Lucky Cement Corporation

2020 Corporate Social Responsibility Report

June 2021

Contents

The Company’s Corporate Social Responsibility

Tang dynasty poet Du Fu wrote in his poetry ” If only I could get a great mansion of a million rooms, broadly covering the poor scholars of all the world, all with joyous expressions”

~ (A Song on How My Thatched Roof Was Ruined by the Autumn Wind)

The logo of Lucky Cement Corporation (the “Company”) is a red house, Mr. Chen Liang-Chuan, the founder started his business in housing construction. He hopes that every young person who wants to get married could have a house, and their life could feel warm and happy. Therefore, the life's goal of Mr. Chen Liang-Chuan is to produce cement with high quality and reasonable price to build a house. Therefore, the Company's vision is to pursue high quality, as the best provider of customer service, and to become a model in the cement industry. In addition, in order to implement the Company's social responsibility policy and the business mission of "Environmental Protection, Energy Saving and Love the Earth", we have formulated the Corporate Social Responsibility Best Practice Principles with reference to the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations, which have been approved by the Board of Directors. The Principles clearly define that the Company’s specific practice of corporate social responsibility (CSR) will follow the main principles of implementation and promotion of corporate governance, development of a sustainable environment, maintenance of social welfare, and enhanced information disclosure.

The Company's social responsibility policy

1. To maintain good corporate governance and strictly abide by business ethics
2. To focus on the internal and external needs of customers, and continue to enhance the

Company's competitiveness

3. To provide reasonable wages and benefits, and create an equal and harmonious working environment
4. To assist in the promotion of public welfare activities and give back to local construction
5. To strengthen employees’ awareness of work safety and reduce occupational
6. Continue to save energy and reduce carbon, and improve the efficiency of resource utilization

CSR Report

Economic aspect.	Integrate the production, transportation and sales of limestone mineral resources and cement, provide high-quality and reasonably-priced products, and create the highest value for all stakeholders.
Environmental aspect	Greenhouse gas reduction, energy resource management, renewable resource utilization, and environmental sustainability
Social aspect	Cultivate talent education, strengthen labor safety, create a happy workplace, and participate in social welfare

In. 2020, the Company’s corporate responsibility goals were expected to achieve the following:

1. Customer satisfaction score maintained above 90 points.
2. No labor disputes, gender/racial discrimination incidents occurred.
3. To Participate in social care and feedback activities.
4. To educate, train and improve employees' awareness of safety and health, and continue to improve safety and health performance.
5. Environmental aspect: to complete third-party verification of greenhouse gas inventory.

Editorial Policy

In order to help stakeholders to better understand how the Company is committed to building a sound corporate sustainable development, we have carefully compiled the "2020 Corporate Social Responsibility Report". This report is based on the Standards Edition-Sustainability Reporting Guide issued by the Global Reporting Initiative (GRI), and is compiled with its reporting principles, standard disclosure and implementation manuals as guidelines. Not only that, this report will also be based on the combination of the Company's business and the implementation of the reporting principles, answering the issues that everyone cares about, and presenting our efforts in economic, social and environmental aspects.\

From January 1, 2020 to December 31, 2020, the main information provided in this report is the Company's important operating locations, the Company’s sustainable management and performance. Most of the disclosed items cover three operating locations. The source of financial data is publicly published financial reports certified by accountants and annual reports. Other statistical data are quoted from publicly published information by government agencies and general information in related websites. The descriptions of customary words and numerical values are presented. If there are exceptions, they will be explained separately in the text of the report.

This report is the eighth issue, the reporting cycle is once per year, and the next scheduled issue is June 2022.

1. Sustainable Issue Management and Stakeholder Engagement

1.1 Implement the Sustainable Strategy

Corporate social responsibility policy

In order to implement corporate social responsibility, promote economic, environmental and social progress, and achieve the goal of sustainable development, in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", the Board of Directors was held on March 24, 2020 and approved the revision of the Company’s “Corporate Social Responsibility Best Practice Principles” as the basis for the Company to promote corporate social responsibility related matters, the main contents include the implementation and promotion of corporate governance, the development of a sustainable environment, the maintenance of social welfare and the enhancement of corporate social responsibility information disclosure.

Operation of the Company’s corporate social responsibility committee

In order to ensure the implementation of corporate social responsibility, a corporate social responsibility committee (CSR committee) was established on May 10, 2017 in accordance with Article 9 of the Company's Corporate Social Responsibility Best Practice Principles and placed under the Board of Directors. The CSR committee is served by the directors of the Company, including two independent directors. The powers of the CSR Committee include the formulation of corporate social responsibility policies and systems, the review of corporate social responsibility annual plans and strategic directions, the review of corporate social responsibility projects and activity plans, the review of corporate social responsibility reports, and other Board of Directors assigning deliberation on matters related to corporate social responsibility and public affairs participation. After the resolutions or discussions approved by the CSR Committee are recorded, they will be handled by the relevant departments of the Company. The CSR Committee reports on the implementation of corporate social responsibility policies to the Board of Directors every year. The Company has set up a part-time corporate social responsibility unit to assist in revising related measures and regulations of corporate social responsibility, and is responsible for the preparation of corporate social responsibility reports.

1.2 Stakeholder Engagement

The Company's main stakeholders include community residents, shareholders, employees, customers and suppliers, etc., the Company respect the rights and interests of stakeholders, understand their reasonable expectations and needs through appropriate communication methods and the participation of stakeholders, and properly respond to issues of concern to stakeholders.

Issues and communication channels of the Company's main stakeholders

Stakeholder	Highly Concerned Issues	Communication channel	Response result
Employees	• Labor Relations and Salary and Benefits • Talent cultivation and education training • Labor Human Rights • Corporate Governance	• The Company's website • Employee Welfare Committee and related meetings • CSR Reports	Sustainable and Happy Workplace
Customers	• Product Liability • Environmental Policy/Management System • Water resource management • Corporate Governance • Customer relationship management	• customer satisfaction survey • Dealer communication • The Company's website • CSR Reports	Sustainable Company and Value Chain
Suppliers	• Climate change • Occupational safety and health • Supplier Management	• Supplier Evaluation • Supplier assessment • The Company's website	Sustainable Company and Value Chain
Investors (Shareholders)	• Corporate Governance • Risk Management • Innovative R&D • Code of conduct • Customer relationship management	• The Company's website and Financial reports • Shareholder Service Mailbox • Annual Shareholder meeting • Institutional Shareholders visit • Earnings Conference • CSR Reports	Sustainable Company and Value Chain

Stakeholder	Highly Concerned Issues	Communication channel	Response result
community Residents	• Water resource management • Social participation • Environmental Policy/Management System • Product Liability • ・Climate change	• Road adoption • Participate in community social activities • The Company's website • CSR Reports	Sustainable Social Care

Communication results of the Company's main stakeholders in 2020

Employees	1. The Company has no labor disputes in 2020. 2. Conduct employee group insurance and employee health check. The related expenditure for the year of 2020 was NT$1,337,000. 3. The annual staff welfare fund allocated of the year of 2020 is NT$6,054,000. 4. In 2020, the training fees for various types of training were NT$ 375,000. 5. No labor complaints (forced and compulsory labor and sexual harassment) cases in 2020.
Customers	1. The customer service satisfaction score is 93.81 points in 2020. 2. Only 2 complaints from customers have been properly handled in 2020.
Suppliers	1. In the 2020 supplier evaluation, there are no suppliers whose supply qualifications have been revoked due to unqualified evaluations. 2. No complaints from suppliers in 2020. 3. In 2020, 248 suppliers have signed back the supplier code of conduct and ethical integrity pledge.
Investors (Shareholders)	1. Total of 5 meetings of the Audit Committee were held in 2020, the actual attendance rate was 100%. 2. Total of 3 meetings of the Remuneration Committee were held in 2020, all committee members attend each meeting in person, the actual attendance rate was 100%. 3. The 2020 corporate governance evaluation is in the top 21%~35%. 4. The 2020 shareholder meeting date is June 18, 2020 5. The 2020 Earnings Conference was held on November 10, 2020

Community Residents	1. No pollution complaints from the community in 2020. 2. Total expenditure on giving back to the local due to fulfilling social responsibilities is NT$1,071,000 in 2020. Related activities include sponsoring 2 community activities, participating in 23 community (neighboring residents) care activities, and 3 donating to humanities education and traditional culture.

1.3 Identification of Material Topics

The Company's process of identifying material topics is based on the GRI Standards, guided by the reporting principles and defined report content, concerned with the degree of concern of stakeholders, and in line with the Company's sustainable development vision and strategy, company rules and regulations, performance indicators, etc., and refers to the past implementation experience and achievements, identifies the material topics that the Company focuses on, and divides them into three categories: economic, social and environmental.

2. Sustainable Company and Value Chain

2.1 Company Overview

The Company's general management office is located on the 15th floor, No. 237, Songjiang Road, Taipei City. The main business scope is in Taiwan. It is engaged in the production and sales of cement, slag powder, limestone, standard stone and sandstone. In recent years, it has promoted circular economy business. The Company is the third largest cement company in the Taiwan cement market, after Taiwan Cement Corporation, and Asia Cement Corporation.

2.2 Products and Services

The Company has established a good brand image for many years based on "Good Service and Quality Assurance"

The Company mainly produces and sells cement, with various types of stone as the secondary, and a small amount of slag powder and quicklime. In line with the government's circular economy policy, the cement rotary kiln is used at a high temperature of 1450°C to process related wastes and reuse resources to fulfill social corporate responsibilities.

The Company has business offices and storage and transportation stations throughout the province to serve customers. The Company's production and sales network is as bellow:

Production base:

Dongao Plant: Located in Yilan County, it produces clinker & cement.

Horen Plant: Located in Hualien County, it produces all kinds of stones.

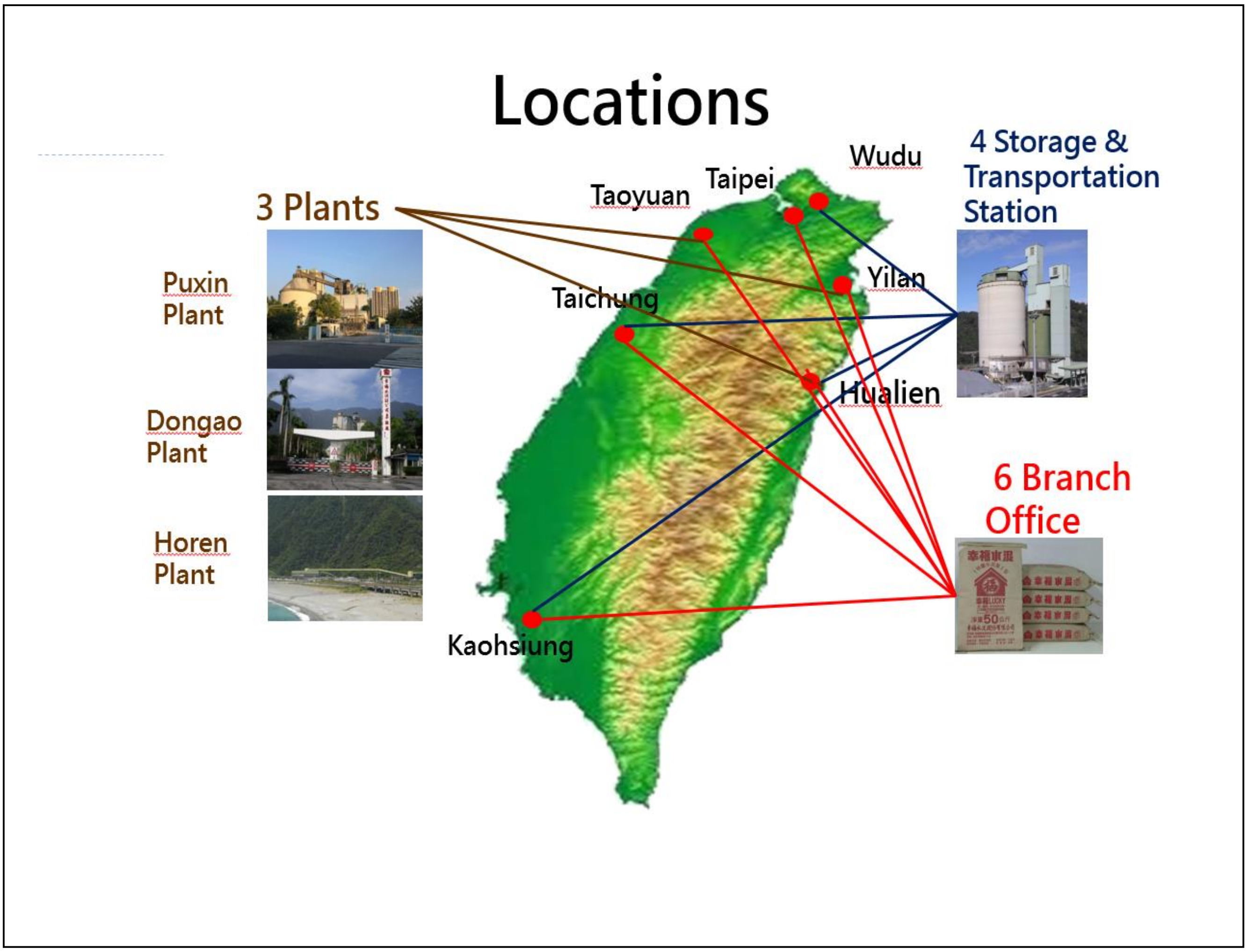
Puxin Plant: Located in Taoyuan city, it engages in the grinding and processing of cement and slag powder.

Storage and transportation base

The Company has four storage and transportation stations, the main function of which is storage, transportation and delivery. They are located in Hualien County, Taichung city, Kaohsiung city and Wudu in Keelung city.

Business offices

The Company has six business offices, they are in Yilan County, Taipei city, Taoyuan city, Hualien County, Taichung city and Kaohsiung citry.



2.3 Customer Service

Professional services and excellent product quality to meet customer needs are the key to the success or failure of business operations. In order to achieve the goal of sustainable business operation, the Company establishes a customer-oriented quality system and business philosophy, uses an objective supervision system, comprehensively evaluates customer satisfaction with the Company's products or services, and understands the gap between customer needs and expectations, and uses this as the basis for operation management. The Company regularly conducts customer satisfaction surveys every month to understand market trends and customer needs, and grasp the market ecology to adjust trading conditions when necessary, create a win-win situation for customers and the Company, and increase the Company's profits. According to the survey, the customer service satisfaction score in 2020 is 93.81 points.

In 2020, there were only 2 complaints from customers, and the Company has properly handled and strengthened employee education and training.

Product liability

The type I, type II cement and slag powder produced by the Company have passed the ISO 9001:2015 inspection of the Metal Industries Research and Development Center and meet the specifications of CNS 61 Portland Cement. At the same time, the laboratory of the quality control department of our Dongao plant has also been certified by TAF. The inspection items certified by TAF include the chemical composition of sodium oxide and potassium oxide in Portland cement and the test of the compressive strength of the bulk material in the physical properties.

金屬工業研究發展中心

CERTIFICATE

OF CONFORMITY

Tung-Ao Plant, Lucky Cement Corporation

No. 101, Sec. 3, Su Hua Rd., Tung-Yo Vil., Nan-Ao, I-Lan 272, Taiwan

ISO 9001:2015

The production of:

Portland cement, type Ⅰ, portland cement, type Ⅱ,

portland cement clinker, type Ⅰ, portland cement clinker, type Ⅱ.

