormal. To avoid distorted disclosure ratios, renewable energy usage rates were not included in this year's statistics. In the future, once operations return to normal, the Company will disclose representative and comparable renewable energy usage ratios to ensure the accuracy and consistency of information disclosure.

Energy-saving performance in recent years

Year	Energy conservation projects	Project description	Energy saved
2018	Clinker EP exhaust fan of the rotary kiln system #3 was replaced with variable frequency drive	Clinker EP exhaust fan was replaced with medium voltage variable frequency drive	Power saved: 14.7kW*6333hr=93,095.1kWh
2020	Reduction of air leakage	Installation of TSLM's valve	14,976,180 ÷ 737,721 = 20.30 (kWh)/raw meal (ton) Total energy saved (before and after): (22.81 — 20.30)×737,721×8÷12 = 1,234,453kWh
2021	Power saving of power supply equipment in the power system	Participation in Taipower's monthly demand bidding	Power saved: 4,5308 kW(annual power saving)*4HR(number of hours of peaking shaving)=181,232kWh
2022	Power saving of power supply equipment in the power system	Participation in Taipower's monthly demand bidding	Power saved 1,5821 kW(annual power saving)*4HR(number of hours of peak shaving)=63,284 kWh
2023	Power saving of power supply equipment in the power system	Participation in Taipower's monthly demand bidding	Power saved 7,459 kW(annual power saving)*4HR(number of hours of peak shaving)=29,836 kWh
2024	Power saving of power supply equipment in the power system	(1) Participation in Taipower load reduction measures and supplemental reserve capacity through the electricity trading platform (2) Procurement of green power.	1. Power saved: (1) Load reduction measures: 3,000 kW × 2 hours/event × 33 days = 198,000 kWh (2) Participation in supplemental reserve capacity through the electricity trading platform: annual savings of 27,832 kWh ▶ Total power saved: 225,832 kWh (2) Procurement of green power: Procured 79,000 kWh of renewable energy certificates. Based on the 2024 electricity carbon emission factor announced by the Energy Administration, Ministry of Economic Affairs (0.474 kgCO_2e/kWh), this reduced carbon dioxide emissions by approximately 37.44 metric tons of CO_2e.

Note: "Demand bidding" means that users are allowed to sell the electricity they saved back to Taipower during high system load, and users will bid for the price. Taipower will grant the bid to the lowest bidder. The electricity bill will be deducted if the electricity consumption is reduced during the peak shaving period.

Note: In 2023, the Company participated in Taipower's demand response program, with each load reduction notification lasting 4 hours. In 2024, the arrangement was adjusted to a fixed daily reduction of 2 hours for a total of 33 days, carried out in accordance with Taipower's annual demand response mechanism. The final power savings were all confirmed and recognized by the platform.

3.2 Water resource management

There are differences in water sources due to the nature of the Company's operating sites. The headquarters is used for office activities. As it does not engage in the production or manufacturing of products, there is no need for process water. The water used is tap water, which is intended for domestic purposes. Groundwater and tap water are used for various processes and domestic purposes. The headquarters and plants are located in northern Taiwan, which is not a water-stressed area. The Company will not cause significant environmental impact on the water resources and the ecological environment of the water source areas.

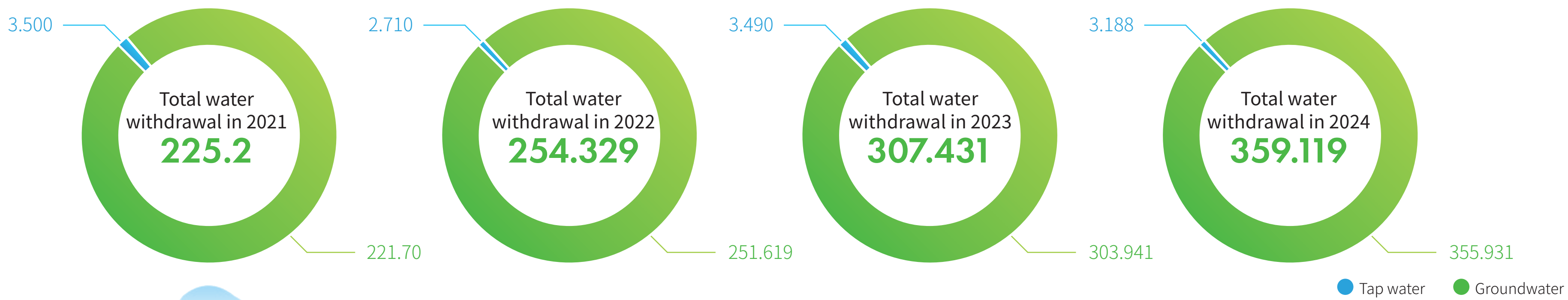
Water resource impact management mechanism

- In order to comply with the water rights registration issued by the local competent authority, Yilan County Government, in accordance with Article 37 of the Water Act, groundwater of the deep water wells shall not be pumped for more than nine hours per day.
- We report the groundwater withdrawal to the Water Resources Agency, Ministry of Economic Affairs, on a monthly basis.
- We report to the county government every year (in accordance with Article 39 of the Water Act) on the changes in the dynamic and static water levels of groundwater in deep water wells.
- We keep and manage daily, monthly, and annual water withdrawal statements and records.
- The process water recycling rate is 100%.
- A secondary monitoring of the quality of domestic sewage is implemented every year. In 2024, the secondary testing value of suspended solids was in the range of 0.1–2.8 mg/L, far below the 50 mg/L standard; the COD concentration was in the range of 6.2–12.3 mg/L, far below the standard of 100mg/L. The testing results are in compliance with regulatory requirements.

From the 1st to the 5th of each month, the mobile app (Well Report) is used to report the water consumption to the Yilan government for it to monitor and record the groundwater level.

Water resource withdrawal

Unit: Million liters (1,000m³)



3.3 Pollution control

Waste management

The business waste generated by the Company is processed by qualified waste disposal companies, including waste wood, plastic, rubber, and lubricating oils. The recycled business waste treated on-site includes calcium fluoride sludge, coal bottom ash (or bottom ash containing coal fly ash), coal fly ash, incinerated recycled pellets, desulfurization gypsum, construction waste soil, iron slag, furnace slag, and other unclassified general business waste. There were no violations of waste management regulations in 2024.

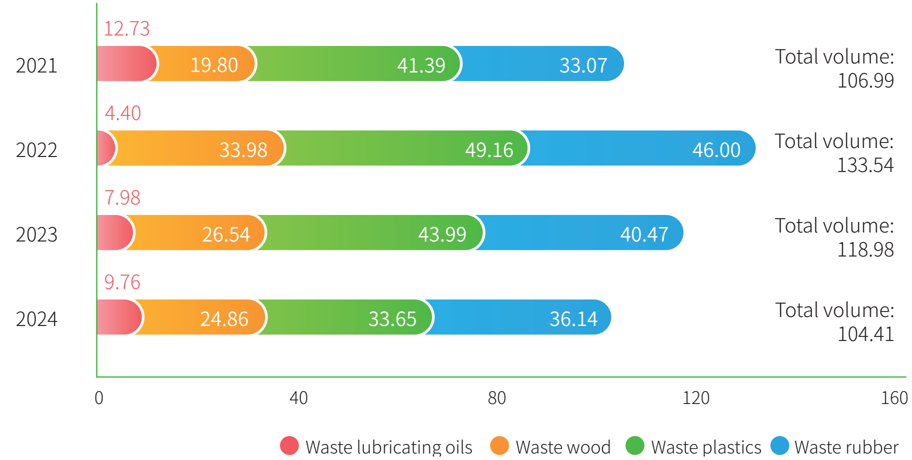
Hsing Ta Cement leverages its ultimate environmental protection capabilities in processing waste from various industries and continues to contribute to environmental protection. As early as the 1990s, the Company began to study the proportion of waste from various industries added in the manufacturing processes for resource reuse to maximize the value of circular economy. Over the years, the recycled resources integrated and utilized have included:

- Replacing limestone, silica sand, and clay with recycled alternative raw materials.
- Replacing raw materials of silica sand and clay with surplus soil and rock from construction projects.
- Replacing iron slag raw materials with iron slag from steel mills.
- Replacing raw materials of clay with furnace slag from steel mills.
- Replacing raw materials of gypsum with desulfurization gypsum from power plants.

Off-site business waste disposal – disposed of by qualified waste disposal companies

Unit: metric tons

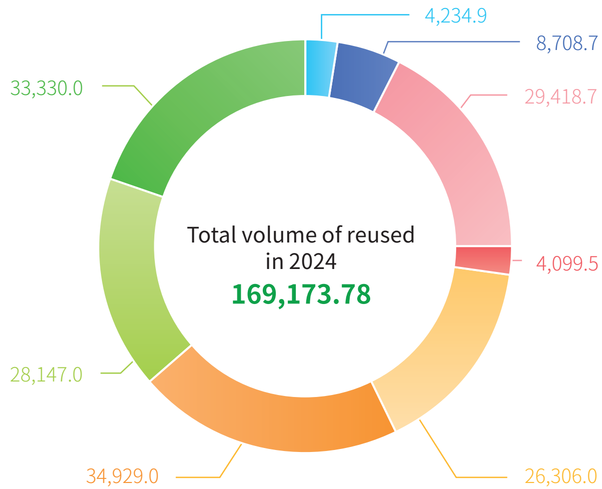
Category of waste	2021	2022	2023	2024	Terminal disposal method
Waste lubricating oils	12.73	4.40	7.98	9.76	Heat treatment or physical treatment
Waste wood	19.80	33.98	26.54	24.86	Incineration
Waste plastics	41.39	49.16	43.99	33.65	Incineration
Waste rubber	33.07	46.00	40.47	36.14	Incineration
Total amount of off-site disposal	106.99	133.54	118.98	104.41	



Amount of waste recycled and reused by Hsing Ta Cement

Unit: metric tons

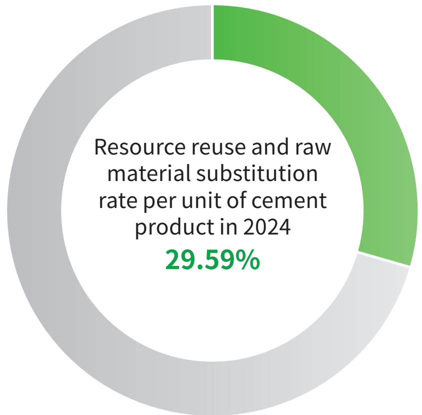
Waste	Purpose of use	2021	2022	2023	2024
Unclassified general business waste	Fuel substitution	5,549.5	4,284.4	4,868.2	4,234.9
Calcium fluoride sludge	Fuel substitution	14,515.5	9,944.2	9,559.9	8,708.7
Coal bottom ash (or bottom ash containing coal fly ash)	Fuel substitution	117.3	-	-	-
Coal fly ash	Fuel substitution	38,229.1	32,091.8	35,129.2	29,418.7
Incinerated recycled pellets	Fuel substitution	5,165.9	4,140.4	4,519.7	4,099.5
Desulfurization gypsum	Fuel substitution	32,879.0	26,969.0	31,761.0	26,306.0
Construction waste soil	Fuel substitution	58,885.1	66,303.0	55,442.0	34,929.0
Iron slag	Fuel substitution	32,835.0	27,579.0	30,016.0	28,147.0
Furnace slag	Fuel substitution	23,510.0	41,632.0	37,594.0	33,330.0
Total volume recycled		211,686.45	212,943.75	208,890.03	169,173.78



Amount of waste recycled and reused by Hsing Ta Cement

Unit: metric tons

Item	Transfer disposal	2021	2022	2023	2024
Volume disposed of by waste disposal companies	Off-site	106.99	133.54	118.98	104.41
Volume recycled and reused by Hsing Ta Cement	On-site	211,686.45	212,943.75	208,890.03	169,173.78
Total annual production		732,978	594,457	707,841	571,740
Resource reuse and raw material substitution rate per unit of cement product		28.88%	35.82%	29.51%	29.59%

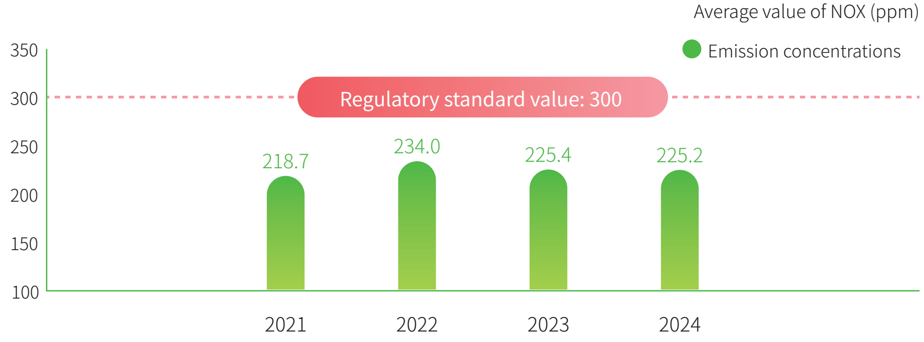


Air pollution control

The flue gas emitted from the kiln tail of the rotary kiln, the outlet of the precalciner, and the outlet of the preheater of the cement clinker production line contains trace amounts of nitrogen oxides (NOx). In order to reduce NOx emissions, the current cement industry's NOx reduction technologies include low-NOx burners (LNB), stratified charge combustion (SCC), and selective non-catalytic reduction (SNCR) at the end of the kiln.

In recent years, Hsing Ta Cement has actively planned and implemented improvement measures in stages and according to specific timetables. The Company continues to update its environmental pollution prevention equipment and strives to improve its production processes while rigorously controlling them to effectively reduce dust pollution and test the emission concentration of pollutants, all in compliance with environmental regulations and standards. In addition, in order to monitor the emission concentrations of NOx and light opacity (OPAC) in real time, we have installed CEMS in the discharge pipelines of the rotary kilns and coolers for continuous automatic monitoring 24/7 for the operators to manage and respond.

| Emission concentrations in recent years |



Note: According to the Air Pollutant Emission Standards for the Cement Industry, the emission standard for nitrogen oxides (NOx) from existing rotary kilns has been reduced to 300 ppm starting January 1, 2024.

| Air pollution emissions in recent years |

Unit: kg

Emissions / Year	Nitrogen oxides (NOx)	Sulfur dioxide Sox	Volatile organic compounds (VOC)	Particulate matter (PM)	Hazardous air pollutants (HAP)
2021	804,520.50	18,129.60	0.75	128,207.00	0.04
2022	693,285.32	15,625.01	1.00	148,000.52	0.08
2023	774,163.42	20,262.21	1.17	146,832.69	0.03
2024	563,133.16	19,840.43	1.03	146,801.82	0.04

Compliance and improvement status of the Air Pollution Control Act:

- Penalty date: 2024/12/24
- Penalty document number: Letter Fu-Shou-Huan-Ji-Tze No. 1130043431.
- Provision of the law violated: Article 23, paragraph 1, of the Air Pollution Control Act.
- Penalty: A fine will be imposed in accordance with Article 62 of the same Act Fine: NT$120,000
- Improvement measures: On the date of the incident, slurry conveyor blockage caused fugitive emissions, which were immediately addressed and rectified. As no fugitive emissions remain, there are no ongoing improvement actions required.
- Content of the violations:
  On June 26, 2024, the Environmental Protection Bureau dispatched personnel to inspect No. 205 and No. 235, Section 2, Zhongshan Road, Shengai Village, Suao Township, and discovered apparent particulate pollutants dispersing outside the perimeter. Upon on-site confirmation, your plant personnel indicated that the raw slurry conveyor was blocked, resulting in noticeable particulate matter dispersing into the atmosphere. The particulate pollutants were not effectively collected and treated, and escaped outside the perimeter during transport without passing through a proper emission pipeline. This was determined to be in violation of Article 23, Paragraph 1 of the Air Pollution Control Act, and a fine was imposed in accordance with Article 62, Paragraph 1, Subparagraph 4 of the same Act.

Biodiversity

Hsing Ta Cement upholds the principle of responsibility for mine ecology, implementing greening and soil and water conservation measures. In 2024, the Company continued the "Greening Project by Spraying on the Northern Boundary of the Mountain Taibai Quarry," covering an area of approximately 4,200 square meters, including exposed slopes after excavation and high-risk landslide zones. The project adopted a thick-layer spraying method carried out by a professional team, prioritizing the use of eco-friendly grass species such as Bahia grass and silver grass (Miscanthus floridulus). These species possess soil stabilization, erosion control, and ecological resilience, thereby enhancing surface coverage and achieving early greening results. These grasses, in addition to being highly adaptable and resistant to drought and wind, also help promote the recovery of native species and regulate the microclimate, contributing positively to long-term mine stability and ecological restoration.

For permanently exposed rock areas, the thick-layer spraying method with netting continues to be used. This involves installing coated wire mesh on rock walls before applying mixed substrates and seeding to prevent weathering and soil erosion, while improving continuity and visual consistency of green coverage. In addition, all greening zones are equipped with irrigation systems to provide timely watering during dry seasons, strengthening vegetation survival rates and subsequent maintenance effectiveness.

Beyond ongoing greening and ecological restoration efforts, the Company is also committed to environmental monitoring. Since 2006, a quarry environmental monitoring program has been implemented for 18 years. The latest monitoring period in 2024 spanned from March to August and covered indicators such as surface water, air quality, noise, vibration, and traffic volume. Historical monitoring data show that quarry operations have proceeded steadily in accordance with plans, with no major abnormalities or deterioration in environmental quality. This has established a comprehensive environmental management and risk control mechanism, with ongoing practical actions taken to minimize the operational impact on the surrounding environment.

Greening at Nanshenghu Plant in Yilan

Vegetation in the Mount Taibai mining area

3.4 Greenhouse gas management

Extreme climate caused by greenhouse gases is an important environmental problem faced by the world. As a heavy energy user, we are a member of the earth, and greenhouse gas reduction is a common goal for all companies. Hsing Ta Cement has implemented greenhouse gas inventory in accordance with the ISO 14064-1 standard since 2012, and the inventory has been verified and passed by a third-party independent verification entity every year. We aim to keep abreast of the current situation through annual inventory and respond to the "Greenhouse Gas Reduction and Management Act," formulate emission reduction plans and targets to move toward net-zero emissions. The Company does not use traditional refrigeration equipment but uses environmentally friendly refrigerants, which do not emit ozone depleting substances (ODS).

Note: The Greenhouse Gas Reduction and Management Act was renamed the Climate Change Response Act on February 15, 2023.

Direct GHG emissions (Scope 1)

It refers to direct greenhouse gas emissions, which directly come from the emissions and fugitives of the stacks, process facilities, and vehicles owned or controlled by the Company within the organizational boundary, such as mobile combustion emissions from emergency generator sets, company vehicles, heavy construction vehicles, or forklifts, coal storage yards, septic tanks, fire extinguishers, and air-conditionings.

Energy indirect (Scope 2)

It refers to the indirect sources of energy, i.e. indirect greenhouse gas emissions from electricity input outside the Company's boundaries, including electricity consumption from equipment, offices, and public areas.

Other indirect GHG emissions (Scope 3)

It refers to other indirect emission sources, which refer to greenhouse gas emission sources owned or controlled by other organizations. Currently, the main sources of emissions within the geographical boundaries of the organization are not owned by the Company. According to the guidelines of the Environmental Protection Administration, Executive Yuan, companies can choose whether to include this part in the calculation. At present, the Company only includes the indirect greenhouse gas emissions from the use of products, which accounted for 5.57% of the overall emissions. Indirect greenhouse gas emissions caused by transportation, by the use of the Company's products, and from other sources are not considered significant; therefore, there is no quantitative information available on such emissions at this time.

Hsing Ta Cement – Analysis of emissions by sources

Type of emission source		Scope 1	Scope 2	Scope 3	Total emissions equivalent
		Direct emissions	Energy indirect	Other indirect	
2021	Emission equivalent (metric tons/year)	574,039.84	43,746.29	-	617,786.13
	Percentage by scope (%)	92.92%	7.08%	-	100%
2022	Emission equivalent (metric tons/year)	479,891.48	37,922.41	13,837.24	531,651.13
	Percentage by scope (%)	90.26%	7.13%	2.60%	100%
2023	Emission equivalent (metric tons/year)	552,623.04	41,137.36	15,311.38	609,071.78
	Percentage by scope (%)	90.73%	6.75%	2.51%	100%
2024	Emission equivalent (metric tons/year)	434,008.75	33,066.44	27,567.3	494,642.49
	Percentage by scope (%)	87.74%	6.68%	5.57%	100%

Note 1: According to the Ministry of Environment's latest greenhouse gas emission factors announced in 2025, the emission factor for diesel is 2.679 $kgCO_2e/L$ and for gasoline is 2.206 $kgCO_2e/L$. The electricity emission factors are 0.502 $kgCO_2e/kWh$ for 2020, 0.509 $kgCO_2e/kWh$ for 2021, 0.495 $kgCO_2e/kWh$ for 2022, 0.494 $kgCO_2e/kWh$ for 2023, and 0.474 $kgCO_2e/kWh$ for 2024.
Note 2: The Company's 2024 greenhouse gas emissions have completed external verification, and the verification certificate is provided in the appendix.
Note 3: In 2021, the emission inventory boundary was only the Nanshenghu Plant. Starting from 2022, the boundary has included the headquarters, the Nanshenghu Plant, and the mining area. Due to this change in the inventory boundary in 2022, subsequent base years are set as 2022.

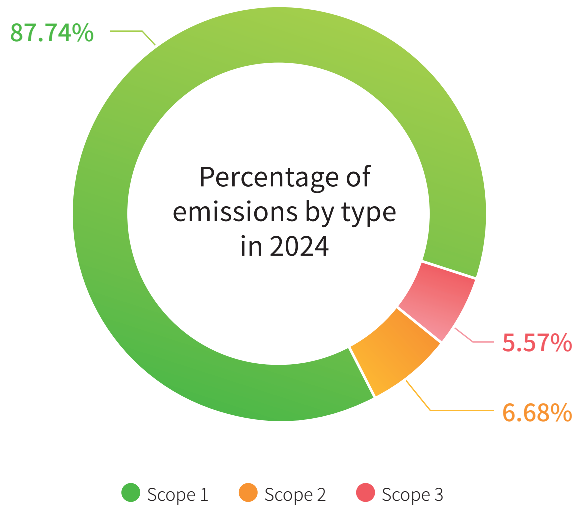
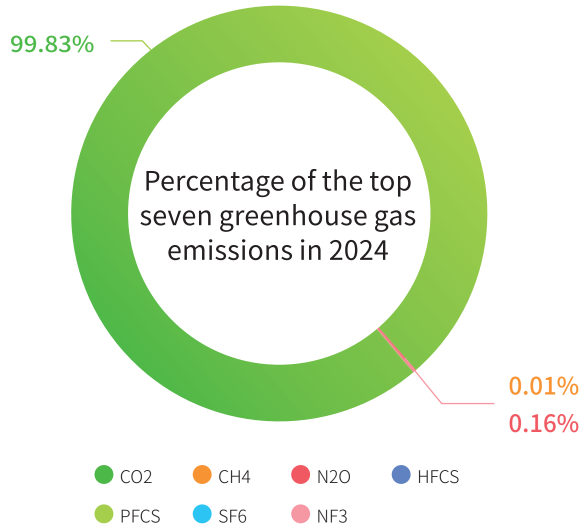


Table of top 7 direct greenhouse gas emissions in 2024

Emissions (Unit: tCO_2e/year); percentage (%)

Role	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Data
Emissions	433,251.63	64.10	691.49	1.53	0.00	0.00	0.00	434,008.75
Percentage	99.83%	0.01%	0.16%	0.00%	0.00%	0.00%	0.00%	100.00%



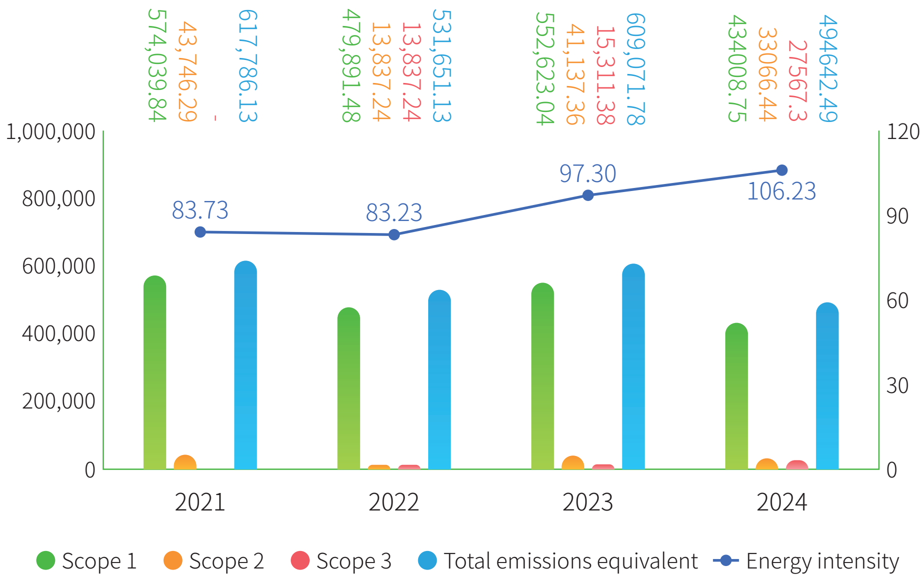
Emissions intensity

Year	Revenue (in million NTD)	Total emissions (tons)	Intensity (tons/ million revenue)
2021	7,378	617,786.13	83.73
2022	6,388	531,651.13	83.23
2023	6,260	609,071.78	97.30
2024	4,656	494,642.49	106.23

Note: The Company's standalone greenhouse gas emissions decreased in 2024, mainly because the Hsing Ta Nanshenghu Plant implemented an energy efficiency enhancement project to replace electrostatic precipitators with bag filters from October to December 2024. During the construction period, kiln operations and production were suspended, which affected both the parent company's revenue and emission data.