Certificate No.:

Effective Date: December 29, 2020

Expiry Date: December 28, 2023

Originally Registered: December 5, 1996/RSM

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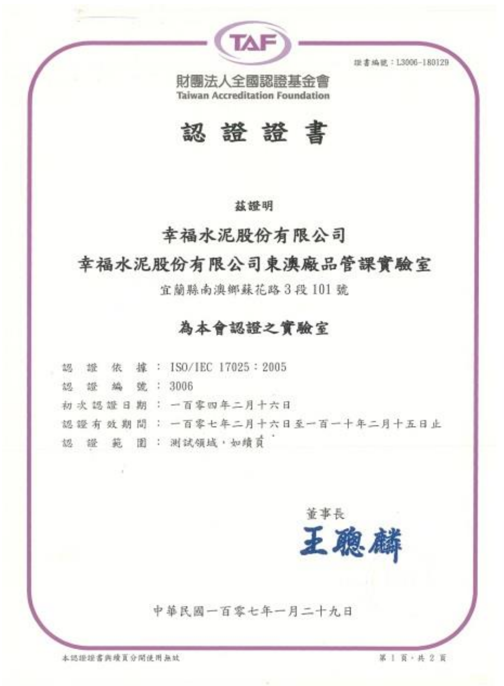


證書編號：L3006-180129

財團法人全國認證基金會

Taiwan Accreditation Foundation

認 證 證 書

茲證明

幸福水泥股份有限公司

幸福水泥股份有限公司東澳廠品管課實驗室

宜蘭縣南澳鄉蘇花路3段101號

為本會認證之實驗室

認證依據：ISO/IEC 17025：2005

認證編號：3006

初次認證日期：一百零四年二月十六日

認證有效期間：一百零七年二月十六日至一百一十年二月十五日止

認證範圍：測試領域，如續頁

董事長

王聰麟

中華民國一百零七年一月二十九日

本認證證書與續頁分開使用無效

第1頁，共2頁

2.4 Supply Chain Management

Purchasing philosophy and culture

Adhering to the Company’s business philosophy, following the quality policy, keeping the Company’s commitments and controlling production costs, reasonable prices, timely, appropriate quantity and quality procurement policies, and appropriate suppliers to provide equipment, raw materials, semi-finished products and finished products, and fully meet the needs of various departments in the Company for production or expansion. At the same time, in response to environmental protection, actively communicate and coordinate the importance of environmental protection issues by the Company's suppliers in order to create local employment opportunities and economic prosperity. As a member of the global village, the Company is committed to energy-saving and carbon reduction, improving production equipment, and establishing employee concepts. Through procurement and outsourcing opportunities, the Company disseminates to suppliers, works together, complements each other, and fulfills the role of the company responsibility for the country and society.

Supply chain categories and sources

The Company uses the most suitable procurement strategy for the procurement of raw materials, transportation operations, and engineering contracting required for the production of cement, and conducts market observation and benefit evaluation analysis, and strives to handle the procurement and contracting operations in the most beneficial way for the Company.

Raw materials

The main raw materials for cement production include stone, limestone, clay, silica sand, iron slag, scrap coal, gypsum, and furnace stone. In line with national construction and economic development, clay and silica sand mostly use engineering soil, iron sand, gypsum and furnace stone use solid materials produced by domestic and foreign power plants and steel plants to achieve the circular economy of social resource recycling. The main fuel for production is coal, which is mainly imported from Russia and Australia.

Material

The main materials such as refractories, refractory mortar, refractory castings, heat resistant castings, wear resistance castings, steel balls, paper bags and space bags, etc., are purchased from qualified domestic and foreign suppliers according to the required specifications, quality and quantity.

Transportation

For the transportation of main raw materials and products, after the supplier evaluation and assessment, the Company choose transportation companies with good reputation and good service to cooperate.

Engineering outsourcing

For manufacturing, assembly and maintenance projects in mining, civil engineering, machinery, electrical, etc., as well as contracting operations for industrial safety, environmental protection engineering, and human hourly labor, assess the company size, equipment configuration, technical capabilities, actual performance experience, etc., contract related projects of our company to maintain equipment and stabilize production.

Purchasing regulations and self-requirements

The Company has established procurement operations management, engineering contracting operations, supplier evaluation and assessment, transportation outsourcing operations management and other related operations regulations. The Company conducts procurement and outsourcing in a fair, just and open manner

The Company attaches great importance to the behavioral integrity, loyalty and faithfulness, positive attitude and professional ability of the purchasers, and requires the purchasers to be honest and honorable, be cautious in their words and deeds, and shall not accept gifts, banquets and improper benefits from the manufacturers in the work position; and take the initiative attitude, proactive work, create opportunities; with a keen spirit, investigate the root cause, and deal with it immediately; use the principle of questioning, prevent and control risks beforehand, and strive to improve procurement efficiency and effectiveness..

Supplier management policy

1. Supplier development and management

In order to develop the supply of goods, the Company actively develops and evaluates new suppliers, in addition to conducting manufacturer surveys, evaluations, reviews, verifications and completing registration operations in accordance with the procedures and regulations specified by the Company. In the process of continuously developing new suppliers, the Company has increased supply partners, improved the selectivity of sources, ensured price advantages and stable supply, and reduced operating costs.

No complaints from suppliers in 2020.

2. Supplier evaluation and assessment

The Company has established the "Supplier Evaluation and Assessment Regulations", which regularly assesses the quality, delivery, price and service of qualified suppliers to ensure that suppliers comply with relevant regulations, and establishes a list of qualified suppliers based on this as a basis for supplier selection and effectively implement supplier management. At the same time, we will help suppliers improve their management and maintain smooth communication channels with suppliers, so as to enhance cooperation and interaction with the Company, establish normal supplier partnerships, and achieve the goal of creating a win-win situation.

In the procurement process, for the supplier selection process, "Quality standard certification" (such as ISO, CNS, JIS, etc.) is listed as one of the conditions; in terms of contract formulation, the contract with the supplier is clearly required supplier must abide by the relevant provisions of the "Labor Standards Act", and in terms of the environment, suppliers should abide by the "Air Pollution Control Act" and other relevant environmental protection laws and regulations, and take appropriate preventive measures. In terms of labor safety, suppliers should abide by the "Occupational Safety and Health Act ", take necessary protective measures in advance for various disasters or accidents that may occur, and must take out labor insurance or accident insurance for their employees. In terms of information security, suppliers must not infringe on the intellectual property rights of others or the rights and interests of others.

In the 2020 supplier evaluation, there are no suppliers who have been disqualified from the evaluation and whose supply qualifications have been revoked.

3. Supplier code of conduct and commitment to ethics and integrity

In order to pursue sustainable operation and fulfill the social responsibility of corporate citizenship, based on the mutually beneficial partnership with cooperating manufacturers or suppliers, the Company have promoted the "Supplier Code of Conduct" since 2016. The Company and its suppliers are committed to fulfilling corporate social responsibility, promote sustainable development of the environment, pay attention to labor rights, safety and health, and safeguard basic human rights, abide by integrity management and ethics, and follow relevant regulations such as integrity and ethics commitments. As of the end of 2020, 248 suppliers have signed back the confirmation letter, and the promotion will continue in the future.

The main topics of the Supplier Code of Conduct and Ethical Integrity Commitment are summarized as follows:

Item	Content
Compliance with relevant government regulations	1. Labor work, wages and benefits 2. Labor health, safety and health regulations 3. Environmental regulations 4. Intellectual property rights and personal data protection
Basic principle	Jointly fulfill corporate social responsibility, and when necessary, through the realization of social responsibility and the confirmation of implementation results, the content of the contract may include compliance with corporate social responsibility related policies.
Environmental protection	Commit to abide by the relevant domestic environmental laws and regulations and the corporate social responsibility policies of both parties, adopt the best feasible pollution prevention and control measures under cost-effectiveness and technical feasibility, and strive to reduce or eliminate various forms of waste, energy saving, recycling, reuse, replacing and other ways to achieve the goal of energy saving.

Item	Content
Labor rights, human rights, safety and health	Employment should comply with relevant laws and regulations, non-compulsory labor and salary policies should comply with local laws and regulations, prohibit discrimination, no child labor, freedom of association, comply with labor health, safety and hygiene, reduce risks and hazards, and prevent occupational disasters.
Ethical corporate management	Comply with the principle of ethical corporate management, integrity, fair, and legitimate income and advertising and protection of intellectual property rights, open and transparent transactions, confidential information protection, confidentiality and legal and appropriate use.
Integrity Commitment	Abide by all relevant integrity commitments and codes of conduct, ethics and integrity standards, and fair trading practices, and prohibit all forms of bribery.

4. Supplier review, training, communication and coaching

In accordance with the relevant regulations of the Company's suppliers, the main topics of the "Supplier Code of Conduct" and the commitment to ethics and integrity will be conducted on-site inspections, guidance, tracking and improvement will be provided from 2021. Through supplier review, training, communication and guidance, the concepts and practices of environmental protection, safety and health, labor and human rights, employee health, compliance with laws and regulations, integrity management, information security, and ethical commitments are effectively strengthened to promote and require suppliers cooperation and implementation..

5. Mode of operation

(1) Perform supplier development, application, investigation, evaluation, and registration in accordance with the evaluation classification specified in the Company's supplier evaluation and assessment regulations.

(2) In the third quarter of each year, the procurement department conducts annual evaluations on the delivery and actual performance of each supplier from the third quarter of the

previous year to the second quarter of the current year, as well as the delivery and construction quality records, and the number of abnormal deliveries.

(3) Through the occasional training or the coordination meeting for the start-up of annual repairs, the Company will communicate, guide, train, promote and discuss the main material suppliers and engineering contractors.

(4) The procurement department will form a task force to conduct supplier self-assessment and verification in accordance with the Company’s relevant regulations and major issues such as environmental protection, occupational safety and health, labor human rights, etc., and provide guidance, tracking, and improvement; if the results are not up to the standard, audits are strengthened every year, and those who have not improved for more than three years are classified as suspension of transactions or refusal of transactions.

(5) Report the implementation to the Board of Directors at least once a year.

3. Sustainable corporate governance

3.1 Ethics and Integrity

Ethics

The Company guides the conduct of directors and managers to comply with ethical standards, and makes the Company’s stakeholders more aware of the Company’s ethical standards. The Company’s “Ethical Code of Conduct” is formulated in accordance with the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" published by the Taiwan Stock Exchange Corporation for compliance.

The directors and managers of the Company should uphold a proactive, serious and responsible attitude in performing their duties, abandon parochialism, focus on teamwork, and abide by the principle of honesty and credit. Directors and managers must not have the following behaviors:

1. Obtaining personal gain by using company property or information or taking advantage of their positions.
2. Competing with the Company.

When the Company has a profit opportunity, the directors and managers have the responsibility to increase the legitimate interests that the Company can obtain.

The directors and managers of the Company shall handle official duties in an objective and efficient manner, and shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, parents, children, or their relatives within the second degree of kinship. The directors and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

All directors and managers of the Company have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes to avoid any theft, negligence in care, or waste of the assets. In addition, it should strictly abide by relevant laws and regulations such as the Company Act and the Securities and Exchange Act.

The company shall raise awareness of ethics internally and encourage employees to report to a company managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct, and provide enough information to enable the company to properly handle follow-up matters. The company will handle the reported case in a confidential manner and make employees aware that the company will use its best efforts to ensure the safety of informants.

In addition to the "Code of Ethical Conduct", the Company also has the “Ethical Corporate Management Best Practice Principles", the "Management Procedures for Preventing Insider Trading", the "Methods for Reporting Cases of Illegal and Unethical or Dishonest Behavior" and the "Corporate Social Responsibility Best Practice Principles" to establish a corporate culture of integrity management and a good business operation model, and further implement corporate social responsibility, and promote the balance and sustainable development of the economy, society and the environment. The human resources department of the Company regularly attends the Board of Directors every year to report on the integrity management policy and implementation status. There are no complaints of violations of ethics in 2020.

Internal audit

The audit department of the Company is subordinate to the Board of Directors. The basic objectives of internal controls of the Company are to promote sound operations and to reasonably ensure that the following objectives are achieved:

1. Effectiveness and efficiency of operations;
2. Reliability, timeliness, transparency and compliance of reporting; and
3. Compliance with applicable rules and regulations.

The Audit Department draws up an annual audit plan based on the results of the risk assessment, including items that should be audited every month. The annual audit plan is indeed implemented to evaluate the company's internal control system, and the working papers and related materials are attached to make an audit report. The annual audit plan should be approved by the Board of Directors before the end of the year and uploaded to the Taiwan Stock Exchange Market Observation Post System. The audit reports, working papers and related materials should be kept for at least five years.

The internal auditors and the inspected unit have fully communicated the results of the annual audit project inspections. The deficiencies and abnormalities of the internal control system found in the evaluation should be disclosed in the audit report according to the facts, and tracked after the report is submitted for approval, at least according to a quarterly follow-up report is made until the improvement, to ensure that relevant units have taken appropriate improvement measures in time.

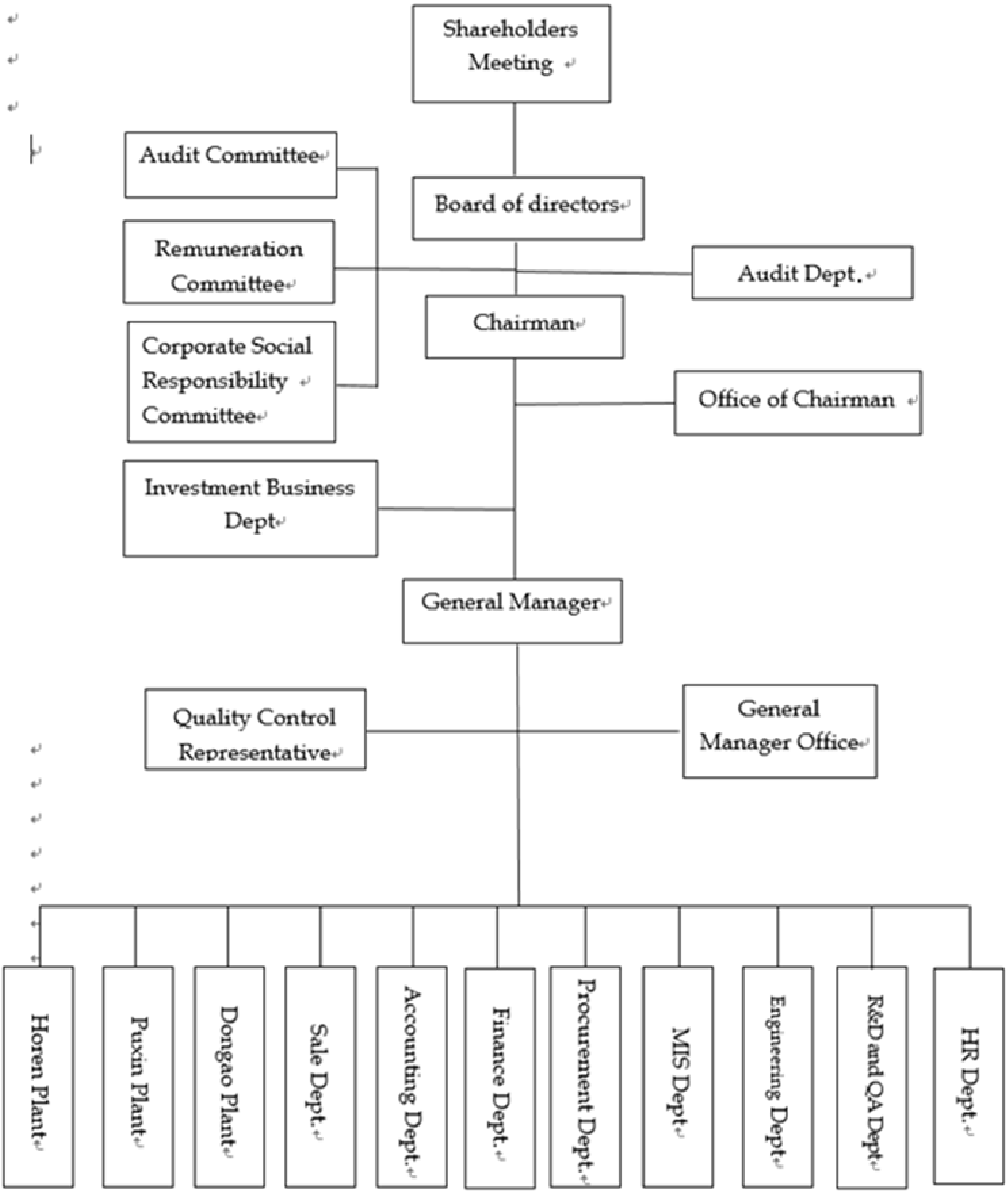
After the audit report and follow-up report are submitted for approval, the Company will send it to independent directors for review before the end of the month following the completion of the audit project. If the Company's internal auditors discover a major violation or the Company is in danger of major damage, they shall immediately prepare a report for notify the independent directors

The Company shall self-assess the effectiveness of the design and implementation of the internal control system every year, and prepare an internal control system statement in the prescribed format, upload to the Taiwan Stock Exchange Market Observation Post System within three months after the end of each fiscal year, and handle the announcement declaration.