Greenhouse gas emissions in recent years

Emission unit: tCO_2e; intensity: tCO_2e/million revenue

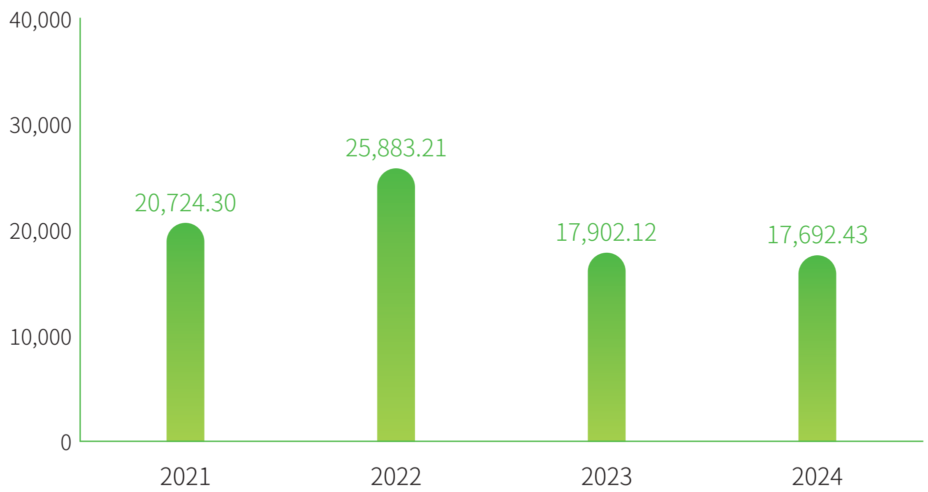


Reduction of greenhouse gas emissions

In recent years, Hsing Ta Cement has used alternative raw materials, such as air-cooled furnace slag, calcium fluoride, incinerated washed fly ash, incinerated recycled aggregate, coal fly ash, and replaced calcium carbonate with calcium oxide to significantly reduce the amount of limestone used in the process and reduce direct carbon emissions. The Company has set a target to reduce greenhouse gas emissions by 50% by 2045 as compared to the emissions in 2022.

Reduction of direct greenhouse gas emissions – Scope 1

Unit: tCO_2e



3.5 Climate change response

The Company has an internal control system and an internal audit system in place. Since 2022, the Sustainable Development Committee has initiated integrated risk management related to the environmental, social, and governance aspects of sustainable operations. Due to the extreme climate caused by global warming, energy and climate change issues have become increasingly important in recent years. In order to mitigate the impact of climate change on the Company's operations, we started to adopt the TCFD framework in 2022, which is divided into governance, strategy, risk management, indicators, and targets. Each member of the committee identifies climate-related risks and opportunities. The General Manager chairs the committee. The committee formulates follow-up response strategies and targets each year, reviews the implementation, discusses future plans, and reports regularly to the board, which monitors the implementation results.

Governance	Strategy	Risk management	Metrics and targets
Hsing Ta Cement's governance of climate-related risks and opportunities	Business, strategic, and financial planning; actual and potential climate-related impacts	Climate-related risk management process	Metrics and targets for assessing and managing climate-related issues
• The climate risk and opportunity governance and the annual sustainability risk management issues are reported by the chair to the board every year, and the Board of Directors monitors the implementation results. Since the second quarter of 2022, the Sustainable Development Committee has reported to the board on the progress of sustainable development on a quarterly basis.	Reference to the 2022 short-, medium-, and long-term climate risks and opportunities table	The risk identification, assessment, and management process is as follows: 1 • Sustainable Development Committee members complete the collection of climate and environmental background information. • Climate risk and business scope assessment 2 • Establishment of a list of climate risks and opportunities • Establishment of questionnaires on impacts on internal operations 3 • Sustainable Development Committee members conduct analysis of climate risks and opportunities and operational impacts. • Determination of significant risks 4 • Establishment of execution strategies and targets 5 • Annual rolling review through the Sustainable Development Committee meetings	• Continuing the nationwide target of 1% annual electricity savings initiated in 2020,a cumulative savings of 12.9% had been achieved by the end of 2024, meeting the target. • In 2024, greenhouse gas emissions were reduced by 9.8% compared to the base year 2020.
	Reference to climate-related impacts		In 2024, the Scope 1 emissions were 434,008.75 tCO$_2$e; the Scope 2 emissions were 33,066.44 tCO$_2$e; the Scope 3 emissions were 27,567.30 tCO$_2$e.
• The General Manager chairs the Climate Risk and Opportunity Governance Committee, while the heads of all tier-one units serve as the committee members to implement risk identification, assessment, and response.	The Company discussed the 2°C scenario (2DS) at the Sustainable Development Committee meeting and used the tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) as a reference for assessing the physical climate change risk scenario. Finally, the 2DS/RCP8.5 scenario was adopted as the Company's physical climate change risk scenario, which might lead to an increase in raw material and transportation costs. As for transition risks, we simulated the changes in carbon emission regulations in our places of operation and conducted a thematic analysis of climate change risks and opportunities.	The Company has included climate risks and opportunities in the business of the Sustainable Development Committee and implemented them based on the nature of the business.	Using 2022 as the base year, the Company has set a target to reduce greenhouse gas emissions by 50% by 2045.

The Company's Sustainable Development Committee restarts a comprehensive assessment every three years and regularly reviews and updates it every year. The first climate risk assessment was completed in 2022, and five out of the 21 climate risks in the short-, medium-, and long-term climate risks and opportunities table were identified: increase in the pricing of greenhouse gas emissions, requirements and control of existing products and services, changes in rainfall (water) patterns and changes in climate patterns, rising costs of raw materials, as well as recycling and reuse.

2022 short-, medium-, and long-term climate risks and opportunities table

No.	Climate change risks	Risk level	Time range
R1	Increase in the pricing of greenhouse gas emissions	High	Short term, medium term
R2	Strengthening the obligation to report emissions	Medium	Short term, medium term, long term
R3	Requirements and supervision of existing products and services	High	Short term, medium term
R4	Replacement of existing products and services with low-carbon products	Medium	Medium term, long term
R5	Costs of transition to low-carbon technologies	Medium	Short term, medium term
R6	Changes in customer behavior	Medium	Short term, medium term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	High	Medium term, long term
R8	Increased severity of extreme weather events, such as typhoons and floods	Medium	Medium term
R9	Rising costs of raw materials	High	Short term, medium term, long term
R10	Average temperature rise	Medium	Medium term, long term
R11	Sea level rise	Medium	Medium term, long term

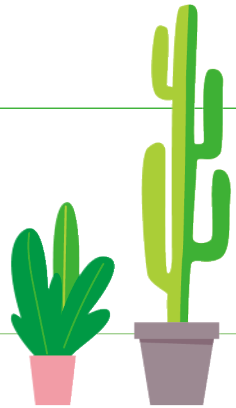
No.	Climate change opportunities	Opportunity level	Time range
O1	Reduction of water use and consumption	Medium	Medium term, long term
O2	Use of more efficient production and distribution processes	Medium	Medium term, long term
O3	Recycling and reuse	High	Short term, medium term
O4	Switch to more efficient buildings	Medium	Medium term, long term
O5	Adoption of more efficient transportation methods	Medium	Medium term, long term
O6	Use of low-carbon energy	Medium	Medium term, long term
O7	Adoption of incentive policies	Medium	Medium term, long term
O8	Use of new technology	Medium	Medium term, long term
O9	Participation in the carbon trading market	Medium	Medium term, long term
O10	Shift to decentralized energy	Low	Medium term, long term

Note 1: Short term is 1–3 years, medium term is 3–5 years, and long term is 6–10 years

To reduce the aforementioned risk factors, the Company has formulated relevant implementation measures in advance to mitigate or avoid potential risks. Also, the Company actively participates in the government's technical guidance sessions on voluntary greenhouse gas reduction, proactively improves processes, invests in equipment to enhance those processes, reduces energy consumption, uses alternative raw materials in the manufacturing of cement products, and recycles and reuses renewable resources to address energy conservation and carbon emissions issues and regulations related to climate change. In 2024, we continued to implement strategies to respond to the climate-related risks and opportunities identified in 2023.

Climate-related financial impacts and response

Risks and opportunities	Potential financial impacts	Response mechanisms
Increase in the pricing of greenhouse gas emissions	• The government gradually raises carbon fee rates (NT$300 per ton, adjusted every two years). • The scope of greenhouse gas inventories expands year by year, increasing operating costs.	• Formulate annual carbon reduction measures and propose voluntary reduction plans. • Increase the proportion of substitute clinker and raw materials to build a circular economy model and reduce greenhouse gas emissions. • Continue to explore opportunities for expanding solar power installations and evaluate the purchase of renewable energy certificates to increase the use of renewable energy. • Implement ISO 14064 greenhouse gas inventories, with annual verification and budget planning for assurance to facilitate risk response.
Requirements and supervision of existing products and services	• Carbon fee imposition and cancellation of commodity tax incentives. • Imported cement dumping impacts domestic cement. • Rising demand for low-carbon building materials may create a competitive disadvantage if downstream standards are not met.	• Continue to develop products such as low-carbon cement, and prioritize the use of recycled or easily recyclable materials for cement packaging. • Complete ISO 14067 product carbon footprint verification in 2025 and obtain the Ministry of Environment's Carbon Label to establish a competitive advantage in low-carbon products. • Recommend, through the Cement Manufacturers' Association, the imposition of border carbon fees to secure a fair competitive environment with imported cement.
Changes in rainfall (water) patterns and extreme changes in climate patterns	• Prolonged heavy rainfall or drought may disrupt supply and operations.	• Establish typhoon and heavy rainfall emergency response plans to reduce immediate risks. • Regularly implement waterproofing and drainage projects, and evaluate natural disaster insurance. • Conduct monthly maintenance of pump drainage facilities.
Rising costs of raw materials	• Extreme climate events and international instability may disrupt mining and transportation, destabilizing the supply chain and leading to higher costs for raw materials such as limestone and coal, further squeezing profit margins.	• Increase local procurement in the supply chain to reduce the impact of rising raw material and transportation costs. • Increase the use of alternative raw materials to reduce reliance on natural resources and mitigate the risks of raw material price volatility. • Diversify production sites and adopt multiple production and sales models. • Establish supplier selection, evaluation, and grading systems to ensure sustainable supply.
Recycling and reuse	• Increasingly stringent waste management regulations will raise treatment costs and potential fines if reuse mechanisms are not properly adopted.	In terms of business waste recycling and reuse, the production of waste impacts the environment and increases the cost of disposal. We have listed resource recycling and reuse in the circular economy as a key development plan. Including: • Use of substitute raw materials in production: desulfurized gypsum, coal fly ash (power plants), blast furnace slag, steel slag (steel industry), silica sand, and clay (construction waste soil). • Assistance in handling special waste: calcium fluoride sludge (photovoltaic and semiconductor industries), washed stabilized ash, and recycled aggregates (incineration plants).



Implementation plans to achieve the 2045 carbon reduction target

1. Increase green power equipment through green procurement and invest in infrastructure and equipment with eco-labels. (implementation period: 2023–2025)
2. Continue to achieve process energy savings through process improvements and the use of substitute raw materials and clinker. (implementation period: 2026–2035)
3. Evaluate the purchase of energy storage and power regulation systems to improve energy efficiency. (implementation period: 2026–2030)
4. Increase the percentage of renewable energy used, install solar power systems, purchase renewable energy certificates. (2030–2045)

Co-prosperity in society

We value the labor rights and interests of our employees, create a happy and safe workplace, provide them with friendly and equal work opportunities, implement the gender equality policy, and foster an atmosphere of mutual respect. We provide market-competitive salaries, increase employees' commitment to the Company, reduce turnover, and allow the Company to operate steadily and develop. Hsing Ta Cement offers various training courses from time to time to enhance employees' professional competencies and enhance their competitiveness in the workplace. With positive labor–management interactions, employees can speak freely and express their opinions in labor unions and labor–management meetings, and the Company responds in good faith to achieve labor–management consensus. In addition, it has been nearly ten years since Hsing Ta Cement adopted an occupational safety management system. In 2021, the occupational safety management system was converted from CNS 15506:2011 to ISO 45001:2018/CNS 45001:2018, which covers the workers at the Yilan Plant and contractors. We have promoted the ISO 45001-related management system to headquarters to strengthen the company's management performance in occupational safety and health, effectively protecting employees' physical and mental well-being and achieving a healthy workplace. Finally, we give back to society what we have taken from it. In addition to achieving great results in revenue performance, we actively participate in charitable activities, support disadvantaged groups, and fulfill our social responsibilities.

4.1 Employee structure

Hsing Ta Cement treats its employees equally and adopts various affirmative action measures to eliminate any labor conditions that may cause inequality in the workplace and protect the labor rights of our employees.

4.1.1 Human rights policy implementation

We value the rights of employees and strive to create a friendly environment that protects human rights. The Company abides by labor-related laws and regulations at each operating site, safeguards the legitimate rights and interests of all employees, customers, and stakeholders, and recognizes and adheres to the UN Universal Declaration of Human Rights, the UN Global Compact, the International Labour Organization Convention, and other internationally recognized human rights standards. Our commitment aims to prevent any infringement or violation of human rights, ensuring that individuals both inside and outside the Company are treated in a reasonable, equal, and dignified manner.

The Company's human rights policies apply to Hsing Ta Cement and its subsidiaries. We urge suppliers and business partners to abide by these principles and formulate similar policies within their enterprises. We identify and prevent human rights risks faced by the Company and supply chain personnel through internal audits and supplier evaluations. The human rights policy is announced on the official website to enhance communication with stakeholders.

▶ Human rights policy

In addition, we have established whistleblowing channels. Any employee who believes that human rights policy violations have occurred are welcome to report to their immediate governing department, the Human Resources Department, or the Audit Department, or report it confidentially through the following channels:

Email	A reporting system on Hsing Ta's official website (http://www.hsingta.com.tw/report.asp)	Whistleblowing hotline	(02)2381-6731 ex. 109

Employees who raise concerns about this policy will not be exposed and be retaliated against. We are committed to investigating, handling, and responding to employees' concerns and taking appropriate corrective measures as soon as possible if there are unreasonable violations.

In accordance with the Company's human rights policy, the specific management programs promoted and their effects are as follows:

- Each year, more than three hours of education and training are offered for all employees. In 2024, 289 people participated in the human rights training, accounting for 86% of the total employee participation rate, with a total of 867 hours. In addition, as of the end of December 2024, no complaints of human rights violations or suspected human rights violations were received.
- We strictly abide by the labor laws and regulations of the local government, international standards, and the "Hsing Ta Cement Human Rights Policy," respect the wishes of employees, prohibit forced labor, and have set up a grievance channel.
- We provide employees with reasonable salaries in accordance with laws and regulations, and purchase social insurance according to regulations. We provide various benefit measures on the premise of ensuring a stable life for employees and enhancing their work performance.
- The Company only accepts job candidates who are 18 years old or older, and checks the hired employees' information to double check to ensure that nothing is overlooked. As of the end of December 2024, the number of child workers was zero.
- Healthy and safe workplace: We continue to achieve the goal of "zero accidents."

4.1.2 Employees statistics

At Hsing Ta Cement, we are aware that diverse talents are the cornerstone of corporate success and that it is not easy to cultivate talents. Therefore, we hope to reduce employee turnover and achieve talent sustainability through localized employment, benefit systems, and the creation of a friendly work environment. Specifically, all employees mainly signed indefinite contracts (i.e. full-time employees) with the Company. The Company provides long-term and stable work, allowing them to devote themselves to their work without worries, which helps guarantee their financial conditions. The Company's manpower structure is stable, and there has been no significant manpower shortage.

Up to 100% of Hsing Ta Cement's senior executives (manager level or above) are local talents, which shows that the Company is willing to work with local communities to discover and attract outstanding local talents. It helps to gain recognition from the local community and further enhance the local economic situation.

Data/Year		2021		2022		2023		2024	
Total number of employees		344		342		341		338	
Employment contract		Indefinite	Open-ended	Indefinite	Open-ended	Indefinite	Open-ended	Indefinite	Open-ended
Gender	Male	314	3	310	3	310	3	306	4
	Female	27	0	29	0	28	0	28	0
Type of employment(Note 3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	317	0	313	0	313	0	306	4
	Female	27	0	29	0	28	0	28	0

Note 1: It is based on the total number of employees at the operating sites in Taiwan at the end of the year (December 31).
Note 2: Employment contracts are divided into employees with indefinite contracts (full-time) and employees with open-ended work contracts.
Note 3: The Company's employees are all full-time employees (with working hours reaching the legal upper limit), and there are no part-time employees.

Workers who are not employees

Data/Year		2021		2022		2023		2024	
Total number of workers		11		8		8		3	
Contract type		Temp workers	Other types	Temp workers	Other types	Temp workers	Other types	Temp workers	Other types
Gender	Male	9	1	5	2	5	2	0	2
	Female	0	1	0	1	0	1	0	1

Note: The content of the dispatched work consists of cleaning services; other types of contractors work as security at mine explosives depots or as cleaning personnel in office buildings. Note: The headquarters has employed one male technical consultant.

Employee diversity data

Category/Year			2021		2022		2023		2024	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Direct	Gender	Male	163	47%	152	45%	166	49%	164	49%
		Female	0	0%	0	0%	0	0%	0	0%
	Age	Under 30	11	3%	8	2%	17	5%	17	5%
		Over 30 but less than 50	112	33%	100	29%	101	30%	102	30%
		Over 50	40	12%	44	13%	48	14%	45	13%
Indirect	Gender	Male	154	45%	161	47%	147	43%	146	43%
		Female	27	8%	29	8%	28	8%	28	8%
	Age	Under 30	9	2%	20	6%	13	4%	11	3%
		Over 30 but less than 50	94	27%	91	27%	81	24%	81	24%
		Over 50	78	23%	79	23%	81	24%	82	24%

Other diversified employments: In 2024, the employment rate of people with disabilities was 2%, which is higher than the 1% required by law.

Note: Percentage of employees in each category = (Total number of employees in the category at the end of the year / Total number of employees at the end of the year) * 100%.

New hires and resigned employees

New hires and resigned employees statistics/Year		2021		2022		2023		2024	
		Total number of people	Percentage	Total number of people	Percentage	Total number of people	Percentage	Total number of people	Percentage
New hires									
Age	Under 30	6	30%	16	57.14%	5	3.88%	5	17.86%
	Over 30 but less than 50	22	10.68%	13	6.81%	17	13.18%	18	9.84%
	Over 50	5	4.24%	4	3.25%	2	1.55%	4	3.15%
Gender	Male	27	8.52%	25	7.99%	24	7.67%	25	8.17%
	Female	6	22.22%	8	27.59%	0	0.00%	2	7.14%
Resigned employees									
Age	Under 30	8	40%	4	14.29%	0	0%	2	7.14%
	Over 30 but less than 50	18	8.74%	17	8.90%	19	10.44%	17	9.29%
	Over 50	16	13.56%	13	10.57%	8	6.20%	11	8.66%
Gender	Male	35	11.04%	28	8.95%	26	8.31%	28	9.15%
	Female	7	25.93%	6	20.69%	1	3.57%	2	7.14%

Note 1: It is based on the total number of employees at the end of 2024.
Note 2: New hire rate = (Total number of new hires of the category in the year / Total number of employees of the category at the end of the year) * 100%.
For example, new hire rate for female employees = (Total number of new female employees in the year / Total number of female employees at the end of the year) * 100%.
Turnover rate = (Total number of resigned employees of the specific category in the year / Total number of employees of the specific category at the end of the year) * 100%.
Turnover rate for employees under the age of 30 = (Number of resigned employees under the age of 30 in the year / Number of employees under the age of 30 at the end of the year) * 100%.

4.2 Right person for the right place

Material topics: Employment/Talent cultivation and retention

Policy/Commitment	• Endless learning and workplace sustainability • Competitive benefits and remuneration • Compliance with the collective bargaining agreement to eliminate barriers in labor–management communication.
Goals	• Effectively arrange personnel training to improve the quality of in-service personnel and increase work efficiency. • Continue to optimize the human resource management system to improve management efficiency and quality. • Zero labor dispute in the year. • Up to ten hours of annual average training hours per employee.
Responsible department/grievance mechanism	• Responsible department: Administration Department and Factory Affairs Department at the Headquarters • Grievance mechanism: Email: allen@hsingta.com.tw / sharon@hsingta.com.tw Tel.: (02)2381-6731#138 / (03)996-7141#36
Invested resources	• Continued to offer professional skills and management courses to strengthen the capabilities required for supervisors and employees to create performance for the organization. • Offered and promoted sustainability-related training to improve employees' awareness of sustainable development. • Implemented the annual education and training plan.
Evaluation mechanism	• In 2024, the average training hours for employees was 22.9 hours. • We completed the 2024 implementation of the annual education and training plan. • Zero labor dispute in the year. • Up to 100% of all employees signed the collective bargaining agreement.

Sound human resources are the key to the sustainable operation of Hsing Ta Cement. In order to attract outstanding talents, the Company provides market-competitive remuneration and benefits and rewards employees for their performance and long-term contributions. The evaluation, reward, and punishment system has created a virtuous atmosphere of fair competition among employees. They are willing to make more effort at work, which further shapes the corporate culture of Hsing Ta Cement to attract and retain talent. At the same time, employees are more committed to the Company and actively participate in its affairs. Additionally, regarding promotion channels, when the Company's promotion information is transparent, employees with good job performance are promoted, setting a positive example for their colleagues to learn from. This allows the Company to continue cultivating more outstanding talent. The Company establishes education and training plans and arranges for employees to receive training, so that they can continue to grow in their professional fields and realize their self-worth. Finally, Hsing Ta Cement has established multiple channels for communication and dialogue with employees, allowing them to provide their opinions in a timely manner and maintain harmonious trust and interaction between the employer and employees.

4.2.1 Remuneration and benefits

Hsing Ta Cement determines employee remuneration based on the annual operating target achievement rate and the Company's profitability. We provide employees with remuneration packages that are better than local regulations and competitive in the market. In general, the salaries of employees at Hsing Ta Cement are determined based on their length of service, education, experience, and professional skills, regardless of individual physiological or psychological differences. As employees' length of service in the Company increases, they become proficient in industry knowledge and experienced, and the Company is willing to share profits with them. While contributing their skills to the Company, they do not need to worry about their personal financial conditions, and their commitment and sense of belonging to the Company are enhanced.

Secondly, due to the nature of on-site operations, there are no female workers in the front-line plant directly. For indirect employees, as for the ratio of men's and women's minimum wage to their overall remuneration, as the length of service of male employees is much longer than that of female counterparts, there is a difference in the salary and remuneration. In addition, in terms of the salaries of entry-level employees, the standard salaries of non-managerial employees at Hsing Ta Cement, regardless of gender, are higher than the local minimum wage.

Men's and women's salary and ratio of men's salary to women's		2021		2022		2023		2024	
Employee category	Item	Male	Female	Male	Female	Male	Female	Male	Female
Indirect	Minimum wage	1.33	1	1.35	1	1.05	1	1.05	1
	Remuneration	1.31	1	1.53	1	1.29	1	1.29	1

Note: The percentages in the table are based on female employees

Note: In accordance with FSC regulations, the average and median salaries of full-time non-managerial employees, as well as changes compared to the previous year, have been disclosed on the ESG digital platform. Please refer to: "ESG Information Disclosure > Stock Code 1109 > Social (Human Resource Development)" at:https://esggenplus.twse.com.tw/inquiry/info/individua

In addition, to show appreciation for the hard work of our employees and to promote their work efficiency, Hsing Ta Cement has provided employees with various benefit measures and a comfortable office environment. By organizing various employee activities from time to time, they can reduce work pressure and bond with colleagues, thus enhancing positive interactions in the workplace.