The internal control system statement shall be approved by the Board of Directors, the same the same shall apply when amended. The internal control system statement shall be duly published in the annual report, stock issue prospectuses, and other prospectuses.

3.2 Governance Organization

Organization chart



Board of Directors

Directors：

Title	Name	Date Elected	Term	Date First Elected	Major Experience/Education
Institutional Director	Shiyi Cement Co., Ltd.	Jun.12, 2019	3 Years	Jun.13 2007	
	Representative : Chen, Liang-Chuan	Jun.12, 2019	3 Years	Jun. 6 1990	● Chengzhou Elementary School ● Chairman & General Manager of Lucky Cement Co. ● Chairman of Luckicon Ready-mixed Concrete, ● Chairman of Dasheng Enterprise ● Chairman of Lucky Cement, Japan ● Chairman of Yungsheng Development Industrial Co. ● Chairman of Lucky construction Co., Ltd
	Shiyi Cement Co., Ltd.	Jun.12, 2019	3 Years	Jun.13 2007	
	Representative: Chen, Yun-Ju	Jun.12, 2019	3 Years	Dec. 30 2001	● EMBA of Tulane University ● Chairman of Liguang Construction Co. ● Executive Deputy General Manager of Lucky Cement Co
Director	Zhang, Xiang-Lin	Jun.12, 2019	3 Years	Jun.13 2007	● Datong Middle School ● General Manager of Xuhe Building Materials Co., Ltd
Director	Cheng, Shang-Kai	Jun.12, 2019	3 Years	Jun. 12 2019	● MBA of Suffolk University ● Manager of Haihua Investment Co., Ltd. ● Financial officer of the financial department of CitiBank
Independent Director	Chen, Yan	Jun.12, 2019	3 Years	Jun.15 2016	● Bachelor of Department of Accounting, Tamkang University ● Financial consultant of Eorex corporation ● Senior Vice President of ZOYI Management Consulting Co., Ltd.
Independent Director	Wang, Zhi-Cheng	Jun.12, 2019	3 Years	Jun.15 2016	● PhD of College of Law, National Chengchi University ● The dean of the law school, Chinese Culture University ● Independent Director of Dyaco International Inc. ● Independent Director of CTBC Financial Holding Co., Ltd

Title	Name	Date Elected	Term	Date First Elected	Major Experience/Education
Independent Director	Shao, Yang-Wei	Jun.12, 2019	3 Years	Jun. 12 2019	● Ph. D. Graduate Institute of Engineering Technology, National Taipei University of Technology ● General Manager of Jabes Construction Company Limited ● Vice Chairman of Chung Hua Association for Financial and Economic Strategies ● Honorary Chairman of CCIM Taiwan

Responsibilities of the Board of Directors

1. Validate the internal controlling system and various important chapters of the Company.
2. Make decisions of the Company's operating plan and business policy.
3. Plan the Company's budgets and final accounts.
4. Study out of surplus distribution.
5. Study out of increasing or decreasing of the capital of the Company.
6. Compile the annual business report.
7. Audit the acquisition or disposal of the Company's important property.
8. Make decisions of establishment and abolition of branches.
9. Elect or dismiss the general manager and manager.
10. Appoint and dismiss the financial manager, accounting manager and internal audit supervisor.
11. Stipulate and amend the procedures of important financial business including the procedures of acquisition or disposal of assets, the procedures of engaging in derivatives trading, guidelines for lending of capital and guidelines for endorsements and guarantees.
12. Other duties are endued in accordance with the Securities and Exchange Act, the Company Act and the shareholders meeting.

Shareholder meeting and earnings conference

The 2020 shareholder meeting date is June 18, 2020 and the earnings conference date is November 10, 2020.

Director’s remuneration and institutionalization of sustainable performance

The Company’s director remuneration is clearly stipulated in the Company’s Articles of Incorporation and is linked to the Company’s operating performance. Only in the case of profitability, no more than 5% of the Company’s profit as the compensation paid for directors.

Audit committee

According to Article 6 of the Company’s Audit Committee Charter, the audit committee’s powers are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. To audit matters in which a director is an interested party.
5. To audit asset transactions or derivatives trading of a material nature.
6. To audit loans of funds, endorsements, or provision of guarantees of a material nature.
7. To audit the offering, issuance, or private placement of equity-type securities.
8. To audit the hiring or dismissal of a certified public accountant, or their compensation.
9. To audit the appointment or discharge of a financial, accounting, or internal audit officer.
10. To audit annual and semi-annual financial reports.
11. To audit other material matters as may be required by this Corporation or by the competent authority.

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the Board of Directors for a resolution.

The Company elected 3 independent directors at the regular shareholders meeting on June 12, 2019 and set up the Audit Committee to replace the supervisors’ authority in accordance with the Securities Exchange Act. Total of 5 (A) meetings of the Audit Committee were held in 2020. The attendance of independent directors was as follows: ：

Title	Name	Attendance in Person (B)	Attendance Rate (%) (B/A)
Independent Director	Wang, Zhi-Cheng	5	100.00%
Independent Director	Chen, Yan	5	100.00%
Independent Director	Shao, Yang-Wei	5	100.00%

Remuneration committee

In order to assist the Board of Directors in assessing and supervising the remuneration levels of the Company’s directors and managers, in the sixth meeting of the Board of Directors, the establishment of the "Remuneration Committee" was adopted to formulate the "Remuneration Committee Charter" and the appointment of members was completed on December 23, 2011.

Members of the Company’s	
Name	Major Experience/Education
Wang, Zhi-Cheng	Please refer to the Board of Directors
Shao, Yang-Wei	Please refer to the Board of Directors
Cai, Cui-Juan	Bachelor of the Department of Law, Chinese Culture University Assistant Vice President of MasterLink Securities Group

The scope of supervision of the Remuneration Committee includes the performance evaluation of directors and managers, remuneration policies and systems, as well as employee incentives and dividend plans. The Remuneration Committee regularly reviews the Company's remuneration policies and plans to ensure that it can attract, motivate and retain the professionals needed by the Company.

In accordance with the Company’s "Remuneration Committee Charter", the remuneration committee is convened at least twice a year. Total of 3 meetings of the Remuneration Committee were held in 2020, the committee members attended each meeting in person, and the attendance rate was 100%.

Corporate social responsibility committee

The Company has the corporate social responsibility committee composed of three directors, including two independent directors, whose responsibilities include:

A. To formulate the corporate social responsibility policies and systems;
B. To audit the corporate social responsibility annual plan and strategic direction;
C. To audit the corporate social responsibility project and Activity Plan;
D. To review the corporate social responsibility report; and
E. To audit other matters related to corporate social responsibility and public participation assigned by the Board of Directors.

Name	Identity	Title	Related Professions
Chen, Yun-Ju	Director	Chairman	EMBA，Over 20 year experience in the cement industry
Chen, Yan	Independent Director	Committee	Financial management expertise
Wang, Zhi-Cheng	Independent Director	Committee	Juris Doctor, Director of Securities and Futures Investors Protection Center, Director of Financial Ombudsman Institution and Advisory Committee of Central Deposit insurance Corporation.

Corporate governance evaluation results

The Company's 2020 corporate governance evaluation is top 21%~35%, and it is still the front-end class in the cement industry. For the unsatisfactory part of the evaluation, it will continue to review and improve.

Guilds and associations

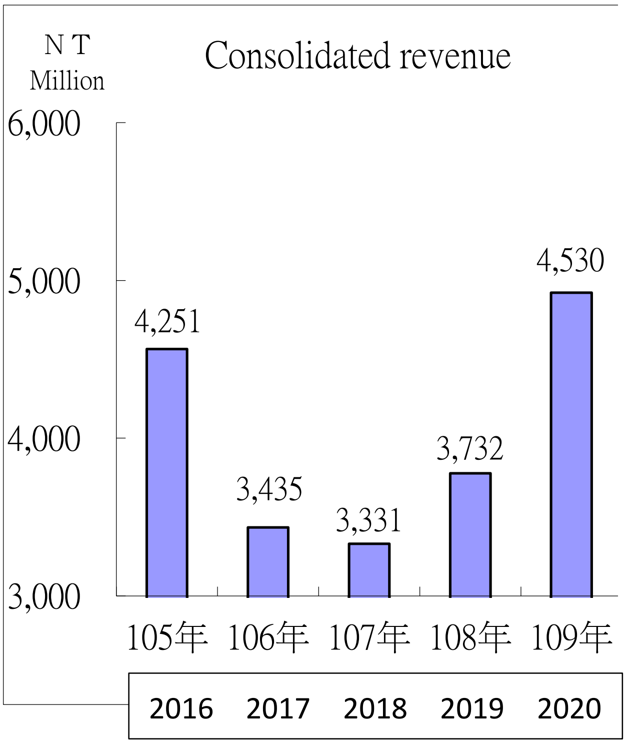
In addition to actively participating in industry-related associations and association activities, such as the Taiwan Concrete Institute, Chinese Institute of Mining and Metallurgical Engineers, Taiwan Marble and Stone Mining Association, Taiwan Cement Manufacturers' Association, Taiwan Ready-Mixed Concrete Industry Association, etc., and serving as directors and supervisors, the Company plays an important role in the industry, and through various methods and channels to communicate and understand the Company and stakeholders, and to practice sustainable development of corporate social responsibility.

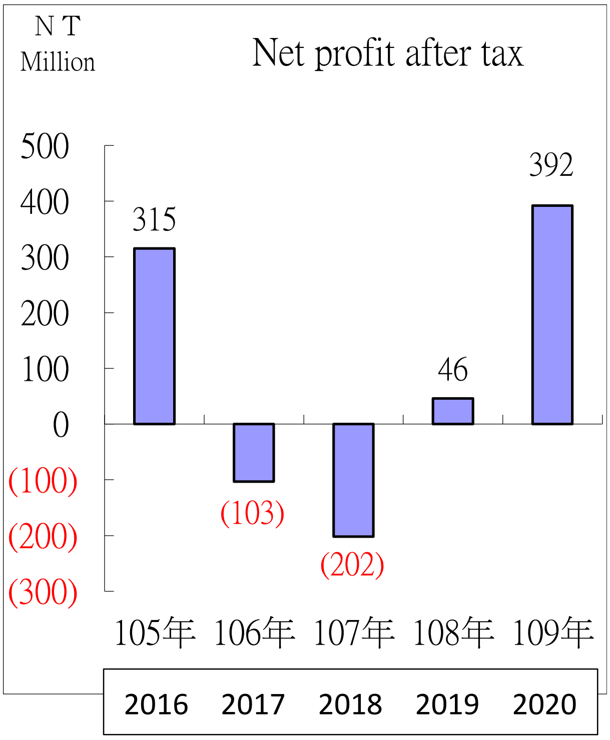
Legal actions and results

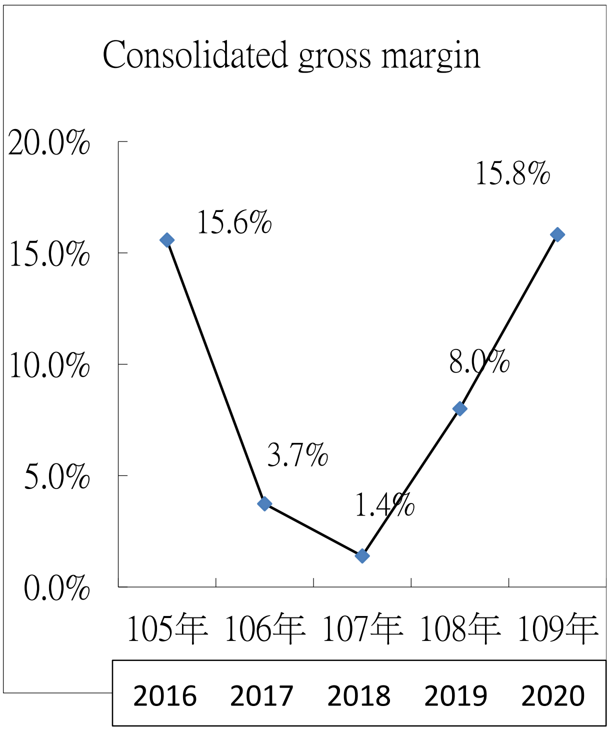
1. In response to the revision of policies and laws on corporate governance, the Company Act, and Securities and Exchange Act by the competent authority, the Company has cooperated with the process, and currently has no significant impact on the financial business.
2. The implementation of the new Labor Pension Acts has no impact on the Company's financial business, because the Company has already allocated pensions in accordance with the law.
3. The retirement pension for employees who choose to be continuously covered by the retirement mechanism in the Labor Standards Act, the shortfall has been deposited to the labor pension accounts on March 31, 2016. At present, the retirement pension are allocated monthly according to the law.

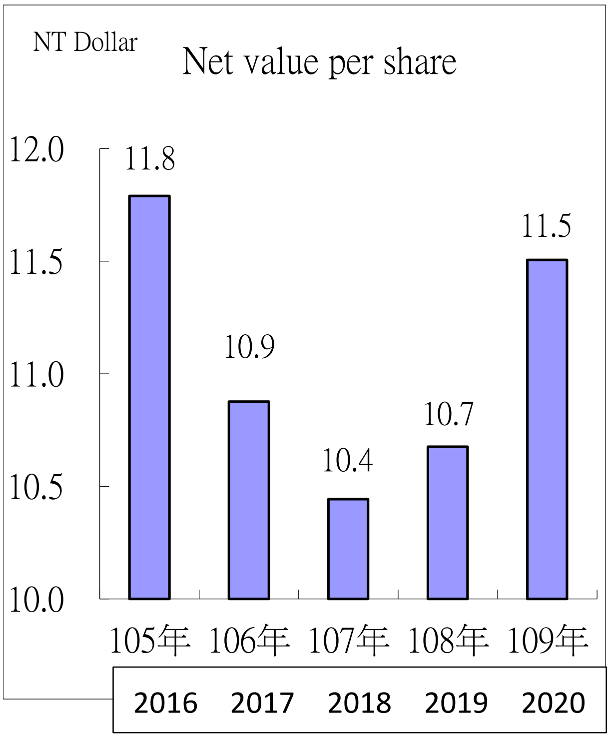
3.3 Economic Performance

Financial performance









3.4 Risks and Opportunities

Internal control risk management system

The major objectives of internal controls of the company are to promote sound operations, to reasonably ensure that the following objectives are achieved:
1. Effectiveness and efficiency of operations;
2. Reliability, timeliness, transparency and compliance of reporting; and
3. Compliance with applicable rules and regulations.