Full-time employee benefits

- Group accident insurance
- Birthday gift vouchers, May 1 gift vouchers and movie vouchers
- Bonuses for three major holidays
- Full subsidy for company training
- Employee travel
- Wedding/funeral allowances
- Year-end bonus
- Children's education subsidy

▼ Hsing Ta Cement 2024 Domestic Employee Trips and Model Employee Trips

In addition, to allow employees to take care of family after work, we encourage them to apply for parental leave to provide comprehensive family care.

Unpaid parental leave/Year	Gender	Data			
		2021	2022	2023	2024
Number of employees eligible for unpaid parental leave	Male	4	1	8	7
	Female	0	0	0	0
Number of employees who applied for unpaid parental leave	Male	2	0	1	0
	Female	0	0	0	0
Number of employees requiring reinstatement upon expiration of unpaid parental leave (A)	Male	2	0	0	0
	Female	0	0	0	0
Number of employees actually reinstated after unpaid parental leave (B) (including early reinstatement)	Male	1	0	0	0
	Female	0	0	0	0
Reinstatement rate (B/A)	Male	50%	0%	0%	0%
	Female	0%	0%	0%	0%
Total number of employees still in service 12 months after reinstatement in the previous year (C)	Male	1	1	0	0
	Female	0	0	0	0
Retention rate (C/B for the previous year)	Male	0%	100%	0%	0%
	Female	0%	0%	0%	0%

Note 1: The number of employees eligible for unpaid parental leave is based on the number of male and female employees who have applied for maternity leave or paternity leave in the past three years.
Note 2: Reinstatement rate = (Total number of employees actually reinstated in the year/Total number of employees who should be reinstated in the year)*100%.
Note 3: Retention rate = (Total number of employees still in service 12 months after reinstatement in the previous year/Number of employees actually reinstated in the previous year)*100%.

Finally, to ensure a financial plan for employees' retirement, the Company's "Personnel Management Regulations" stipulate regulations for employee appointment, service, evaluation, reward and punishment, promotion, and resignation to take care of them and their families. In accordance with the law, we have established the Labor Retirement Reserve Fund Supervisory Committee and convene committee meetings from time to time as necessary to review the allocation and utilization of pension funds to fully protect employees' retirement rights.

The "Labor Pension Act" became effective on July 1, 2005. For employees who were employed before the enforcement date and are still in employment, they may choose to continue to be subject to the pension provisions of the "Labor Standards Act" (the old scheme) or to be subject to the pension scheme of the Act and retain their length of service prior to the application of these provisions. Employee pensions are paid based on years of service and the average salary for the six months before retirement. After July 1, 2005, only the pension scheme under the Labor Pension Act (the "new scheme") is applicable to new employees.

For employees who choose to be subject to the Labor Standards Act (old scheme), the Company contributes a monthly retirement reserve of 15% of the old scheme payroll to be deposited in a dedicated account in the Trust Department of the Bank of Taiwan, and their pension payments are made from this dedicated account.

In line with the new scheme of labor pension appropriation, the Company contributes 6% of the total monthly salary of employees who choose to apply the Labor Pension Act (the new scheme) to their individual accounts with the Bureau of Labor Insurance.

In the event that an employee unfortunately passed away due to illness or an accident while on the job, the Company has established the "Survivor's Compensation Policy" to provide substantive assistance to take care of the employee's family members. In addition, the Company's Nanshenghu Plant has established the "Employee Mutual Aid Regulations," and the union of each cement plant has also established a bereavement benefit payment system. Although these are mutual aid systems for employees, the idea and spirit are to strengthen the Company's bereavement mechanism and further take care of the lives of employees' family members.

▲ Presentation of plaques and bonuses for senior employee retirements

4.2.2 Talent cultivation

For Hsing Ta Cement, the key to the sustainable operation lies in employees' continuous learning and growth. Education and training are an important way to ensure the sustainable competitiveness of manpower. Therefore, we have always attached great importance to the training of employees. The overall learning and development strategy is to establish a comprehensive education and training system based on -the-job training, with new personnel training and professional training as the backbone, to meet the annual targets and the needs of different business activities.

In order to improve the professional skills of our employees, we formulate training plans and set training targets based on the Company's development needs each year. This approach allows employees to advance their careers while the Company benefits from their growth and progress. Then, we continue to pass on our skills and experience to relevant departments through internal training, assisting employees in setting learning and development directions as the foundation for developing their personal career plans.

When new employees report for duty, our personnel will introduce the Company's internal rules and regulations and occupational safety-related knowledge, and then their departments will provide them with special training. We actively encourage our employees to take professional courses within the scope of our business. The goal is to focus on their continuous growth and provide a variety of learning channels, so that they can unleash their professionalism and realize their own goals. Each department develops education and training plans based on its needs and offers education and training every year. Employee training is divided into internal and external training. Internal training is arranged by each department according to its actual business needs. After its application is approved, specific personnel are selected to participate in the courses organized by external organizations. After completing the training, the participating employees will share their experiences with other colleagues in the department so that relevant personnel can apply what they have learned. In response to the trend of diversified education and training in recent years, in order to allow employees to be exposed to more information in different aspects, we encourage them to participate in courses organized by external organizations to keep abreast of changes in the external environment. Overall, the average training hours per employee in 2024 increased by about 2% compared to 2023.

At the Nanshenghu Plant in Yilan, training sessions on "Greenhouse Gas Inventory" and "Carbon Footprint" were conducted.

In addition, taking into account the nature of the Company's factory operations, we offered a series of courses in 2024 to strengthen the operational skills and safety awareness of on-site personnel. More than 371 people participated in the plant's internal training for a total of more than 2,396 hours. The training includes the following:

"On-the-job training for employees (including workplace violence)"	• Each session lasted four hours and had 11 participants	• For a total of 44 hours.
Two rotary kiln operation training sessions	• Each session lasted seven hours and had 22 participants	• For a total of 154 hours.
On-site equipment inspection operation training	• Each session lasted four hours and had 36 participants	• For a total of 144 hours.
	• Each session lasted eight hours and had 5 participants	• For a total of 40 hours.
"Process Instrument Calibration" and "Electrification Hazard Prevention and Management" were offered, with each session lasting six hours and two hours, respectively	• With 16 participants	• For a total of 80 hours.
"Operational safety education and training" conducted in batches	• Each session lasted three hours with 13 participants	• For a total of 117 hours.
One session of "On-the-Job training for packaging personnel" was conducted.	• Each session lasted 14 hours and had 16 participants	• For a total of 224 hours.
A 4-hour course on "Chemical Analysis (including R2O Analysis)," a 6-hour course on "Physical Testing of Cement Products," a 4-hour "Control Team Work Training," a 6-hour course on "Basic Quality Control," and a 3-hour course on "General Knowledge of Hazardous Chemicals (including Safety and Health Training)."	• With 11 participants	• For a total of 253 hours.
"Cement Mill Operation Training" and "Raw Mill Operation Training" were offered, with each session lasting eight and eight hours, respectively.	• With 34 participants	• For a total of 272 hours.
A total of 123 people in the mine tramway participated in an open-pit mine operator eight-hour on-the-job training.		• For a total of 984 hours.

Training effectiveness

Data/Year		2021	2022	2023	2024
Average hours of training per employee		9.5	10.2	21.1	22.9
Average training hours by gender	Female	5.1	8.0	11.4	7.3
	Male	9.9	10.4	10.5	10.9
Average hours of training by type	Direct	9.9	11.7	9.9	10.9
	Indirect	9.2	9.0	11.1	12.1

Note: The average training hours of all employees is (total training hours of all employees in the year/total number of employees at the end of the year).
The average number of training hours per female employee is (total training hours of female employees in the year/total number of female employees at the end of the year).
The average training hours of each type of employee is (total training hours of the type of employees in the year/total number of employees of the type at the end of the year).

4.2.3 Labor–management communication

Smooth labor–management communication facilitates collaboration between the employer and employees, allowing them to understand the Company's business plans, business overview, and market conditions. At the same time, the Company's management can keep abreast of employees' labor conditions and build a friendly workplace based on their needs. To establish agreed labor conditions, improve work efficiency, and promote cooperation for increased productivity, Hsing Ta Cement, in accordance with the Collective Agreement Act, formed a labor union and signed a collective agreement. The agreement was signed by 100% of employees and was approved and filed by the Yilan County Government on June 14, 2024 (Document No. 1130099134). The agreement is effective for three years (from June 19, 2024, to June 18, 2027), and will be renegotiated for renewal prior to expiration.

The scope of employee protection under this agreement covers union members within the enterprise organization, limited to assignments within Yilan County, Taipei City, and New Taipei City, including work content and locations reasonably designated by the employer.

In addition to the provisions stipulated under the Labor Standards Act and other relevant labor laws, overtime work or rest day work performed by union members may, upon the employee's request and with the employer's consent, be compensated with overtime leave hours calculated at the overtime wage standard (more favorable than the current regulation of compensatory leave at a 1:1 ratio with work hours). If the overtime leave hours cannot be fully taken by the end of the year or upon termination of the contract, the overtime wages will be paid accordingly. When the employer obtains the union's consent for employees to work on holidays specified under Article 37 and special leave days under Article 38 of the Labor Standards Act, wages will be paid at double rate, with additional bonus incentives granted depending on circumstances.

Note: In 2024, a collective agreement was signed by labor representative Li-Kuo Lin, Chairman of the Union (second from left); employer representative Lian-Huo Lin, Director of the Nanshenghu Plant (second from right); witness Hsiu-Ching Huang, Head of the Labor Relations Section, Department of Labor, Yilan County Government (first from right); and witness Sheng-Chi Hu, Chairman of the Yilan County Federation of Trade Unions (first from left).

In addition, the Company holds labor–management and union board meetings once every three months. During these meetings, employee representatives may propose improvements to employee welfare (such as enhancing factory meal options, adjusting flexible leave dates, and increasing bonus distributions). In 2024, five such regular meetings were held. Approved resolutions are submitted to the Head Office for confirmation, and adjustments are made to employee benefits for the year accordingly.

At the same time, the Company has set up diverse communication channels to allow employees to fully express their opinions through two-way communication. The Company can also respond in a timely manner, and translate their suggestions into policies one by one for implementation. In recent years, the labor–management relations at Hsing Ta Cement has been harmonious, and no labor disputes have occurred.

If an employee is laid off or there is a change of work location in a related or newly established plant, the Company shall report to the local government's labor bureau 60 days in advance during the notice period in accordance with the Act for Worker Protection of Mass Redundancy.

4.3 Occupational safety and health

Material topics: Occupational safety and health

Policy/Commitment	• Continue to strengthen safety and health management and regularly evaluate safety and health performance to create a safe, healthy, and friendly working environment.
Goals	• Zero occupational accident • Strengthen the safety and health awareness of employees in the plants. • Comply with various safety and health laws and regulations and implement them. • Respond to emergencies and get prepared.
Responsible department/ grievance mechanism	• Responsible department: Administration Department and Safety and Health Management Office at the Headquarters • Grievance mechanism: Email: allen@hsingta.com.tw / spenser0213@hsingta.com.tw Tel.: (02)2381-6731#138 / (03)996-7141#58
Invested resources	• Completed the risk assessment of the occupational safety and health management system and the implementation of plans to achieve targets. • Completed one fire drill in the first and second half of the year, respectively. • Completed interviews and health education for the annual special health examinations. • Held health seminars. • Completed employee musculoskeletal injury investigation, maternal health protection, and heavy workload and workplace violence prevention evaluation.
Evaluation mechanism	• Annual occupational safety awareness training at the plants reached 2,396 hours. • There was no major occupational injury in 2024. • In 2024, one health seminar and one occupational safety seminar were held. • A total of 153 people underwent special health examinations in 2024 (including 75 people with special hazards from dust, 75 from noise, and three from ionizing radiation), and no work-related abnormalities were found.

To ensure a healthy and safe working environment for our workers, we have implemented the ISO 45001 occupational health and safety management system. We are committed to providing customers with high-quality and safe products and services that is in compliance with relevant laws, regulations, and standards, as well as preventing occupational accidents, promoting health, and building a friendly workplace, to fulfill corporate social responsibilities.