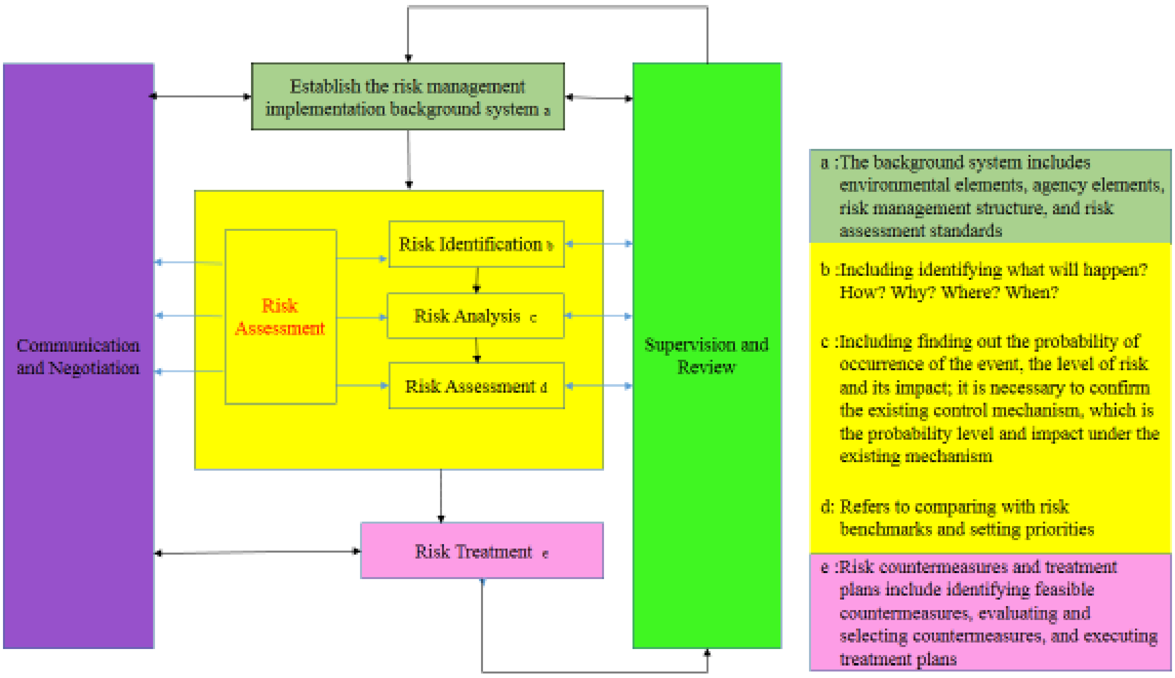
In order to achieve these objectives, the Company will design the internal control system from the five elements of internal control. The five elements include:

1. Control Environment: Control environment is the basis for the design and implementation of internal control systems across a company. It encompasses the integrity and ethical values of a company, governance oversight responsibility of its board of directors and independent directors, organizational structure, assignment of authority and responsibility, human resources policy, performance measures, and awards and disciplines.
2. Risk Assessment: A precondition to risk assessment is the identification of objectives, linked at different levels of the company, and the suitability of the objectives should also be taken into consideration. The management shall consider the impact of changes in the external environment and within its own business model and possible fraud scenarios. The risk assessment results can assist the financial holding company or banking business in designing, correcting, and implementing necessary controls in a timely manner.
3. Control Operations: Control operations means the actions of adopting proper policies and procedures by a company based on the risk assessment results to control risks within a tolerable range. Control operations shall be performed at all levels of a company, at various stages of business processes, and over the technological environment, and shall include supervision and management of subsidiaries.
4. Information and Communication: Information and communication means relevant and quality information that a company obtains, generates, or uses from both internal and external sources to support the continuous functioning of other components of internal control, and to ensure that information can be effectively communicated within and outside the organization.
5. Monitoring Operations: Monitoring operations means ongoing evaluations, individual evaluations, or combination of the two undertaken by a company to ascertain whether each of the components of internal control is present and continuously functioning. Ongoing evaluations means routine evaluations built into the course of operations at different levels. Individual evaluations are evaluations conducted by different personnel such as internal auditors, independent directors, or the board of directors. Findings of deficiencies of the internal control system shall be communicated to management of appropriate levels, the board

of directors, and independent directors, and improvements shall be made in a timely manner.

Among the five elements, risk assessment is particularly important. "Risk" refers to the possibility that the objectives cannot be achieved. The objectives are achieved by undertaking the business. Each enterprise will face a variety of risks from inside and outside the enterprise. The management should first determine the level of risk the enterprise is willing to take, and then conduct risk management to keep the risk within the standard.

Therefore, risk management is not to reduce the level of risk to zero, but to control the risk within a reasonable range. According to this concept, the design of the Company's internal control risk management will refer to the following practices:



Risk Management Framework (Research, Development and Evaluation Commission "Risk management and crisis management manual (98.1), Figure 2.3" Simplified.

First, establish a risk management structure and risk assessment standards, and then identify the possible risks of each operation under different internal control loop systems, and then analyze the probability of the risk and its impact on the company, and then schedule the risk and decide priority of checking. And based on the results of the check, decide how to deal with the risk.

The way the company handles risks can include avoiding risks, reducing risks, transferring risks, and taking risks. The current principles of the Company's handling of risks are mainly to increase control points to reduce internal control risks. Basically, the more control points, the higher the cost, so in terms of cost-effectiveness, the Company does not seek to avoid risks completely, but to reduce internal control risks to a reasonable level!

The Company has formulated the "Risk Management Policy" in 2020. The scope of risk management includes "strategic risk", "operational risk", "financial risk", "information security risk", and "Climate change risk and the risks of failure to comply with environmental protection, climate-related regulations and other international regulations and agreements". The "Risk Management Team" reports to the Audit Committee at least once a year on the Company's risk environment, risk management priorities, risk assessment and response measures. The chairman of the audit committee reports to the board of directors at least once a year on the risk environment and the risk control measures adopted and the operation of risk management.

4. Sustainable Green Environment

	Policy and historical process	Completed in 2020	Target in 2021
Circular Economy	◆ Alternative raw material use: Construction waste soil, Coal-fired fly ash, Waste foundry sand, Contaminated soil, Inorganic sludge, Calcium fluoride sludge, Iron furnace slag, Power plant desulfurization gypsum. ◆ Increase the proportion of local waste disposal.	◆ 73,992.22 tons of waste (required to be declared) have been used as an alternative raw fuel. ◆ The amount of waste processed accounts for 18.7% of the amount of waste produced in Yilan County.	◆ Maintain the current situation
Friendly Environment	◆In 2008, a first-level preheater and a combustion furnace were added.	◆ The energy consumption of clinker is reduced to 859kcal/kg. ◆ NOX emissions are reduced to143ppm. ◆Environmental protection expenditures amounted to NT$21,329,000 in 2020.	◆ Adds a bag-type dust collection system in the rotary kiln system.

Use cement rotary kiln with high temperature, high turbulence and high retention characteristics to complete waste recycling

The United Nations' report on "Our Common Future" stated that sustainable development means that mankind must continue to develop and meet actual needs, but it should not jeopardize the well-being of the next generation. More than two hundred years after the industrial revolution, the use of "linear production" by humans has caused the rapid depletion of the earth's resources, and the generated waste impacts the environment. "Linear production" should be transformed into "circular production", which is called "circular economy ". The cement industry has long been regarded as an important environmental protection industry in advanced countries such as Europe, the United States, and Japan. The use of cement rotary kiln has the characteristics of high temperature combustion, long residence time, and large turbulence. It can converted household garbage, waste tires, waste solvents, slag, coal ash, sludge, construction waste and other wastes generated by people's livelihood and industrial processes into raw materials or fuels for the cement process. This is recognized internationally as the best feasible treatment method, and it is also a model of circular economy that solves environmental problems derived from various wastes and the sustainable reuse of resources.

The role of cement industry in economic development

Cement has the product characteristics of being heavy and susceptible to damp deterioration, which is more suitable for regional development industries. In addition to being used in large-scale public construction projects, such as roads, bridges, track construction, environmental remediation, urban and rural urban renewal, cement can also be used for building walls, floor paint primer, pasting tiles, and ground paving. Cement is the important materials for basic construction operations and the important role in the economic development of various countries.

The role of the cement industry in circular economy

With the rise of environmental awareness and the adjustment of industrial structure, the cement industry has also begun to adjust and introduce the concept of circular economy. With the continuous operation of the cement kiln, it can process domestic and business waste at a high temperature of 1,450 degrees Celsius, and solve the problem of waste incineration and burial. The related waste can also replace raw materials or fuels in the production process, assisting in waste disposal is the advantage of cement kiln.

Portland cement is mainly composed of calcium oxide, silica, alumina and iron oxide, and its raw materials are mainly limestone, clay, silica sand and iron ore. Wastes containing calcium, silicon, aluminum and iron can be used to replace these four raw materials and reduce the exploitation of natural resources. For example, air-cooled BFS aggregate, reduction slag, desulfurization slag, stone sludge, waste lime, calcium carbide slag and other wastes containing calcium can replace limestone. Waste casting sand from foundries, waste sandblasting from rust removal, and cutting sludge from silicon wafer factories can replace silica sand. Polluted soil, power plant coal ash and bottom ash, sludge from water purification plan and other aluminum-containing wastes can replace clay. Iron-containing wastes such as rust scraps and sludge from steel mills can replace iron ore. The sources of waste that can be received and assisted in processing are different.

Alternative fuel waste mainly uses its calorific value to achieve the dual effect of processing waste and reducing coal costs. Generally, organic sludge with a calorific value above 2,000kcal/kg, waste solvents, isopropanol and waste photoresist liquid from the semiconductor industry and waste tires are used as auxiliary fuels to replace part of the fuel used in production. The high temperature of the cement kilns can completely burn the auxiliary fuel and remove the air pollution problems such as dioxin. The burning sulfide can also be combined with the original calcium element in the raw meal to reduce the volatility of sulfide. The ash generated after the combustion of auxiliary fuel enters the rotary kiln system and can be used as an alternative raw material for cement, so that resources can be fully recycled and reused.

4.1 Circular Economy

Management Policy Description

Circular economy is a resource-renewable economic and industrial system that converts waste into resources and converts the end of life of a product into a substitute raw material (fuel) for the company's products, saving energy and solving the problem of waste burial.

The impact of circular economy:

The promotion of circular economy needs to rely on the active actions of the government. Although our country currently lists circular economy as its future policy, it is actually incomplete in terms of technology, economy, society, politics, and related laws and regulations, leading to asynchrony of information from the central government, local governments, academia, and the public. In the future, the government still needs to formulate relevant laws and regulations for the development of circular economy, and strengthen the concepts of energy and resource recycling, source reduction, and green design and production.

Commitment

Under the conditions of compliance with the relevant certificates and documents issued by the county government for reuse, the Company will strive to assist the government, industrial parks and enterprises to convert waste into raw materials and fuels required by the Company's process production.

Management system and System

Handle various waste energy and resource recycling in accordance with the Waste Disposal Act.

Objectives, target:

1. By redefining waste, the waste is returned to the industrial production chain for continuous circulation, reducing the consumption of primary energy and resources.
2. Reduce the exploitation of natural resources by recycling waste energy and resources, thereby reducing greenhouse gas emissions.

Specific actions and initiatives:

1. Daily report on the acceptance of waste energy and resources into the plant and the completion of reuse.
2. Report monthly information on the storage situation of waste energy and resources in the factory at the end of the previous month.
3. The delivery slips for receiving waste energy and resources are stored in accordance with the law for future reference.
4. Monthly online declaration of product flow after reutilization of waste energy and resources.
5. Inspect products' toxicity characteristic leaching procedure (TCLP) quarterly to ensure product safety.

Effective evaluation methods for circular economy:

Through the disclosure of the CSR report, track the Company's annual waste energy and resource recycling quantity, cooperate with industrial parks and symbiosis enterprises to visit factories, check and discuss the conditions of recycling and reuse.

Recycling of waste resources

The upper reaches of Kaoping River is water source of greater Kaohsiung area was polluted by malicious dumping of suspected waste organic solvents, which caused Kaohsiung area to fall into a total shutdown of water. The random dumping of inorganic wastes in the valleys also harmed the environment. Environmental protection issues have become the focus of national attention in Taiwan. In view of the above incidents, the use of cement kilns in the cement industry process to treat part of the industrial waste can immediately reduce the pressure of domestic waste disposal;

at the same time, the Company can also use this to save raw materials and fuel costs, which has positive economic benefits for the Company. In the 2001s, the Company began to use waste from the photovoltaic industry as alternative fuels and raw materials. The renewable resources that have been integrated and utilized over the years include:

1. Coal ash from power plants,
2. Calcium fluoride sludge in the optoelectronic and semiconductor industries,
3. Pulp sludge in the paper industry,
4. Stone waste mud,
5. Sludge from water purification plant,
6. Inorganic sludge and organic sludge of photovoltaic plant,
7. Sand casting and sand blasting in steel plants,
8. Slag and bottom slag of incineration plant, and
9. Construction waste soil etc.

Cement kilns are currently the best and final place for resource disposal of industrial waste. The Company uses its "environmental core capabilities" for processing industrial waste materials and garbage, and continues to contribute to environmental protection.

The total weight of waste (required to be declared) in 2020:

Year	Total weight of waste (required to declare)
2019	65,190.76 Tons
2020	73,992.22 Tons

4.2 GHG Emissions and Reduction

Management Policy Description

We are well aware that the earth's climate and environment are being affected by the multiplication of greenhouse gases and are gradually deteriorating. In the entire global village, as a citizen of the earth, in order to leave a beautiful living environment for the next generations and fulfill the corporate responsibility to the environment.

Impact of greenhouse gas emissions and reductions:

I. Risks of companies subject to greenhouse gas regulations

1. The Company's Dongao plant belongs to the cement manufacturing industry, which is an energy-intensive and major energy-consuming industry. It belongs to the first batch of public and private places that should report the fixed pollution sources of greenhouse gas emissions according to the announcement of the "Public and Private Places Should Report the Fixed Pollution Sources of Greenhouse Gas Emissions" issued by the Environmental Protection Administration of the Executive Yuan "Public and Private Places Should Report Greenhouse Gas Emissions as Fixed Pollution Sources" , the Company must bear the risk of compliance with regulations.
2. Greenhouse Gas Reduction and Management Act: Under total amount control in the future, carbon emission quotas will have to purchase carbon rights through the carbon trading market, which will increase business operating costs.
3. Air Pollution Control Act: Air pollution standards are becoming stricter, which will increase the operating costs of enterprises.
4. Energy tax regulations: The levy of fuel or energy taxes will increase business operating costs.
5. Product's greenhouse gas emission intensity standards: Product's carbon emission standards are becoming stricter, which will increase business operating costs.

II. Substantial risks of companies exposed to greenhouse gases

1. Greenhouse gases will have a major adverse impact on the climate and the environment. Under the influence of the greenhouse effect, natural disasters caused by various climate changes, floods, droughts and wind disasters will increase in frequency, and the intensity and breadth of disasters will also increase. In the event of a disaster, it may affect the

Company’s operations.

2. Extreme climate: The frequency and scale of extreme rainfall, strong winds, and droughts increase, causing production interruptions.
3. The Intergovernmental Panel on Climate Change (IPCC) released an assessment report on climate change that pointed out that adopting active greenhouse gas reduction policies can slow climate warming. Based on the above, the Company’s Dongao plant has implemented a number of energy-saving and carbon-reduction programs to work hard to mitigate climate change. It also actively strengthens the Company’s ability to adjust to the risks that may occur in extreme climates, specifically risk control measures for water resources, responding to power shortages in summer, typhoon seasonal and rainy season, in addition to regularly dredging the mud in the drainage ditch in the factory to prevent flooding that may be caused by heavy rains, other detailed policies and specific implementation conditions please refer to the subject units in this CSR report.

Policy：

- Committed to the registration of the Company's greenhouse gas inventory
- Really grasp the Company's greenhouse gas emissions status
- Propose feasible solutions for greenhouse gas reduction
- Really implement the work plan for greenhouse gas reduction
- Implement the social responsibility of circular economy
- Sustainable development of green environment

Objective：

Annual greenhouse gas emissions are reduced by more than 10% compared to 2013 (base year).

Greenhouse Gas Inventory Certificate:

The Company’s Dongao plant obtained a greenhouse gas verification certificate issued by SGS in 2013 that meets the requirements of ISO14064, and passed the greenhouse gas inventory in 2014, and conducts external inspections every May.

In order to cooperate with and apply for the Environmental Protection Agency's GHG Early Action Project, the Company has checked the greenhouse gas emissions in 2009, so the base year was set to 2009; now it cooperates with the Environmental Protection Agency's greenhouse gas declaration, and the control number is used as the check boundary, so the base year was revised to the year 2013 when the greenhouse gas was first declared.

In accordance with the relevant inspection guidelines and regulations announced by the Environmental Protection Agency, the Company's Dongao Plant conducts annual greenhouse gas inspections and is verified and registered by a third-party certification company. The total greenhouse gas emissions in 2020 will be inspected by a third-party certification company from May 2021 (The registration validity period is one year). The internal verification result of the Dongao plant is about 673,832.544 tons of CO2e/year, which is 11.26% less greenhouse gas emissions than the 2013 (base year), achieving the objective.

Unit: tons of carbon dioxide equivalent

	2013 年 (Base Year)	2016	2017	2018	2019	2020
Total emissions	759,327	694,174	650,425	596,225	646,474	673,833
Emission reduction ratio		8.58%	14.30%	21.48%	14.86%	11.26%
Emission intensity (tons/clinker)	0.93	0.94	0.94	0.96	0.95	0.95

afaq

Certificate

Certificat

溫室氣體排放量查驗聲明

聲明書編號 TEGHG12029-00

事業聯絡資訊	查驗機構聯絡資訊
公司名稱：幸福水泥股份有限公司東澳廠	公司名稱：艾法諾國際股份有限公司
聯絡電話：03-9986110	聯絡電話：03-2200066
通訊地址：27291 宜蘭縣南澳鄉蘇花路三段 101 號	通訊地址：桃園市桃園區中平路 102 號 20 樓

查驗結果摘要

茲證明本案根據 ISO14064-3:2006 及行政院環境保護署現行規定執行查驗，查驗結果發現未違反實質性限制，符合行政院環境保護署認可之合理保證等級。

查驗準則：ISO/CNS 14064-1：2006、溫室氣體查驗指引(99.12)、溫室氣體排放量盤查登錄管理辦法(105.1.5)、溫室氣體排放量盤查登錄作業指引(105.06)、環保署相關規定

查驗範圍：幸福水泥股份有限公司東澳廠/ 宜蘭縣南澳鄉蘇花路三段 101 號

涵蓋期間：自 108 年 1 月 1 日~108 年 12 月 31 日

查驗數據：採 IPCC 2007 年第 4 次評估報告公告之 GWP 值彙總排放量，總計 646,473.840 公噸二氧化碳當量，包含
—直接溫室氣體排放（範疇一）排放量：604,114.1641 公噸二氧化碳當量
—能源間接溫室氣體排放（範疇二）排放量：42,359.6756 公噸二氧化碳當量

查驗意見：依據查證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 2 版 / 日期：109 年 3 月 4 日)及盤查清冊(第 2 版 / 日期：109 年 3 月 4 日)。

保留限制：無

電力係數：電力係數引用 108 年 7 月 5 日能源局公告之 107 年度電力係數。

外售電力排放係數： 無

外售蒸氣排放係數： 無

查驗機構簽章：

查驗作業實施日期：中華民國 109 年 4 月 8 日，
中華民國 109 年 4 月 15 日

查驗聲明核發日期：中華民國 109 年 6 月 30 日

查驗總結報告-版次 / 日期：第 3 版 / 109 年 06 月 29 日

本案主導查驗員：陳德敏

保密性聲明

此報告及附件可能包含屬於受查驗組織之機密資訊，除作為行政院環境保護署相關額度認可申請之證明文件外，未經受查驗組織書面同意，其他個人、團體或公司禁止自行複製或發行。

利益衝突迴避聲明

(1) 茲保證此報告及附件內容完全依照行政院環境保護署及有關機關相關規範，秉持公正、誠實之原則進行查驗作業，絕無虛偽不實，如有違反，就政府機關所受損失願負連帶賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。

(2) 吾人瞭解如自身受政府機關委任從事公務，亦屬於刑法上之公務員，並瞭解刑法上圖利罪、公務員登載不實偽造公文書及貪污治罪條例之相關規定，如有違反，亦為刑法及貪污治罪條例之適用對象，願受最嚴厲之法律制裁。

(3) 保證本公司與受查驗組織並無財務投資之關係，且符合主管機關對利益衝突迴避之要求。如有違反前述事實情事，經主管機關查證屬實時，此報告及附件內容願接受主管機關判定為無效之處分。

此證

負責人簽章：SOPHIE MARAIN 職稱：董事長 中華民國 109 年 6 月 30 日

查證人員簽章：(所有參與查驗案件之查證人員) 蔡文欽

104 - 2011/09

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afnor GROUPE

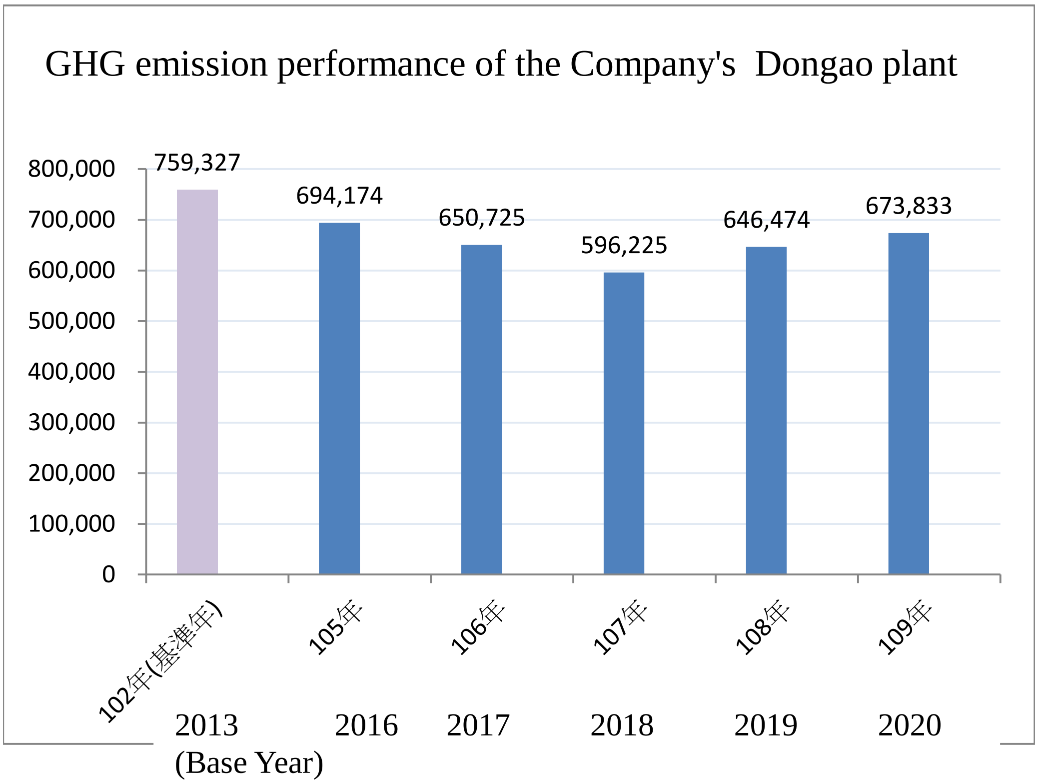
The latest ISO14064-1: 2006 third-party certification

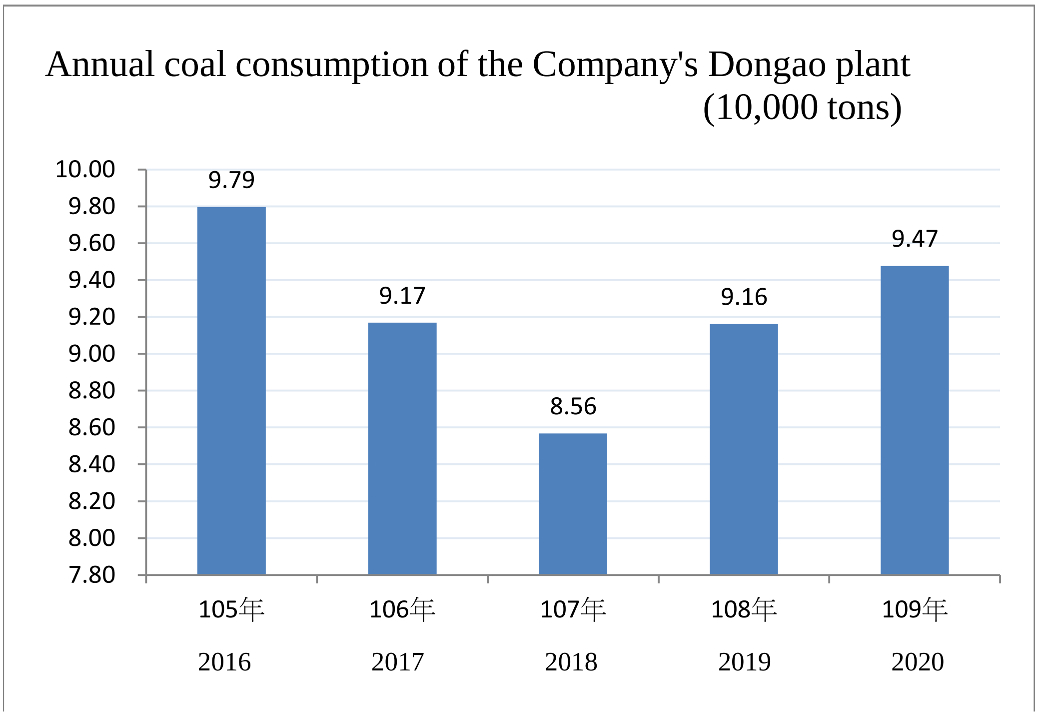
Date of issuance: June 30, 2020

Covering period: January 1, 2019-December 31, 2019

Carbon reduction results:

In 2020, the Company's Dongao Plant was implemented 5 energy-saving programs, which reduced greenhouse gas emissions by 13,772.68 tons of carbon dioxide equivalent.





4.3 Implement Energy Management

Management Policy Description

Cement plants are energy-intensive industries, and the main energy consumption is raw coal and electricity. In order to implement energy management, both the legal aspects and equipment investment will increase the cost of the company. In order to achieve sustainable operation in a green environment, greenhouse gas emissions must comply with relevant government laws and regulations.

Energy policy:

1. Use high-efficiency energy-saving equipment
2. Improve energy efficiency
3. All employees participate in energy saving and carbon reduction
4. Comply with relevant government laws and regulations
5. Achieve energy objectives

Objective, Target:

Meet the requirement of saving more than 1% of electricity every year.

Energy-saving measures in administrative units

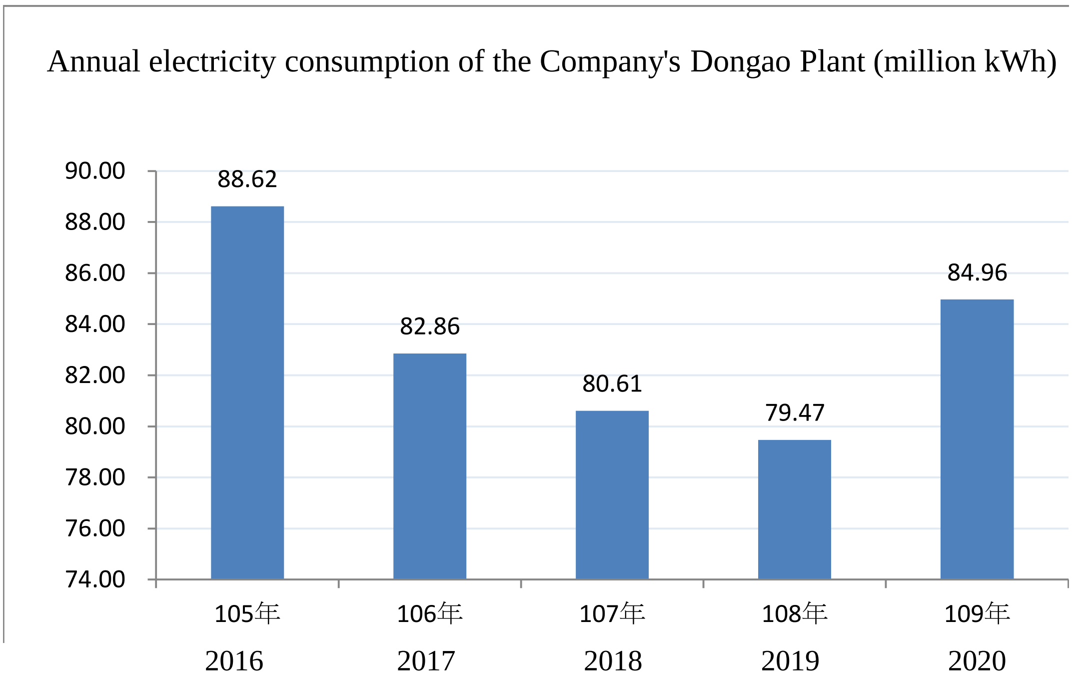
Incorporate the Company's specific requirements for energy conservation and environmental protection into the basic training courses for new recruits, and coordinate with various conferences and in-factory activities to promote employees' concepts and awareness of environmental protection and energy conservation. Specific measures for energy conservation and environmental protection are as follow:

1. The air conditioner temperature is set to 27-28 degrees Celsius
2. Turn off the light when not in use
3. Waste paper recycling, double-sided photocopying
4. Turn off the lights when not in use in each room or conference room
5. Turn off the computer, the socket and power switch after get off work

6. The government electronic document exchange system was used from 2018 to save document delivery time and reduce paper consumption.

The 2020 energy saving action plan for the Company's Dongao Plant is as follows:

1. Renewal of No. 2 coal mill lining: total electricity savings of 867,200 kWh (505,900 kWh will be recognized from June to December in 2020)
2. Refurbishment of clinker roller press: total electricity saving of 534,600 kWh (267,300 kWh will be recognized from July to December in 2020)
3. The fixed-frequency spiral air compressor in the packaging room was updated to a variable-frequency spiral air compressor: a total of 140,000 kWh of electricity was saved (a total of 105,000 kWh was recognized from January to September in 2020)
4. Organic sludge as an alternative fuel: total coal savings of 2,270 tons
5. Non-hazardous sludge and waste oil blends as alternative fuels: total coal savings of 2,926 tons
6. In response to climate change, in the case of power shortages in the summer, a sub-system load reduction plan was drawn up to cooperate with Taipower's electricity bidding measures.



4.4 Air pollution control

Management Policy Description

Cement plants are energy-intensive industries, and the main energy consumption is raw coal and electricity. In order to implement energy management, both the legal aspects and equipment investment will increase the cost of the enterprise. In order to achieve sustainable operation in a green environment, greenhouse gas emissions must comply with relevant government laws and regulations.

Impact of air pollution control:

Particulate pollutants affect respiratory function. Among them, fine suspended particles [PM2.5] have been identified as having a huge impact on human health in recent years. Sulfur oxides can produce a pungent smell and derive acid rain. The calcium oxide produced by the cement industry process can absorb sulfides, which can suppress their concentration. Nitrogen oxides are a large amount of air pollutants produced by the cement industry. They appear reddish-brown in the air and cause acid rain, which may cause respiratory diseases to the human body.