We have gradually implemented safety and health management in accordance with the PDCA. The scope of implementation and application of the ISO 45001 occupational safety and health management system covers all operating sites and all workers in each plant, and the safety and health management for contractors/subcontractors is stipulated in the contract. Relevant management measures include operation instructions, response instructions, equipment usage guidelines, and response drills. These measures ensure that employees understand the response procedures and handling methods in the event of an abnormal situation, thereby reducing the potential hazards and losses associated with such situations. The Occupational Safety and Health Act stipulates that when there is an imminent danger in the workplace, the employer or the person in charge shall immediately stop operations and ensure that workers evacuate to a safe place. When performing duties and discovering a possibility of immediate danger, the employee may stop work and retreat to a safe place without endangering the safety of other workers, and must immediately report to their supervisor. Hsing Ta Cement will not dismiss, transfer, withhold wages for the period of suspension of work, or impose other unfavorable disciplinary actions against the abovementioned workers.

Hsing Ta Cement is actively and committed to the promotion of labor safety and health. To reduce the occurrence of occupational accidents, we comply with the occupational safety and health management system and international standards for social responsibility, continue to improve the safe and healthy work environment for employees, prevent occupational injuries, and diseases and reduce risk factors in the working environment. We aim to comply with labor safety and health laws and regulations and create a high-quality, safe, and health workplace.

We are committed to employee care, employee health and safety, fulfilling our corporate social responsibility, and pursuing corporate sustainability. We believe that the safety and health of employees are invaluable assets of the Company.

Safety and health activity – emergency response and fire drill

Occupational safety and health training

Effectiveness of occupational safety and health training in 2024	
Training	Description and effectiveness
• On-the-job training for employees (including workplace violence)	Each session lasted 4 hours for a total of 44 hours with 11 participants.
• On-site equipment inspection operation training	Each 4-hour course had 36 participants, totaling 144 training hours; each 8-hour course had 5 participants, totaling 40 training hours.
• Operational safety education and training and emergency response procedures	Each session lasted three hours for a total of 117 hours with 13 participants.
• On-the-job training for packaging personnel	Each session lasted 14 hours for a total of 224 hours with 16 participants.
• General knowledge of hazardous chemicals (including safety and health education and training)	Each session lasted 14 hours for a total of 253 hours with 11 participants.
• Cement mill operation training and raw meal mill operation training	Each session lasted 8 hours for a total of 272 hours with 34 participants.
• On-the-job training for open-pit mine workers	All workers of the Mining Section received eight hours of training for a total of 984 hours with 123 participants.
• Fire drills	Comprehensive fire drills (including firefighting, reporting, and evacuation) were held on July 17 and December 6, respectively, with a total of 61 participants

Occupational safety and health seminar

The Northern Region Occupational Safety Center and the Cement Manufacturers' Association jointly held the "On-Site Occupational Safety and Health Management Guidance for Cement Plants" program under the Safety Partnership Series on September 10 at the Company's Nanshenghu Plant. The event included an on-site review of the production process, followed by discussions and recommendations.

4.3.1 Worker engagement, consultation, and communication

The Company has established an Occupational Safety and Health Committee, which consists of seven representatives from our plants and seven labor representatives. The committee held four meetings in 2024 to discuss, review, coordinate, and suggest occupational safety and health management and promotion matters to provide employees with a friendlier, more comfortable, and safer working environment.

The Company enhances employees' occupational safety awareness through education and training and emails on a daily basis and has established internal and external communication procedures to strengthen communication on occupational safety and health. In addition, we have established communication channels on the employee intranet to encourage inquiries, complaints, or suggestions; employees can choose to remain anonymous or not. Opinions or responses can be open to all employees or kept private. Protecting the privacy of the complainant is the top priority throughout the grievance process, ensuring that they feel free to submit their opinions or contact the occupational safety contact point directly by phone. There were no major occupational safety-related complaints in 2024.

Occupational safety complaint procedure

4.3.2 Hazard identification, risk assessment, and incident investigation

The hazards of Hsing Ta Cement include pinching, slipping, cutting, falling objects, or electrification. We have established hazard identification-related management regulations to ensure the effective operation of hazard identification and risk assessment. During hazard identification, we consider the safety risks of workers in daily operations and the safety risks derived from changes. For those assessed as high risk, an occupational safety and health target plan is established and implemented by the responsible unit after approval by the senior supervisor. Labor safety personnel track the effectiveness and implementation results.

In addition, for accident investigation, the Company has established the Accident Handling and Investigation Procedures for accident investigation and management. In the event of any work-related injury, the reporting operation and handling and improvement process is implemented according to the Accident Handling and Investigation Procedures. The investigation report on work-related accidents is included in the annual education and training and reviewed by the Occupational Safety and Health Committee.


Traffic safety education and regulatory awareness training

4.3.3 Statistical analysis of occupational accidents

According to the statistical data on employee occupational accidents, injuries, and diseases, as shown in the table below, there were no deaths or occupational diseases resulting from occupational injuries (including recordable occupational diseases) among all employees from 2021 to 2024. In 2024, no major occupational accidents or fire incidents occurred.

Data/Year		2021	2022	2023	2024
Total hours worked		392,712	312,056	683,496	1,036,648
Occupational injury deaths	Number of people	0	0	0	0
	Percentage	0	0	0	0
Severe occupational injury	Number of people	0	0	0	0
	Percentage	0	0	0	0
Recordable occupational injury (Note 4)	Number of people	0	1	0	0
	Percentage	0	0.6409	0	0
Occupational disease	Number of people	0	0	0	0
	Percentage	0	0	0	0
Recordable occupational disease	Number of people	0	0	0	0
	Percentage	0	0	0	0

Note 1: The Company may choose to calculate the rate per 200,000 or one million hours worked.

Note 2: Severe occupational injury: It refers to an occupational injury that causes death, or makes it impossible or difficult for workers to return to the pre-injury state of health within six months. Data excludes the number of deaths.

Note 3: Recordable occupational injury or disease: This refers to an occupational injury or disease caused by any of the following circumstances: death, leaving work, work restrictions or changes in job, or a major injury or illness diagnosed by a licensed healthcare professional (even if it does not result in death, leaving work, work restrictions, or a change of job, medical care beyond first aid, or loss of consciousness). However, the data should include deaths; traffic accidents during commutes to and from work are not included in the occupational injury statistics.

Note 4: In September 2024, there was one occupational injury incident involving a dispatched worker from a human resources consulting company at the Company's plant. Although the individual was not an employee of the Company, considering the responsibility for workplace safety, the Company not only promptly reported and assisted in handling the incident but also voluntarily provided consolation payments. Subsequently, the Company and the outsourcing contractor jointly reviewed the dispatch procedures and training, strengthening operational risk identification to prevent the recurrence of similar incidents.

4.3.4 Healthy workplace promotion

In light of social and economic changes, the International Labour Organization (ILO) and the World Health Organization (WHO) have advocated that workplace safety and health services are workers' fundamental rights. In line with the will of the ILO and WHO, as well as laws and regulations, Hsing Ta Cement has been proactively planning, promoting, and implementing health issues in the three major aspects of health services, health education, and healthy working environment. We regularly offer disease prevention and treatment training, health care training, health lectures, employee preventive health care consultation, and employee health checkups. From the standpoint of protecting the health of employees, we focus on health risk assessment, health management, health promotion, and work environment hazard assessment and advice. We also provide employees with health education concepts, hoping that health problems will not affect their work during work and that health care for workers in the workplace can be implemented as required.

The relevant achievements in 2024 are as follows:

- A total of 153 employees in the plants underwent special hazard examinations. There were 75 employees who underwent special health examinations for noise, 3 for ionizing radiation, and 57 for dust exposure, with no work-related abnormalities found.
- We completed hazard identification and risk assessment for workplace violence prevention.
- We completed the employee musculoskeletal injury hazard survey with 285 copies of questionnaire sent and completed anomaly tracking.
- We completed the job evaluation of three female workers at the childbearing age for maternity health protection.
- We used the We Care system to analyze the heavy workload-induced diseases through employees' health examination reports and heavy workload questionnaires. We adjusted our working hours or changed job contents based on a physician's advice and health guidance.

Health lecture on "Sarcopenia" held in April 2024

On-site labor health services

▲After conducting employee health questionnaire screenings, the plant physician provided on-site services, offering individual consultations and referrals based on personal health conditions.

4.4 Social engagement

As a member of society as a whole, a company is interdependent with investors, employees, local communities, and other stakeholders. By motivating others to follow suit, we exert our influence and fulfill our corporate social responsibilities by working with local groups to ensure that resources are provided to those in need and being committed to making society a better place.

The achievements of our social charity-related efforts are as follows:

- The Company pays close attention to the cultural activities of indigenous communities surrounding the mining area and provides an annual fixed contribution of NT$2.3 million to the Atayal Tribe in Dongyue Village, Nan'ao Township, Yilan County.
- In 2024, the Company held an explanatory meeting on mining land use, inviting tribal representatives and local residents for face-to-face communication on land use, environmental management, and feedback mechanisms, thereby strengthening trust, fostering consensus, and practicing responsible mining and local coexistence.
- The Group's Nanshenghu Plant constantly sponsors festive events in the neighboring communities, temples, and township offices; gives gifts to residents near the plant during Chinese New Year to fulfill the responsibility of being a good neighbor; and in response to the activities of the Environmental Protection Bureau activities, adopts the front section of the Taiwan no. 9 highway and the Mingde Industrial Road leading to the Wulaikeng Scenic Area, and regularly send staff to sweep and cut the weeds along the road.
- In addition to actively assisting Su'ao Cold Spring Cultural Festival, hiking, road running and other cultural and charitable activities organized by the Su'ao Township Office, Yilan County,
- In 2024, the Company provided NT$900,000 in scholarships to benefit junior high school, high school, and university students in the county, and actively supported the development of indigenous community industries and cultural education by donating to community development associations in Nan'ao Township as well as funding school equipment and training.
- Residents in the vicinity of the Group's Nanshenghu Plant feared that the original drainage ditch could not cope with heavy rainfalls and therefore, the Company provided 350 Pings of land behind the plant for free and cooperated with the Soil and Water Conservation Bureau and other units to widen, improve and afforest the river course.
- To give what we have taken from society back to society, Sheng'an Temple was built on the land where the Nanshenhu Plant of the Group is located with a long history. It is the central religious belief of the local residents. The Company donated 252 pings of land to the Temple to make its property rights complete.
- The Group financed the cleaning of the drainage ditch around the plant to ensure that the surrounding farmland would not be affected when heavy rain came.

Local Co-Prosperity

The Company pays attention to the cultural and development issues of indigenous communities surrounding the mining area, allocating an annual fixed budget of approximately NT$2.3 million to the Atayal Tribe in Dongyue Village, Nan'ao Township, Yilan County. The contributions include scholarship subsidies, special project cooperation with Dong'ao Elementary School, holiday allowances, support for weddings and funerals, emergency assistance, as well as long-term sponsorship of traditional festivals, sporting events, and cultural activities of the tribe. These efforts aim to promote equal educational opportunities, cultural heritage, and inclusive community development.

In addition, the Group's Nanshenghu Plant actively participates in local public welfare initiatives, supporting the Su'ao Township Office in hosting community events such as the Su'ao Cold Spring Cultural Festival, hiking, and road-running activities. The scholarship program has also been continuously expanded: NT$596,000 in 2022, NT$594,000 in 2023, and NT$900,000 in 2024, benefiting junior high school, high school, and university students in the county, thereby fulfilling the Company's social responsibility of local engagement and educational support.

To uphold the principles of operational transparency and local inclusion, the Company proactively held an explanatory meeting on mining land use in 2024, inviting tribal representatives and local residents to engage in face-to-face communication on land use scope, environmental management, and community feedback mechanisms. The meeting strengthened trust between the Company and the tribe, helped eliminate misunderstandings, and fostered consensus, becoming an important practice in promoting responsible mining. Looking ahead, the Company will continue to deepen communication mechanisms with indigenous communities and work together to create a friendly and sustainable operating environment.

Multicultural and public welfare activities highlights

▲The 12th National Atayal Games theme: "Tai-Jiu Bu Jian uwah Sai Nan'ao."

The 12th - National Atayal Games and Traditional Skills Competition

Promoted Atayal sports and traditional competitive activities nationwide to preserve and pass down Atayal indigenous skills and cultural heritage, strengthen unity among the Atayal people across Taiwan, and integrate the event with local tourism promotion.