Policy

In order to make economic development and environmental protection go in parallel, the Company has been committed to reducing air pollutants for a long time, and has mastered key technologies and used best available technologies to control air pollutant emissions. Follow the following principles to continuously improve the environment:

1. Pollution prevention technology: In addition to terminal control, we are also committed to reducing pollution production.
2. Reduce the greenhouse effect: Improve production technology, use high-efficiency equipment and use mineral admixtures to save energy and raw material consumption, and reduce greenhouse gas emissions.

Management system and System

1. Continue to implement an environmental management system to systematically manage the

emissions.

2. Establish monitoring and testing equipment and estimation methods to check the emission concentration and volume of the plant, control the emission situation and eliminate abnormalities in real time.

Objective, Target:

1. Establish the objective of "fugitive pollution prevention and improvement" and monitor the number of "abnormal dust emissions" in the discharge pipeline to reduce the discharge of particulate pollutants.
2. Monitor opacity, SOx and NOx emission concentration and annual emission to reduce particulate pollutants, sulfur oxides and nitrogen oxides emissions.
3. Monitor the heat consumption of the production system to control fuel consumption.

Appeal mechanism:

When people have complaints about the factory's emissions, they can inform the factory by telephone or other means, the factory will deal with it immediately in accordance with the relevant communication procedures to reduce residents' backlash.

No complaints from the community in 2020.

Effectiveness Evaluation Method of Air Pollution Control

"Particulate pollutants, sulfur oxides and nitrogen oxides emission concentration and emissions" and "abnormally large emissions" are listed as important performance indicators. The review reports are submitted to the management level every month, an annual review meeting is held to review last year's performance, in order to propose improvement measures and review the effectiveness of the improvement measures, and set targets when necessary to further improve the emission situation.

Actively promote air pollution prevention and control

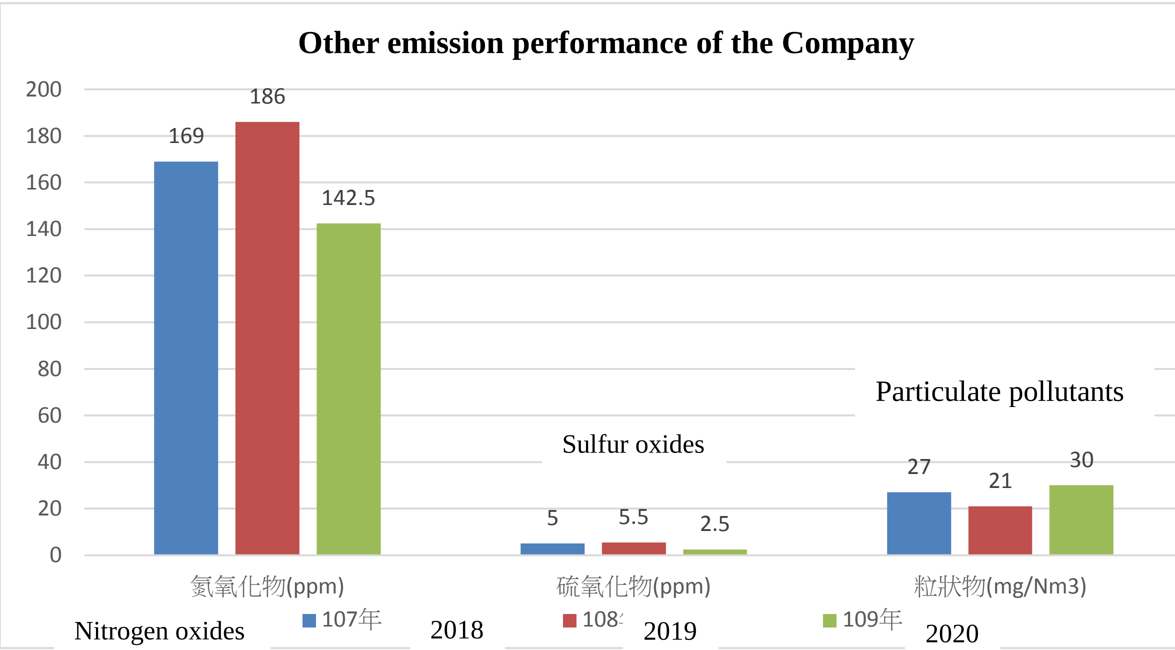
The cement manufacturing process is mainly based on dust handling. The escape of dust will not only cause air pollution, but also the loss of raw materials and finished products. Therefore, the

Company attaches great importance to the effect of dust collection equipment, and all constructions have adopted the best dust collection equipment at the time.

The Dongao plant has 2 electrostatic precipitators and 20 bag-type dust collectors, The total amount of air pollution prevention and control expenditures in 2020 will reach NT$7.54 million. In order to improve the efficiency of dust collection, the Dongao plant comprehensively inspected the collection efficiency of electrostatic precipitators and prepared a budget for overhauling equipment with poor dust collection efficiency.

Emissions from stationary sources.

The Company uses high-efficiency dust collection equipment for terminal control, and at the same time selects high-quality raw materials and fuels to reduce the amount of air pollution generated from the source. The Dongao plant carried out the technical renovation of No. 2 kiln in 2007, with an investment of about NT$200 million. After the technical renovation, the emission of nitrogen oxides was greatly reduced, and the emission was only about 200 ppm, which was far below the legal standard. The figure below shows the emission trends of nitrogen oxides, sulfur oxides and particulate pollutants over the years.



4.5 Water Resources Management

Management Policy Description

Water plays an extremely important role in the production process. Effective water conservation and water resource recycling are important objectives for the Company to promote sustainable development.

Impact of water resources:

The process requires the use of large amounts of water to cool the production equipment. The main sources of water are mountain spring water, groundwater and recycled water. Therefore, it is necessary to make full use of water resources to reduce the impact of water shortage.

Commitment:

1. In order to comply with the regulations of the county government to issue water rights certificates, #1 deep water wells can only extract groundwater to supplement the water used in the production line during the water shortage period in summer.
2. Report the amount of groundwater pumped to the Water Resources Agency of the Ministry of Economic Affairs every month.
3. Report to the county government of the dynamic and static water level changes of #3 deep water well every year.

Management system and System

Statistic management of water report records for daily, monthly, 1 year and 5 year water extraction.

Objective, Target:

The water recovery rate of the car wash platform is over 80% every year.

Specific actions and initiatives:

Water pumping monitoring: daily, monthly, and yearly water pumping report processing.

Effective evaluation methods of water resources:

Through CSR disclosure, track the achievement of the goal that the water recovery rate of the car wash platform reaches more than 80% each year.

Total water consumption in the plant

The total water consumption of Dongao Plant mainly comes from surface water and groundwater approved for use. Surface water is mainly used, groundwater can be extracted only when necessary. The actual water consumption is reported to the county government water resources department and related units for immediate monitoring and recording according to regulations. Frequent detection of leaks in return water pipelines has effectively improved water resources control.

Year	2019	2020
Surface water	946,142	878,684
Groundwater	6,894	125,420
Total water consumption	953,036	1,004,104

Water recycling of car wash platform

The Dongao Plant has made full use of water resources over the years, and the water recovery rate of the car wash platform has been maintained at a high recovery rate. In 2020, the recovery rate of the car wash platform will reach 96% (recycling water 19,478m^3/total water consumption 20,261m^3, total water consumption = recycling water 19,478m^3 + inflow 1,143m^3) to make full use of water resources.

TO2 Raw waste water from car wash station	RO1 Car wash station recycling water
	

4.6 Compliance with Environmental Laws and Regulations

Management Policy Description

The relevant environmental protection laws and regulations that the Company should follow include air pollution, water pollution, and waste related laws. Among them, the air pollution laws include the "Cement Industry Emission Standards" set for the cement industry. As the public pays more attention to environmental protection, domestic environmental regulations for the cement industry have become more stringent, especially in Yilan County, which has tightened emission standards. The compliance of the cement industry with environmental regulations has also been enlarged. Therefore, compliance with environmental regulations is becoming more and more important for the cement industry.

The impact of environmental law compliance

Regarding the amendment of environmental protection laws and regulations, the Company will pay attention to the trend of amendments, that is, the announcement that the amendment has become effective, so that relevant personnel can be informed to assess whether it is necessary to implement corresponding measures to ensure compliance with legal requirements. Violation of environmental protection laws and regulations will not only result in fines, but also intangible assets—the Company's image, which may undermine investors' willingness to invest. Therefore, the Company attaches great importance to all relevant environmental protection laws and regulations.

Management method of environmental law compliance

Policy and system:

1. The Company's environmental management policy includes "compliance with environmental protection regulations and commitments, try our best to achieve pollution reduction and prevention, manage environmental risks, and continue to improve."
2. Formulate "Regulations Management Operating Procedures", according to the regulations of this procedure, review the compliance of the factory with the newly amended regulations and corresponding measures, regularly comprehensively review the compliance with the current

applicable regulations, and review and improve non-compliant items.

3. Through regular and irregular on-site inspections, the factory's compliance with environmental protection laws and regulations is checked, and the unit that does not comply with the inspection record is proposed, and the unit will propose improvement measures.

Objective, Target:

By requiring each unit to achieve its annual environmental performance objectives and providing bonuses for reporting non-compliances, each unit is encouraged to propose items that do not comply with laws and regulations within the unit and to report non-compliance items with laws and regulations of other units.

Appeal mechanism:

1. Internal complaints can be made through legal compliance checks, employee discussion forums, opinion sheets or letters, meetings, announcements, etc.
2. External complaints can be made by means of opinion sheets, service and communication reports or letters, telephone calls, visits, meetings, etc.

There are no complaints in 2020.

Effectiveness evaluation method of environmental law compliance

Formulate plans in accordance with the "Regulations Management Operating Procedures" and regularly review compliance with environmental protection laws and regulations. Through on-site inspection to find out whether the on-site operation complies with environmental protection laws and regulations. The review and improvement of the non-conforming items are recorded and sent to the factory manager for approval. The annual management review meeting of the environmental management system will also review the non-conformities in the previous year, and the factory manager will instruct improvement measures.

Environmental protection penalty:

The Company's 2020 environmental protection penalty amount is NT$100,000. The facts of violations and improvements are as follows:

Facts of violations of environmental protection penalty	Corrected situation
The factory's cement dry manufacturing process discharge pipeline (No. P002) is a continuous automatic monitoring facility. The effective monitoring rate of the flow in the fourth quarter of 2020 (October to December) is 80.96%, the effective monitoring rate required by laws and regulations must be over 85%, and has violated Article 22, paragraph 3 of the Air Pollution Control Act, and Article 18, paragraph 1 of the Management Regulations of Continuous Automated Monitoring Facilities for Air Pollutant Emission of Stationary Pollution Sources.	Every time the Environmental Protection Bureau visits the factory for inspection, it will send someone to check the temperature first, so as not to cause a temperature error of more than 3 degrees, which will cause the flow rate to be invalid and the effective monitoring rate is insufficient. In February 2021, the Environmental Protection Bureau has approved the factory inspection.

5. Sustainable and Happy Workplace

Management Policy Description

Employees are the Company’s most important asset. Harmonious labor relation is an important cornerstone of corporate development. The Company is committed to improving employee compensation, benefits, employee training and development, in order to retain outstanding talents, fulfill corporate social responsibilities, and build the Company into a happy and authorized economic operators in Taiwan.

The impact of a sustainable and happy workplace

The Company is a stable and mature company, the average service period of the employees is relatively senior, and the loyalty and centripetal force to the Company are high. Attract outstanding talents to join the Company’s work team, provide a high-quality workplace and challenging work, cultivate outstanding talents who agree with the Company's mission and vision, and work together towards the goal of success.

Sustainability related topics:

Labor relations, employee rights, employee education and training, social responsibility, employee diversity and equal opportunities.

Management methods for a sustainable and happy workplace:

Policy and commitment:

1. Improve working conditions and salary levels, meet the needs of employees, and promote industrial relations.
2. Establish a complete promotion system and performance management qualification requirements, systematically cultivate cadres, and move toward the company's diversified and international goals.

3. Improve labor safety and health, and implement employee health management.
4. Let employees' goals and development, and growth be achieved at the same time to achieve a win-win situation for the company and employees.
5. Abide by the requirements of government laws and regulations.

Objective, Target:：

1. Create a good working environment, unite the centripetal force of employees, and create the company's sustainable value together.
2. Provide a complete training system and promotion system to retain outstanding professionals and enhance their innovation capabilities.

5.1 Human Resource Management

The Company is a stable and mature company with no growth in the number of employees, the average service period of the employees is relatively senior, and the loyalty and centripetal force to the Company are high. At the end of 2020, the Company has 490 employees with an average age of 49.49 and an average length of service periods of 12.40 years. The Company protects the rights of employees to associate freely. At present, the Dongao Plant of the Company has a labor union, which can promote harmony labor relations and protect the rights and interests of both parties.

Employment status

Year		2018	2019	2020
number of workers	Factory direct labor	247	256	249
	Factory indirect labor	112	112	112
	The Company's management and sales staff	127	126	129
	Total	486	494	490
Average age		49.18	49.62	49.49
Average years of service		13.20	12.69	12.40
Education distribution ratio	PhD	0.41	0.61	0.61
	Master	2.67	2.63	2.65
	Associate & Bachelor	31.48	30.77	34.90
	High school	40.95	42.31	39.59
	Under High school	24.49	23.68	22.25

Employment ratio of male and female employees by unit in 2020

Unit	Male (%)	Female (%)
Taipei Office	72	28
Dongao Plant	92	8
Horen Plant	94	6
Puxin Plant	83	17
Total	85	15

Employee recourse mechanism

The Company constructs various smooth channels of communication with employees to ensure that employees' needs and suggestions can be responded to. Employees can participate in the labor union to express relevant opinions, or directly through the company website, e-mail and telephone, etc., to immediately report or respond to the Company for the unreasonable treatment encountered in the workplace or discover illegal situations. The company will cautiously and actively respond to and deal with relevant opinions. There are no labor complaints (forced and compulsory labor and sexual harassment) cases in 2020.

Labor complaints (forced and compulsory labor and sexual harassment) channels:

Complaint hotline: 03-9986110 ext. 103 or 109; 02-25092188 ext. 2517

Dedicated fax for Complaint: 03-9986066; 02-25093033

Dedicated e-mail for Complaint: yu@luckygrp.com.tw; kevinlee@luckygrp.com.tw

Labor relations

A harmonious labor relation is the cornerstone of enterprise development, and the labor relations of the Company have been in a harmonious, stable and prosperous relationship over the years. In addition to promoting employee benefits, welfare and improving the working environment, the Company also maintains the smooth flow of labor communication channels, and provided the general discussion of the trade union in the factory to understand the difficulties and needs of employees. All levels of executives attached importance to each problems and responses and helped for the solutions.

In 2020, the Company has no losses from labor disputes.

Talent development strategy

1. Focus on the improvement of ability, not the promotion of position.
2. Two-pronged approach to development at work and development outside of work.
3. Each supervisor must be responsible for the formulation and implementation of employee development plans.
4. Implement a dual-track promotion system and set the career planning path for employees.
5. Formulate the qualification requirements for promotion, systematically cultivate cadres, and move towards the goal of company diversification, groupization and internationalization.

Recruitment

Through open, fair and equitable recruitment channels or selection methods, according to their personality characteristics, academic qualifications, professional licenses, work experience, and work attitudes, they are assigned to work and paid. There is no difference in treatment due to gender, age, marriage, facial features, race, and religion etc. The Company complies with the relevant regulations of the government's labor laws and regulations, and carefully screens and recruits the candidates that best meet the requirements of the position based on the job descriptions and conditions of each position. The Company has established an internal job rotation model, extensively cultivated employees' diversified talents, and strengthened employee training, such as new employee training, on-the-job training, professional knowledge training, etc., to meet the needs of the Company's future development and improve work efficiency and performance.