Dong'ao Elementary School – Summer English Camp Program

Sponsored the parent-child learning program at Dong'ao Elementary School to enhance students' access to English learning resources, promote equal learning opportunities, and support diverse learning and growth for schoolchildren.

▲Dong'ao Elementary School, located in Dongyue Village (Iyoy Tribal Settlement), Yilan County, is the only indigenous rural elementary school in the area.

Hsing Ta Cement Mining Land Use Explanatory Meeting

Organized an explanatory meeting on mining land use to deepen communication and consensus with tribal residents and to practice local inclusion.

Commendations for Model Workers, Outstanding Youth, and Streetlight Adoption in Su'ao Township

On May 1, Labor Day, assisted in promoting township governance and infrastructure by jointly maintaining local public facilities, fostering social harmony, and contributing to regional prosperity.

Lanyang Matsu Cultural Festival

Supported the three-day, two-night land and sea pilgrimage of the Lanyang Matsu Cultural Festival, showcasing the region's unique traditional religious culture while contributing to the local economy.

Community Cooperation – Shenghu Village Autonomous Disaster Prevention Team, Yilan County

Promoted guidance for disaster prevention efforts involving communities, agencies, and enterprises. Assisted in the development of autonomous disaster prevention communities by providing rescue vehicles, shuttle services, and staff to support disaster prevention drills.

Appendix I: GRI Standards Content Index

Statement of Use	Hsing Ta Cement Co., Ltd. has reported the information for the period January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The GRI 14 Mining standard was published in 2024 and will take effect in 2026.
Note	Topics marked with * are material topics.

Topic	Disclosure	Description	Chapter	Note
Organization and reporting practices	2-1	Organizational details	1.1 Company Profile	
	2-2	Entities included in the organization's sustainability reporting	Editorial policy	
	2-3	Reporting period, frequency and contact point	Editorial policy	
	2-4	Restatements of information	Editorial policy	Please refer to the notes to each chapter for details.
	2-5	External assurance	Editorial policy	
Activities and workers	2-6	Activities, value chain and other business relationships	1.1 Company Profile	
	2-7	Employees	4.1 Employee structure	
	2-8	Workers who are not employees	4.1 Employee structure	
Governance	2-9	Governance structure and composition	2.1 Governance practices	
	2-10	Nomination and selection of the highest governance body	2.1 Governance practices	
	2-11	Chair of the highest governance body	2.1 Governance practices	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Governance practices 2.3 Risk management	
	2-13	Delegation of responsibility for managing impacts	2.1 Governance practices 2.3 Risk management	
	2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainable vision strategy	

Topic	Disclosure	Description	Chapter	Note
Governance	2-15	Conflicts of interest	2.1 Governance practices	
	2-16	Communication of critical concerns	2.1 Governance practices	
	2-17	Collective knowledge of the highest governance body	2.1 Governance practices	
	2-18	Evaluation of the performance of the highest governance body	2.1 Governance practices	
	2-19	Remuneration policies	2.1 Governance practices	
	2-20	Process to determine remuneration	2.1 Governance practices	
	2-21	Annual total compensation ratio	--	The highest annual total compensation is the Company's confidential information.
Strategies, policies and practices	2-22	Statement on sustainable development strategy	Message from Managers	
	2-23	Policy commitments	1.2 Sustainable vision strategy 2.2 Ethical corporate management and legal compliance 2.4 Information security 3.1 Energy management 4.1 Employee structure 4.3 Occupational safety and health	
	2-24	Embedding policy commitments	1.2 Sustainable vision strategy	
	2-25	Processes to remediate negative impacts	2.1 Governance practices 2.3 Risk management	
	2-26	Mechanisms for seeking advice and raising concerns	2.1 Governance practices	
	2-27	Legal compliance	2.2 Ethical corporate management and legal compliance	
	2-28	Membership associations	1.3 Organizational Participation and Global Initiatives	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.4 Stakeholders and material topics	
	2-30	Collective bargaining agreements	4.2.3 Labor–management communication	--

Topic	Disclosure	Description	Chapter	Note
GRI 3: Material Topics 2021				
Material topics	3-1	Process of determining material topics	1.4 Stakeholders and material topics	
	3-2	List of material topics	1.4 Stakeholders and material topics	
	3-3	Management of material topics	1.4 Stakeholders and material topics	
Self-defined material topics				
* Ethics and integrity/* Legal compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics 2.2 Ethical corporate management and legal compliance	
* Corporate governance/* Operational risk management				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics 2.1 Governance practices 2.3 Operational risk management	
* Climate change response				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics 3.5 Climate change response	
Economic aspect				
*Financial performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.5 Products and business performance	
	201-2	Financial implications and other risks and opportunities due to climate change	3.5 Climate change response	
	201-3	Defined benefit plan obligations and other retirement plans	4.2 Right person for the right place	
Social engagement				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.4 Social engagement	

Topic	Disclosure	Description	Chapter	Note
Environmental				
* Energy management/energy conservation and carbon reduction				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.1 Energy management	
	302-3	Energy intensity	3.1 Energy management	
	302-4	Reduction of energy consumption	3.1 Energy management	
Water resource management				
GRI 303: Water and Effluents 2018 management approach	303-1	Interactions with water as a shared resource	3.2 Water resource management	
	303-2	Management of water discharge-related impacts	3.2 Water resource management	
	303-3	Water withdrawal	3.2 Water resource management	
Biodiversity				
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	3.3 Pollution control	
	304-3	Habitats protected or restored	3.3 Pollution control	
Greenhouse gas emissions (*air pollution control)				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics	
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions	3.4 Greenhouse gas management	
	305-2	Energy indirect (scope 2) GHG emissions	3.4 Greenhouse gas management	
	305-3	Other indirect (scope 3) GHG emissions	3.4 Greenhouse gas management	
	305-4	GHG emissions intensity	3.4 Greenhouse gas management	
	305-5	Reduction of greenhouse gas emissions	3.1 Energy management	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.3 Pollution control	

Topic	Disclosure	Description	Chapter	Note
*Waste management				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics	
GRI 306: Waste 2020	306-3	Waste generated	3.3 Pollution control	
	306-4	Waste diverted from disposal	3.3 Pollution control	
	306-5	Waste directed to disposal	3.3 Pollution control	
Social				
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.2 Right person for the right place	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Right person for the right place	
	401-3	Parental leave	4.2 Right person for the right place	
GRI 402: Labor/Management relations 2016	402-1	Minimum notice periods regarding operational changes	4.2 Right person for the right place	

Topic	Disclosure	Description	Chapter	Note
*Occupational safety and health				
GRI 3: Material Topics 2021	3-3	Management of material topics	1.4 Stakeholders and material topics	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.3 Occupational safety and health	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational safety and health	
	403-3	Occupational health services	4.3 Occupational safety and health	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational safety and health	
	403-5	Worker training on occupational health and safety	4.3 Occupational safety and health	
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	4.3 Occupational safety and health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational safety and health	
	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational safety and health	
	403-9	Work-related injuries	4.3 Occupational safety and health	
	403-10	Occupational disease	4.3 Occupational safety and health	
Talent cultivation and retention				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Right person for the right place	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Right person for the right place	
Diversity and equal opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Employee structure	

Appendix II: Sustainability Accounting Standards Board (SASB) Standards Table

Topic	Code	Metric	Category	Corresponding chapter in the report	Note
Greenhouse gas emissions	EM-CM-110a.1	Gross global (Scope 1) emissions, percentage covered under emissions-limiting regulations	Quantitative	3.4 Greenhouse gas management	
	EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	3.4 Greenhouse gas management	
Air quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) particulate matter (Dust-(PM10)), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Quantitative	3.3 Pollution control	
Energy management	EM-CM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative energy, and (4) percentage renewable	Quantitative	3.1 Energy management	
Water resource management	EM-CM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with high or extremely high baseline water stress	Quantitative	3.2 Water resource management	The Company's operating sites are in northern Taiwan, which is not an area with high water stress.
Waste management	EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	Quantitative	3.3 Pollution control	
Biodiversity impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	Qualitative	3.3 Pollution control	
	EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	Quantitative	3.3 Pollution control	It is partially disclosed due to incomplete data.
Workforce health & safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	4.3 Occupational safety and health	The false alarm rate is not disclosed as the data is not collected.
	EM-CM-320a.2	Number of reported cases of silicosis	Quantitative	4.3 Occupational safety and health	There were no silicosis cases in 2024.
Product innovation	EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	Quantitative	--	The Company sells cement to customers, and relevant certifications were not compiled.
	EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	Quantitative	--	It is not disclosed as there was no data available.
Pricing integrity & transparency	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Quantitative	--	There were no legal proceedings or losses associated with cartel activities, price fixing, and anti-trust activities in 2024.
Product production	EM-CM-000.A	Production by major product line	Quantitative	--	In 2024, the production volume of cement and clinker was 1,826,505 metric tons (including the production volume of subsidiaries in China).

Appendix III: Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

- Sustainability Disclosure Indicators for Specific Industries – Cement Industry

No.	Indicator	Type of indicator	Annual disclosure	Unit	Reference section	Note
I	Total energy consumption	Quantitative	269,285.8201	Gigajoules (GJ)	3.1 Energy management	
	Percentage of purchased electricity	Quantitative	6.6800%	Percentage (%)		
	Renewable energy usage rate	Quantitative	-	Percentage (%)		Due to the kiln suspension in 2024, the overall electricity consumption structure was abnormal. To avoid distorted disclosure ratios, renewable energy usage rates were not included in this year's statistics.
	Total energy consumption	Quantitative	2,548.1232	Gigajoules (GJ)		
II	Total water withdrawal	Quantitative	359.1190	Thousand cubic meters (1000m^3)	3.2 Water resource management	
	Total water consumption	Quantitative	359.1190			
III	Weight of waste generated	Quantitative	104.4050	Tons (t)	3.3 Pollution control	Hazardous waste 0%
	Percentage of hazardous waste recycled in the production process	Quantitative	0	Percentage (%)		
IV	Description of the number of occupational accidents	Quantitative	0	Number of people	4.3 Occupational safety and health	
	Description of the percentage of occupational accidents	Quantitative	0	Percentage (%)		
V	Production volume of major products by product category	Quantitative	Cement and clinker production 1,826,505	Tons (t)	2.4 Products and business performance	Including production from mainland China subsidiaries

Appendix IV: TCFD Disclosure Comparison Table

Aspect	TCFD disclosure	Corresponding chapter
Governance	Describe the board's oversight of climate-related risks and opportunities.	3.5 Climate change response
	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.	
Risk management	Describe the organization's processes for identifying and assessing climate-related risks.	
	Describe the organization's processes for managing climate-related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

Appendix V: Climate-related information of TWSE/TPEx listed companies

- Risks and opportunities caused by climate change to the Company and relevant countermeasures taken by the Company

Item		Corresponding chapters in the report
1	Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	3.5 Climate change response
2	Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short, medium and long term).	
3	Describe the impact of extreme climate events and transition actions on finance.	
4	Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.	
5	If scenario analysis is used to assess the resilience to climate change risk, describe the scenarios, parameters, assumptions, analytical factors used, and key financial impacts.	
6	If there is a transition plan for managing climate-related risks, describe the plan and the metrics and targets used to identify and manage physical risks and transition risks.	
7	If internal carbon pricing is used as a planning tool, describe the basis for pricing.	Internal carbon pricing has not yet been implemented.
8	If climate-related targets are set, describe the information on the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress of achievement. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, describe the sources and quantities of carbon reduction credits used for the offsets or the number of RECs.	3.1 Energy management 3.5 Climate change response
9	Greenhouse gas inventory and assurance	Appendix VI: Details of assurance

Appendix VI: Details of assurance (verification certificates)

- Information on greenhouse gas inventory and assurance for the most recent 2 years

Greenhouse gas emissions for the past two years (metric tons CO_2e), intensity (metric tons CO_2e/per million NTD), data coverage, and assurance status are disclosed as follows.

Since 2012, Hsing Ta Cement has conducted annual greenhouse gas (GHG) inventories in accordance with ISO 14064-1 standards. The inventory scope covers Scope 1 (direct emissions), Scope 2 (indirect energy emissions), and certain material items under Scope 3. The 2024 inventory has already covered both the parent company and subsidiaries within the scope of consolidated financial statements. The parent company's inventory has been verified by the third-party organization AFNOR Certification, while the subsidiaries are scheduled to be included in the verification plan in 2027.