5.2 Employee Benefits

The Company’s salary system determines the ratio of salary to bonus according to class and function to achieve the effect of motivating employees. In addition, the salary level is set according to the Company's human structure, so that the management of the salary part can meet the principles of internal, external and individual fairness.

I. Employee benefits measures: ：

1. The Company has set a staff welfare committee, allocates the welfare fund based on the laws, and organize various welfare activities, such as employee travel, etc..
2. Award the gold memorial medal and diploma to praise outstanding colleagues.
3. Give birthday cash gifts, three Chinese festival bonus and children's education grant.
4. Continuously enhance the improvement of the working environment on site.
5. Conduct employee group insurance and employee health check. The related expenditure for the year of 2020 was NT$1,337,000.
6. The employee benefit allowance for 2020 is NT$6,054,000.

II. On-the-job training and training

The Company has a staff training program that provides staff training and implementation. The company's on-the-job training includes organizing various workshops, training courses and the cooperative appointment training with other training institutions or schools, or the Company may hold short-term work exercises based on job needs.

III. Protection measures of employee rights

A harmonious labor relation is the cornerstone of enterprise development, and the labor relations of the Company have been in a harmonious, stable and prosperous relationship over the years. In addition to promoting employee benefits, welfare and improving the working environment, the Company also maintains the smooth flow of labor communication channels, and provided the general discussion of the trade union in the factory to understand the difficulties and needs of employees. All levels of executives attached importance to each problems and responses and helped for the solutions.

IV. Social Responsibility Implementation:

1. Coordinate labor relations, promote labor management cooperation, and improve work efficiency, labor-management conferences are held regularly.
2. The Company has established the Regulations on the Prevention of Sexual Harassment (which has already submitted to the county government). Encourage employees to participate in external sexual abuse and sexual harassment prevention and related educational training, and the participants will be provided with business trip registration and budget subsidy, and the relevant information will be disclosed in an obvious place of the workplace publicly as well.
3. In addition to the special area set up on the company website, a dedicated telephone, fax and e-mail address for employee appeals are set up, and the human resources department handles employees' complaints and cases related to employees who are not satisfied with the punishment.

5.3 Employee Retirement System

I Retirement System

The "Labor Pension Act" has been in operation since 1 July 2005, Those who were employed before June 30 and still served on July 1 may choose to continue to apply the pension provisions of the Labor Standards Act, or the pension system to which the ordinance applies and retain the job tenure before the application of the conditions. After July 1, 2005, new employees may only apply to the pension system of the "Labor Pension Act".

The Company developed the regulations of employee pension in accordance with the "Labor Pension Act", which are the regulations of determining allocating the pension. Since July 1, 2005, 6% of each employee's monthly salary has been allocated to the individual pension accounts of Bureau of Labor Insurance. The Company developed the regulations of employee retirement based on the "Labor Standards Act", which are the regulations of determining paying the pension. The payment of employee pension is calculated on the basis of the service year and the average salary of the last six months before retirement, and the company contributes pension reserves monthly based on the provisions, which is submitted to the Labor Retirement Reserve Monitoring Committee for management, and the pension is saved in the Central Trust of China in the name of such committee

II Retirement conditions

Retirement can be divided into voluntary retirement and mandatory retirement. The standards are as follows:

1. Conditions for voluntary retirement
   (1) Where the worker attains the age of fifty-five and has worked for fifteen years.
   (2) Where the worker has worked for more than twenty-five years.
   (3) Where the worker attains the age of sixty and has worked for ten years.
2. Mandatory retirement standards
   (1) Where the worker attains the age of sixty-five.
   (2) Where the worker is unable to perform his/ her duties due to disability.
   A business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

III Retirement procedures

1. Retirement application
   Employees who apply for voluntary retirement should fill in a retirement application form. For mandatory retirement, the personnel department (factory)/human resources department (company) should fill in the retirement form.
2. Retirement review
   The retirement application is approved by the general manager/chairman after being reviewed by the supervisors at all levels and the human resources department.
3. Retirement procedures
   Before resigning, the retired employee must complete the resignation procedures in accordance with the personnel resignation procedures, complete various handover procedures, and be supervised by the direct supervisor to complete the work of the employee, the transfer of finances and items, and repay various debits. If they are living in the Company dormitory, they should also move out of the Company dormitory when they retire and resign. .
4. Pension issuance
   The employee pension is issued within one month from the effective date of retirement.

In 2020, 13 people retired and the pensions totaled NT$ 23,287,000.

5.4 Training and education

The Company has always been actively hiring local employees and attaches great importance to employee training and talent development. It has established employee training methods, stipulating employee training and implementation methods. The Company's on-the-job training includes holding various workshops, training courses, and cooperating with other training organizations or schools to appoint training, etc., or short-term work exercises based on work needs, etc. The training fee for various types of training is NT$375,000 in 2020.

Personnel training for implementing energy-saving and carbon-reducing programs

1. The heat wave is sweeping the world, and energy saving and carbon reduction are used to combat the effects of global warming, and this is also the objective policy of the government and the Company. Implement this policy in the work environment to reduce ineffective costs and waste, to reduce production costs, so that the Company can maintain a good competitiveness and welcome the cyclical economy rebounds.
2. Strengthen the inspection and maintenance of various equipment, implement the concept that prevention is better than cure, to reduce the frequency of abnormalities in mechanical equipment and increase the operation rate.
3. It is imperative to strengthen personnel training, because many grassroots cadres have reached retirement age, and many less experienced personnel are still lacking in experience, and talent training must be tempered by time. The inheritance of work experience in traditional industries is very important and valuable. Therefore, it is necessary to strengthen the employees' own nature and academic ability to become all-round professionals, so as to be able to cope with emergencies and shorten the time for handling exceptions.
4. It is hoped that the improvement and replacement of old machinery and equipment can increase unit output and reduce power consumption and failure frequency.
   EX: Iron removal equipment, the use of 4C crusher, the replacement of RM liner, the use of 3D010 lifter, improvement of incoming raw materials, conveyor chain, and disintegrator.
5. Strengthen environmental management to prevent dust from escaping, and occupational safety education to avoid personal injury.

5.5 Occupational Health and Safety

Management Policy Description

Safety and health management is the most important part of the Company's business management. In addition to preventing occupational disasters and ensuring the health and safety of labor, it also ensures the safety of the Company's property and assets.

The impact of Occupational health and safety:

The cement manufacturing industry is a high-risk workplace, so safety and health management must be implemented accurately. The Company has a complete safety and health management mechanism, including safety and health education and training for new recruits, the establishment of occupational safety and health committees, on-site safety inspection and maintenance of machinery and equipment, provision of personal safety protection equipment, and regular firefighting training, labor health inspections, and various educations training and re-training, etc., so that the Company's employees have a safe working environment and receive due respect and remuneration.

Management methods for a sustainable and happy workplace:

Policy and commitment:

1. Comply with safety and health laws and regulations, and establish a sound management system.
2. Set safety and health goals and strive to prevent disasters.
3. Provide labor education and training to increase overall safety awareness.
4. Encourage all employees to participate in consultation to ensure integration into daily operations.
5. Maintain the effective operation of the system and achieve continuous improvement of management.

Objective:

In order to protect the lives of workers, prevent disasters and comply with laws and regulations and ISO45001 standards, the Company has the responsibility and obligation to control all risks to the goal of zero disasters, but in order to achieve this goal, it should rely on complete occupational safety and health self-management system to achieve. The Company's safety and health goals are as follows:

1. Achieve the management plan targets set for the year.
2. Achieve zero occupational diseases for the year..
3. Achieve no disability injury for the year.

Organization and system of occupational health management

The Company has established occupational safety and health management units and personnel in accordance with the law to promote occupational safety and health-related businesses, and formed an occupational safety and health committee. The number of laborers is more than one-third of the total number of committee members. Regular meetings are held every quarter to review and suggest various safety and health management matters.

The protection measures of work environment and personal safety

I. Regularly implement work environment monitoring

Prevent occupational disasters, protect the health of workers, avoid physical and chemical hazards, provide workers with a healthy and comfortable working environment, and implement regular monitoring of the working environment. Perform dust and noise testing in the workplace every six months.

II. Regularly implement safety and health education and training

According to the provisions of Articles 16 and 17 of the Occupational Safety and Health Education and Training Rules.

1. Implement general safety and health education for the new recruit or employee in active service who is to change his post for 3 hours.
2. Implement safety and health education and training for in-service personnel, 3 hours every three years.
3. Implement various safety education and training (first aid personnel, crane operators, forklift operators, etc., 3 hours every three years.)
4. Implement various on-the-job education and training regulated by other laws and regulations.

III. Perform regular health checkups, health management and health promotion matters

1. Implement the health check of in-service personnel every year, and implement the health check of special personnel.
2. For health management and health promotion, hierarchical management is implemented in accordance with Article 15 of the Labor Health Protection Rules to protect the health of workers.

IV. Implement firefighting training regularly

Strengthen the disaster prevention education in the factory, raise the personnel's awareness of disaster prevention, prevent disasters from occurring, and implement regular firefighting training. According to Article 13 of the Fire Services Act and Article 15 of the Enforcement Rules of Fire Services Act, it will be implemented every six months.

V. According to the "Occupational Safety and Health Act" and "Enforcement Rules of the Occupational Safety and Health Act", the Company has formulated the "Safety and health work rules", and announced the implementation of the required safety and health management matters, and provided employees to follow.

VI. Implement automatic safety and health inspections to protect the personal safety of workers.

1. Fire-fighting equipment is inspected regularly, and all fire-fighting facilities are inspected regularly every quarter.
2. The forklift is inspected regularly, monthly inspections and records are implemented, and overall inspections and records are implemented annually.
3. The winder is inspected regularly, monthly inspection and recording are implemented, and overall inspection and recording are implemented annually.
4. The stationary crane is inspected regularly, hanging operation inspection points are implemented before use, regular inspections and records are implemented every month, and overall inspections and records are implemented every year.
5. General vehicles are inspected regularly, inspections are implemented and recorded before daily operations, and regular inspections and recorded every quarter.
6. Check and record the protective equipment of the on-site operating machinery and equipment, such as emergency pull ropes, protective nets, protective covers, deviation development, etc.
7. Import the ISO 45001 occupational safety and health management system standard.
   The Company hired a consulting company in December 2018 to provide guidance on the establishment of the ISO 45001:2018 occupational safety and health management system, and the system certification was implemented by the TUV NORD international verification agency in July 2019. It passed the certification on August 26, 2019 and

obtained the ISO 45001:2018 certificate.


TÜV NORD

CERTIFICATE

Management system as per
ISO 45001: 2018

In accordance with TÜV NORD CERT procedures, it is hereby certified that

LUCKY CEMENT CORPORATION TUNG-AO PLANT
No. 101, Sec. 3, Su Hua Rd., Tung Yo Vil.,
Nan-Ao, I-Lan 27291, Taiwan (R.O.C.)

applies a management system in line with the above standard for the following scope

Manufacturing of Cement Product

Certificate Registration No. 44 126 19 82 0136
Audit Report No. 2.5-TWN0828/2019

Valid from 2019-08-26
Valid until 2022-08-25
Initial Certification 2019-08-26

Certification Body
at TÜV NORD CERT GmbH

TUV ASIA PACIFIC LIMITED
Taiwan Branch
Room A1, 9F, No.333, Sec.2,
Tun Hua S. Rd.,
Taipei 10669 Taiwan, R.O.C.
2019-08-26

This certification was conducted in accordance with the TÜV NORD CERT auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH Langemarckstrasse 20 45141 Essen www.tuev-nord-cert.com

DAkkS

The latest ISO 45001: 2018 TUV NORD International Verification Agency implements system certification
Date of issuance: August 26, 2019
Covering period: August 26, 2019 - August 25, 2022

The management performance of occupational safety and health

Each year, based on the annual safety and health management performance, an occupational safety and health management plan is drawn up, and various schedules are scheduled and implemented.

1. Environmental monitoring of high-risk workplaces

   The Company draws up a work environment monitoring plan in accordance with the law, regularly implements work environment monitoring for noise and dust work sites, and entrusts a work environment monitoring agency approved by the Ministry of Labor to perform various environmental testing tasks.

2. Provide personal protective equipment
   In order to ensure that employees are not affected by the hazards caused by various mechanical equipment and hazardous materials in the workplace, the Company provides appropriate personal protective equipment for employees to use for various hazardous operations. Especially in the cement manufacturing industry, workers must often come into contact with high-heat materials. Therefore, the Company must ensure adequate fire protection equipment and teach employees to wear and use them properly.

3. Occupational disaster statistics
   The total number of labor disability injuries in the Company's Dongao factory in 2020 is one. The worker's disability injury type is a fall, and the injury status is temporary total disability.

   Review and improvement of disability injuries:
   (1) Lay with iron plate or cement to a safe state to eliminate the height difference caused by the threshold. .
   (2) Request the responsible unit of the site to carry out hazard identification and risk assessment for the safety status of the relevant Channels.
   (3) The Occupational Safety and Health Committee of our factory implemented safety advocacy for this disaster.

4. The total expenditure on labor safety in 2020 amounted to approximately NT$4,923,000.

Firefighting training

Occupational safety education and training

Before improvement **After improvement**

Occupational disasters-improvement of fall accidents

Labor health inspection and management.

In accordance with the provisions of the Occupational Safety and Health Act and Labor Health Protection Rules, the Company regularly implements general health inspections of on-the-job workers and special health inspections for special hazardous operations every year, and implements hierarchical management based on inspection reports. The results of the health check were made into a handbook and sent to workers for their own reference.

The Company’s Dongao factory has medical staff to handle various health checks, health promotion activities and management matters, and provide personal health consulting services.

6. Sustainable Social Care

Management Policy Description

In order to maintain social welfare, the Company actively participates in community development and related activities of charitable public welfare organizations. The scope of objects covers the communities construction where the Company’s business units are located and nearby.

The impact of sustainable social care:

The Company is located at the junction of Su'ao Township and Nan'ao Township, and spares no effort in establishing good-neighborly relations and assisting local development. Caring for and assisting the growth of the community is the Company's business goals. It is taken from the society and used in the society. This belief has become the center of the Company's business philosophy. Stable and practical management, thanks to the recognition and support of the community and the folks, the Company is eager to attract others, and after being enthusiastic about public welfare, we will support local charities and public welfare organizations with the belief of "returning to the village and society", hoping to promote social harmony. Let love and care warm the world.

The management method of sustainable social care:

Policy and commitment:

The Company's social responsibility commitments are mainly aimed at communities construction and emergency relief for vulnerable groups, assisting local people and indigenous people in employment, care and education, and providing all necessary assistance.

Objective, Target:

Social expenditures are subsidized by the Company after evaluating the needs of local communities.