In accordance with FSC regulations for listed cement companies:

- The parent company on a standalone basis has been required to conduct GHG inventories starting in 2023 and to complete third-party assurance in 2024.
- Subsidiaries within the scope of consolidated financial statements are required to conduct inventories starting in 2025 and to complete assurance in 2027.

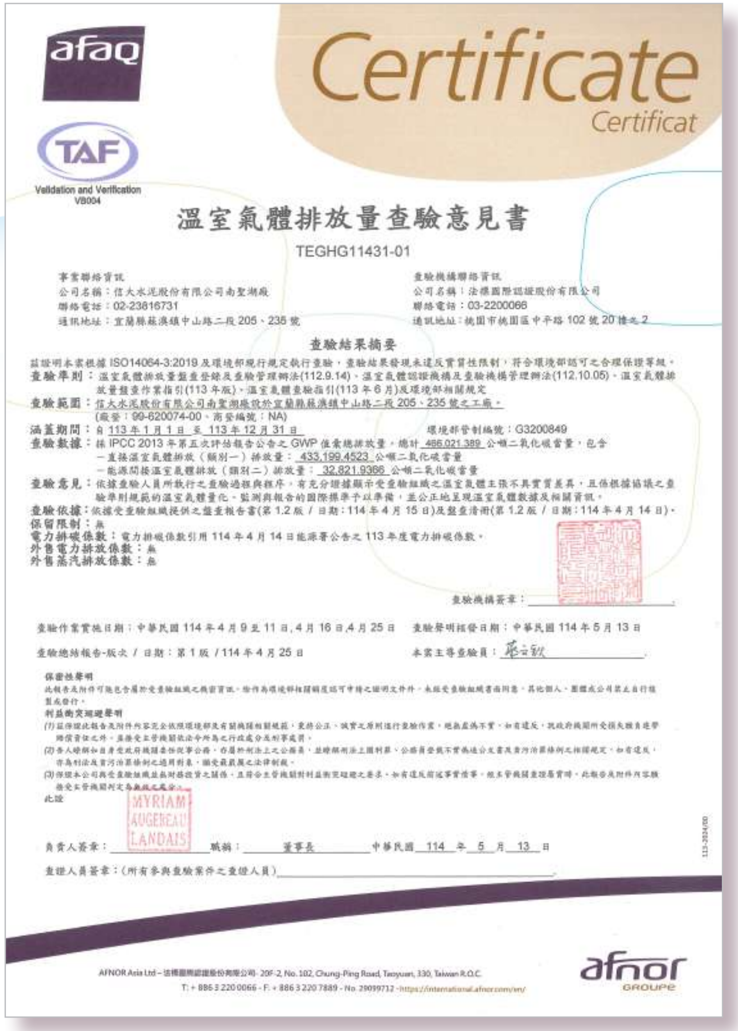
		2023		2024	
		Emissions (tCO_2e)	Density Intensity (tCO_2e/ million of revenue)	Emissions (tCO_2e)	Density Intensity (tCO_2e/ million of revenue)
Parent	Scope 1	552,623.04	243.02	434,008.75	93.21
	Scope 2	41,137.36	18.09	33,066.44	7.10
	Scope 3	15,311.38	6.73	27,567.30	5.92
	Total	609,071.78	-	494,642.49	-
Subsidiaries included in consolidated financial statement	Scope 1			767,268.10	164.78
	Scope 2			37,483.79	8.05
	Scope 3			-	-
	Total			804,751.89	-
.		609,071.78	-	1,299,394.38	-
Assurance organization		SGS Taiwan Ltd.		AFNOR Asia Ltd.	
Assurance standards		ISO14064-3		ISO14064-3	
Scope of assurance		The parent company covers the Taipei headquarters, the Nanshenghu Plant in Yilan, and the Mount Taibai mining area.		The parent company covers the Taipei headquarters, the Nanshenghu Plant in Yilan, and the Mount Taibai mining area.	
Assurance opinion		Amended unqualified opinion		Amended unqualified opinion	

Note 1: In 2023, the Company completed only the parent company's GHG inventory; therefore, emission intensity was calculated based on standalone revenue. In 2024, with the inclusion of subsidiaries in the inventory scope, emission intensity was calculated based on consolidated revenue.

Note 2: After materiality assessment and screening, Scope 3 for the parent company included only upstream electricity and fuel emissions.

Note 3: The Company's GHG emissions decreased in 2024 primarily because the Nanshenghu Plant carried out an energy efficiency project to replace the electrostatic precipitators with a bag filter system between October and December 2024, during which kiln operations were suspended. This impacted both the Company's revenue and emission figures.

AFNOR Certification Co., Ltd. ISO 14064-1 Verification Statement



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Certificate
Certificat

TAF
Validation and Verification
VB004

溫室氣體排放量查驗意見書

TEGHG11431-01

事業聯絡資訊
公司名稱：信大水泥股份有限公司南聖湖廠
聯絡電話：02-23816731
通訊地址：宜蘭縣蘇澳鎮中山路二段 205、235 號

查驗機構聯絡資訊
公司名稱：法標國際認證股份有限公司
聯絡電話：03-2200066
通訊地址：桃園市桃園區中平路 102 號 20 樓之 2

查驗結果摘要

茲證明本案根據 ISO14064-3:2019 及環境部現行規定執行查驗，查驗結果發現未違反實質性限制，符合環境部認可之合理保證等級。

查驗準則：溫室氣體排放量盤查登錄及查驗管理辦法(112.9.14)、溫室氣體認證機構及查驗機構管理辦法(112.10.05)、溫室氣體排放量盤查作業指引(113 年版)、溫室氣體查驗指引(113 年 6 月)及環境部相關規定

查驗範圍：信大水泥股份有限公司南聖湖廠位於宜蘭縣蘇澳鎮中山路二段 205、235 號之工廠。
(廠登：99-620074-00、商登編號：NA)

涵蓋期間：自 113 年 1 月 1 日 至 113 年 12 月 31 日　環境部管制編號：G3200849

查驗數據：採 IPCC 2013 年第五次評估報告公告之 GWP 值彙總排放量，總計 466,021.389 公噸二氧化碳當量，包含
－直接溫室氣體排放（類別一）排放量：433,199.4523 公噸二氧化碳當量
－能源間接溫室氣體排放（類別二）排放量：32,821.9366 公噸二氧化碳當量

查驗意見：依據查驗人員所執行之查驗過程與程序，有充分證據顯示受查驗組織之溫室氣體主張不具實質差異，且係根據協議之查驗準則規範的溫室氣體量化、監測與報告的國際標準予以準備，並公正地呈現溫室氣體數據及相關資訊。

查驗依據：依據受查驗組織提供之盤查報告書(第 1.2 版 / 日期：114 年 4 月 15 日)及盤查清冊(第 1.2 版 / 日期：114 年 4 月 14 日)。

保留限制：無

電力排碳係數：電力排碳係數引用 114 年 4 月 14 日能源署公告之 113 年度電力排碳係數。

外售電力排放係數：無

外售蒸汽排放係數：無

查驗機構簽章：

查驗作業實施日期：中華民國 114 年 4 月 9 至 11 日, 4 月 16 日, 4 月 25 日　查驗聲明核發日期：中華民國 114 年 5 月 13 日

查驗總結報告-版次 / 日期：第 1 版 / 114 年 4 月 25 日　本案主導查驗員：

保密性聲明

利益衝突迴避聲明

此證

MYRIAM AUGEREAU LANDAIS

負責人簽章：　職稱：董事長　中華民國 114 年 5 月 13 日

查證人員簽章：(所有參與查驗案件之查證人員)

AFNOR Asia Ltd – 法標國際認證股份有限公司 - 20F-2, No. 102, Chung-Ping Road, Taoyuan, 330, Taiwan R.O.C.
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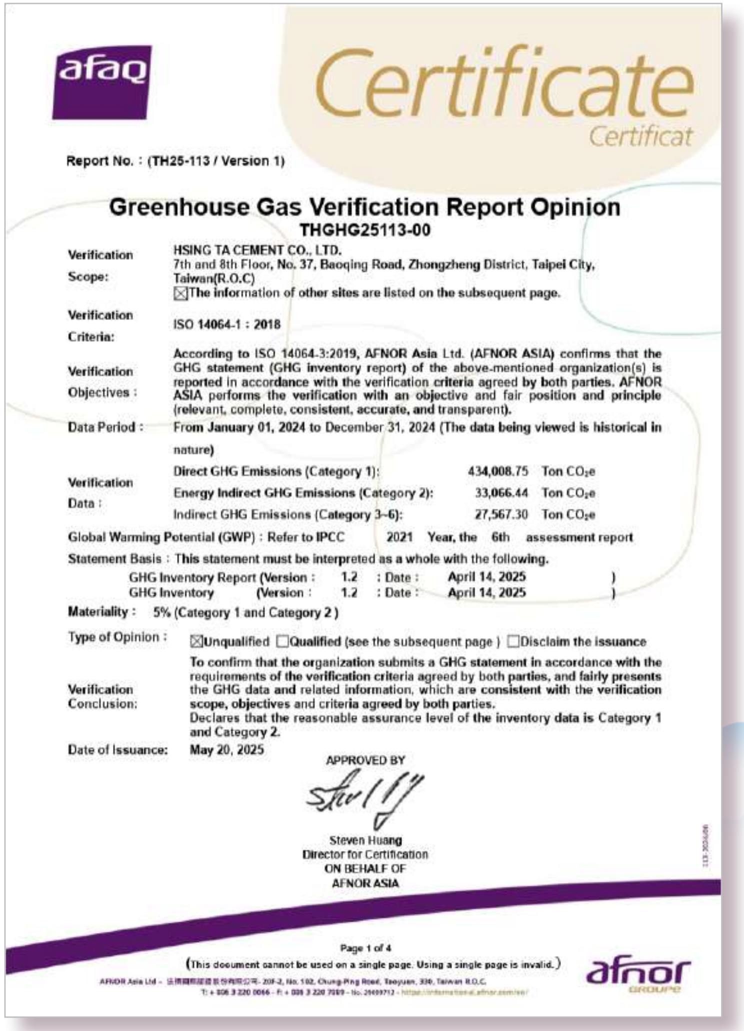

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Certificate
Certificat

Report No.：(TH25-113 / Version 1)

Greenhouse Gas Verification Report Opinion

THGHG25113-00

Verification Scope:	HSING TA CEMENT CO., LTD. 7th and 8th Floor, No. 37, Baoqing Road, Zhongzheng District, Taipei City, Taiwan(R.O.C) ☒The information of other sites are listed on the subsequent page.
Verification Criteria:	ISO 14064-1：2018
Verification Objectives：	According to ISO 14064-3:2019, AFNOR Asia Ltd. (AFNOR ASIA) confirms that the GHG statement (GHG inventory report) of the above-mentioned organization(s) is reported in accordance with the verification criteria agreed by both parties. AFNOR ASIA performs the verification with an objective and fair position and principle (relevant, complete, consistent, accurate, and transparent).
Data Period：	From January 01, 2024 to December 31, 2024 (The data being viewed is historical in nature)
Verification Data：	Direct GHG Emissions (Category 1): 434,008.75 Ton CO_2e Energy Indirect GHG Emissions (Category 2): 33,066.44 Ton CO_2e Indirect GHG Emissions (Category 3~6): 27,567.30 Ton CO_2e

Global Warming Potential (GWP)：Refer to IPCC 2021 Year, the 6th assessment report

Statement Basis：This statement must be interpreted as a whole with the following.
GHG Inventory Report (Version： 1.2 ：Date： April 14, 2025)
GHG Inventory (Version： 1.2 ：Date： April 14, 2025)

Materiality： 5% (Category 1 and Category 2)

Type of Opinion：	☒Unqualified ☐Qualified (see the subsequent page) ☐Disclaim the issuance
Verification Conclusion:	To confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by both parties, and fairly presents the GHG data and related information, which are consistent with the verification scope, objectives and criteria agreed by both parties. Declares that the reasonable assurance level of the inventory data is Category 1 and Category 2.
Date of Issuance:	May 20, 2025

APPROVED BY

Steven Huang
Director for Certification
ON BEHALF OF
AFNOR ASIA

Page 1 of 4
(This document cannot be used on a single page. Using a single page is invalid.)

afnor GROUPE

Note: The Company's GHG inventories and related third-party verification certificates have been publicly disclosed on the Company's official website under the "Certificate Download Section" and are available for review.

信大水泥
HSING TA CEMENT