Specific actions and initiatives：

Sponsor social events	• Sponsored the Yilan County Press Association's 2020 Journalists Festival • Sponsored fund for the association of the Police friends of R.O.C.
Caring for the community (neighboring residents) activities	• Sponsored the year-end party organized by Suao Town Office • Sponsored the 2020 street lamp adoption activities of Suao Town Office • Sponsored the Year-end Gala organized by the Suao Volunteer Fire Fighting Team • Sponsored Suao Volunteer Fire Fighting Team’s 2020 Mid-Autumn Festival activities • Sponsored the 2020 activities of Suao Tourism System • Sponsored the 2020 Suao Tennis Event held by Suao Town Sports Association • Sponsored the 2020 Suao Qixing Mountain Hiking Sports Activity held by the Suao Town Sports Association • Sponsored the Suao Town People Service Agency's 2020 New Year Friendship Event • Sponsored the 2020 Boerfu Cup Basketball Tournament organized by the Nanao Township Sports Development Association • Donation to the 2020 activities of Dongao Catholic Church in Nan'ao Township, Archdiocese of Taipei • Donation to the Dongao Church of the Taiyar Presbyterian Church in Taiwan • Sponsored the 2020celebration of the Goddess Matsu at Zhen'an Temple in Great Nan'ao • Sponsored the 2020 Palace Celebration of Dongao Fude Palace in Nan'ao Township • Sponsored Dongao Chaoan Palace 2020 Palace Celebration • Sponsored Dongao Chaoan Palace 2020 Zhongyuan Purdue • Sponsored the 2020 expenses of Dongao Community Evergreen Canteen. • Donated the 2020 activities of Nan'ao Township Dongyue Community Development Association • Sponsored the 2020 Resource Achievement Exhibition of Nan'ao Township Dongyue Community Development Association • Sponsored the 2020 Scholarship in Dongao District, Nan'ao Township • Sponsored prizes for the 2019 Graduation Ceremony (2020.06) of Dongao Elementary School in Nan'ao Township

	• Sponsored prizes for the 2019 graduation ceremony of Nan'ao Township Jinyue Elementary School (2020.06) • Sponsored prizes for the 2019 Graduation Ceremony of Nan'ao Township Bihou Elementary School (2020.06) • Sponsored the 2020 Chongyang Festival Respect for the Elderly at the Beisanzhan Changchun Club in Xincheng Township, Hualien County
Humanities/Education	• Donation to National Chung Cheng University's second academic year (2020) academic rebate fund • Sponsored Dongyue Village in Nan'ao Township to participate in the 2020 Atayal Cultural Traditional Dance Competition • Donation to the 2020 Taroko Ballad and Chorus Competition of Xiulin Township Office in Hualien County

Effective evaluation methods for social care:

Evaluation plan

The handling unit keeps track of the achievement of the target.

Actual evaluation:

The evaluation of social responsibility commitment expenditure items and expenditure details is proposed by the community and the organization, and then submitted to the superior for approval by the handling unit. In 2020, the Company participated in 2 social sponsorships, 23 caring community (neighboring residents) activities, and 3 humanities/education projects, with a sponsorship amount of NT$ 1,071,000.

6.1 Indigenous People Care

The Company’s Dongao factory is located in Nan'ao area, within the scope of "Houshan". The Dongao tribe is a gathering place for the aboriginal people of Atayal tribe. In the early stage, the tribe development was relatively backward and the economic conditions were insufficient. Since 1980, the Company established a factory here to increase the employment of the aborigines.

opportunity, directly employ aboriginal people to work in the factory. As of the end of 2020, the Dongao factory has 24 indigenous people, accounting for 14.29% of the total number of 168 employees, and the Horen factory has 19 indigenous people, accounting for 40.43% of the factory's 47 employees. The Company takes practical actions to care for the lives of the aborigines, and actively assists community public affairs and community environment cleaning, road maintenance, immediate care for the community, care for the disadvantaged people and give the greatest help, and create a happy and hopeful community together.

6.2 Community Empowerment Care and Humanistic Education Culture

The Company spares no effort in giving back to the local community, supporting various social welfare activities with practical actions, and never stopping to give back to the society. It is more grateful for the gratitude, thanks to the local recognition and support, and has been unanimously affirmed by all sectors of society.

In order to promote the employment of local employees, as of the end of 2020, there were 166 local employees in Dongao Plant (Yilan County), accounting for 98.8% of the total number of 168 employees in the plant; 22 local employees in Horen Plant (Hualian County), accounting for the total number of 47 employees in the plant 46.8%.


Sports
蘇澳網球公益運動嘉年華活動


Sports
蘇澳網球公益運動嘉年華活動


五育
優良獎


東澳社區
長青食堂

7. Appendix

7.1 GRI Standard

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
GRI 101		**Foundation**			
GRI 102		**General Disclosures**			
	1. Organizational Profile				
	102-1	Name of the organization	2.1 Company Overview	8	
	102-2	Activities, brands, products, and service	2.1 Company Overview	8	
	102-3	Location of headquarters	2. Sustainable Company and Value Chain	8	
	102-4	Location of operations	2. Sustainable Company and Value Chain	8	
	102-5	Ownership and legal form	2. Sustainable Company and Value Chain	8	
	102-6	Markets served	2. Sustainable Company and Value Chain	8	
	102-7	Scale of the Organization	2. Sustainable Company and Value Chain	8	
	102-8	Information on employees and other workers	5.1 Human Resource Management	45	
	102-9	Supply chain	2.2 Products and Services	8	
	102-10	Significant changes to the organization and its supply chain	2.4 Supply Chain Management	11	
	102-11	Precautionary principle or approach	3.4 Risks and Opportunities	25	
	102-12	External initiatives	1.2 Stakeholder Engagement	5	
	102-13	Membership of associations	3.2 Governance Organization	18	
	2. Strategy				
	102-14	Statement from senior decision-maker	The Company's Corporate Social Responsibility	1	
	102-15	Key impacts, risks, and opportunities	3.4 Risks and Opportunities	25	
	3. Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behavior	3.1 Ethics and Integrity	16	
	102-17	Mechanisms for advice and concerns about ethics	3.1 Ethics and Integrity	16	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
	4.Governance				
	102-18	Governance structure	3.2 Governance Organization	18	
	102-19	Delegating authority	3.2 Governance Organization	18	
	102-20	Executive-level responsibility for economics, environmental, and social topics	3.2 Governance Organization	18	
	102-21	Consulting stakeholders on economics, environmental, and social topics	1.3 Identification of Material Topics	7	
	102-22	Composition of the highest governance body and its committees	3.2 Governance Organization	18	
	102-23	Chair of the highest governance body	3.2 Governance Organization	18	
	102-24	Nominating and selecting the highest governance body	3.2 Governance Organization	18	
	102-25	Conflicts of interest	3.2 Governance Organization	18	
	102-26	Role of highest governance body in setting purpose, values, and strategy	3.2 Governance Organization	18	
	102-27	Collective knowledge of highest governance body	3.2 Governance Organization	18	
GRI 102	102-28	Evaluating the highest governance body's performance	3.2 Governance Organization	18	
	102-29	Identifying and managing economics, environmental, and social impacts	1.3 Identification of Material Topics	7	
	102-30	Effectiveness of risk management processes	3.4 Risks and Opportunities	25	
	102-31	Review of economics, environmental, and social topics	1.3 Identification of Material Topics	7	
	102-32	Highest governance body's role in sustainability reporting	1.3 Identification of Material Topics	7	
	102-33	Communicating critical concerns	1.3 Identification of Material Topics	7	
	102-34	Nature and total number of critical concerns	1.3 Identification of Material Topics	7	
	102-35	Remuneration policies	3.2 Governance Organization	18	
	102-36	Process for determining remuneration	3.2 Governance Organization	18	
	102-37	Stakeholders' involvement in remuneration	1.3 Identification of Material Topics	7	
	102-38	Annual total compensation ratio	1.3 Identification of Material Topics	7	
	102-39	Percentage increase in annual total compensation ratio	1.3 Identification of Material Topics	7	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
	5. Stakeholder Engagement				
	102-40	List of stakeholder groups	1.2 Stakeholder Engagement	5	
	102-41	Collective bargaining agreements	1.2 Stakeholder Engagement	5	
	102-42	Identifying and selecting stakeholders	1.2 Stakeholder Engagement	5	
	102-43	Approach to stakeholder engagement	1.2 Stakeholder Engagement	5	
	102-44	Key topics and concerns raised	1.2 Stakeholder Engagement	5	
	6. Reporting Practice				
	102-45	Entities included in the consolidated financial statements	Refer to the Company's Annual Report		
	102-46	Defining report content and topic Boundaries	Editorial policy	3	
	102-47	List of material topics	Editorial policy	3	
	102-48	Restatements of information	Editorial policy	3	
	102-49	Changes in reporting	Editorial policy	3	
	102-50	Reporting period	Editorial policy	3	
	102-51	Date of most recent report	Editorial policy	3	
	102-52	Reporting cycle	Editorial policy	3	
	102-53	Contact point for questions regarding the report	Editorial policy	3	
	102-54	Claims of reporting in accordance with the GRI Standards	Editorial policy	3	
	102-55	GRI content index	7. Appendix	65	
	102-56	External assurance			None
GRI 103	**Management Approach**				
	103-1	Explanation of the material topics and its Boundary	The Company's Corporate Social Responsibility	1	
	103-2	The management approach and its components	The Company's Corporate Social Responsibility	1	
	103-3	Evaluation of the management approach	The Company's Corporate Social Responsibility	1	
GRI 201	**Economic Performance**				
	201-1	Direct economic value generated and distributed	3.3 Economic Performance	24	
	201-2	Financial implications and other risks and opportunities due to climate change	--		
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Retirement system	48	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
	201-4	Financial assistance received from government			None
GRI 202	**Market Presence**				
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Human Resource Management	45	
	202-2	Proportion of senior management hired from the local community	5.1 Human Resource Management	45	
GRI 203	**Indirect Economic Impacts**				
	203-1	Infrastructure investments and services supported			None
	203-2	Significant indirect economic impacts			None
GRI 204	**Procurement Practices**				
	204-1	Proportion of spending on local suppliers	2.4 Supply Chain Management	11	
GRI 205	**Anti-Corruption**				
	205-1	Operations assessed for risks related to corruption	3.1 Ethics and Integrity	16	
	205-2	Communication and training about anti-corruption policies and procedures	3.1 Ethics and Integrity	16	
	205-3	Confirmed incidents of corruption and actions taken	3.1 Ethics and Integrity	16	
GRI 206	**Anti-Competitive Behavior**				
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.1 Ethics and Integrity	16	
GRI 207	**Tax**				
	207-1	Approach to tax	Refer to the Company's Annual Report		
	207-2	Tax governance, control, and risk management	Refer to the Company's Annual Report		
	207-3	Stakeholder engagement and management of concerns related to tax	Refer to the Company's Annual Report		
GRI 301	**Materials**				
	301-1	Materials used by weight or volume	2.4 Supply Chain Management	11	
	301-2	Recycled input materials used	2.4 Supply Chain Management	11	
	301-3	Reclaimed products and their packaging materials	2.4 Supply Chain Management	11	
GRI 302	**Energy**				
	302-1	Energy consumption within the organization	4.3 Implement Energy Management	35	
	302-2	Energy consumption outside of the organization	4.3 Implement Energy Management	35	
	302-3	Energy intensity	4.3 Implement Energy Management	35	
	302-4	Reduction of energy consumption	4.3 Implement Energy	35	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
			Management		
	302-5	Reduction in energy requirements of products and services	4.3 Implement Energy Management	35	
GRI 303	**Water and Effluents**				
	303-1	Interactions with water as a shared resource	4.5 Water Resources Management	40	
	303-2	Management of water discharge-related impacts	4.5 Water Resources Management	40	
	303-3	Water withdrawal	4.5 Water Resources Management	40	
	303-4	Water discharge	4.5 Water Resources Management	40	
	303-5	Water consumption	4.5 Water Resources Management	40	
GRI 304	**Biodiversity**				
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			None
	304-2	Significant impacts of activities, products, and services on biodiversity			None
	304-3	Habitats protected or restored			None
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			None
GRI 305	**Emissions**				
	305-1	Direct (Scope 1) GHG emissions	4.2 GHG Emissions and Reduction	31	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 GHG Emissions and Reduction	31	
	305-3	Other indirect (Scope 3) GHG emissions	4.2 GHG Emissions and Reduction	31	
	305-4	GHG emissions intensity	4.2 GHG Emissions and Reduction	31	
	305-5	Reduction of GHG emissions	4.2 GHG Emissions and Reduction	31	
	305-6	Emissions of ozone-depleting substances (ODS)	4.4 Air Pollution Control	37	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.4 Air Pollution Control	37	
GRI 306	**Waste**				
	306-1	Waste generation and significant waste-related impacts	4. Sustainable Green Environment	27	
	306-2	Management of significant waste-related impacts	4. Sustainable Green Environment	27	
	306-3	Waste generated	4. Sustainable Green Environment	27	
	306-4	Waste diverted from disposal	4. Sustainable Green Environment	27	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
	306-5	Waste directed to disposal	4. Sustainable Green Environment	27	
GRI 307	**Environmental Compliance**				
	307-1	Non-compliance with environmental laws and regulations	4.6 Compliance with Environmental Laws and Regulations	42	
GRI 308	**Supplier Environmental Assessment**				
	308-1	New suppliers that were screened using environmental criteria	2.4 Supply Chain Management	11	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.4 Supply Chain Management	11	
GRI 401	**Employment**				
	401-1	New employee hires and employee turnover	5.1 Human Resource Management	45	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Benefits	47	
	401-3	Parental leave	5.2 Employee Benefits	47	
GRI 402	**Labor Management Relations**				
	402-1	Minimum notice periods regarding operational changes	5. Sustainable and Happy Workplace	44	
GRI 403	**Occupational Health and Safety**				
	403-1	Occupational health and safety management system	5.5 Occupational Health and Safety	4	
	403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	51	
	403-3	Occupational health services	5.5 Occupational Health and Safety	51	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	51	
	403-5	Worker training on occupational health and safety	5.5 Occupational Health and Safety	51	
	403-6	Promotion of worker health	5.5 Occupational Health and Safety	51	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational Health and Safety	51	
	403-8	Workers covered by an occupational health and safety management system	5.5 Occupational Health and Safety	51	
	403-9	Work-related injuries	5.5 Occupational Health and Safety	51	
	403-10	Work-related ill health	5.5 Occupational Health and Safety	51	
GRI 404	**Training and Education**				
	404-1	Average hours of training per year per employee	5.4 Training and Education	50	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Training and Education	50	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
	404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Training and Education	50	
GRI 405	**Diversity and Equal Opportunity**				
	405-1	Diversity of governance bodies and employees	5.1 Human Resource Management	45	
	405-2	Ratio of basic salary and remuneration of women to men	5.1 Human Resource Management	45	
GRI 406	**Non-Discrimination**				
	406-1	Incidents of discrimination and corrective actions taken	5.1 Human Resource Management	45	
GRI 407	**Freedom of Association and Collective Bargaining**				
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2. Sustainable Enterprise and Value Chain	8	
GRI 408	**Child Labor**				
	408-1	Operations and suppliers at significant risk for incidents of child labor	2. Sustainable Enterprise and Value Chain	8	
GRI 409	**Forced or Compulsory Labor**				
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Human Resource Management	45	
GRI 410	**Security Practices**				
	410-1	Security personnel trained in human rights policies or procedures	5.1 Human Resource Management	45	
GRI 411	**Rights of Indigenous Peoples**				
	411-1	Incidents of violations involving rights of indigenous peoples	6.1 Indigenous People Care	61	
GRI 412	**Human Rights Assessment**				
	412-1	Operations that have been subject to human rights reviews or impact assessments	2.4 Supply Chain Management	11	
	412-2	Employee training on human rights policies or procedures	2.4 Supply Chain Management	11	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2.4 Supply Chain Management	11	
GRI 413	**Local Communities**				
	413-1	Operations with local community engagement, impact assessments, and development programs	6. Sustainable social care	58	
	413-2	Operations with significant actual and potential negative impacts on local communities	6.2 Community Empowerment Care and Humanistic Education Culture	62	

General Standard Disclosures		Description	Corresponding Chapter or Remarks	Page	Note/ Bypass
GRI 414	**Supplier Social Assessment**				
	414-1	New suppliers that were screened using social criteria	2.4 Supply Chain Management	11	
	414-2	Negative social impacts in the supply chain and actions taken	2.4 Supply Chain Management	11	
GRI 415	**Public Policy**				
	415-1	Political contributions	Refer to the Company's Annual Report		
GRI 416	**Customer Health and Safety**				
	416-1	Assessment of the health and safety impacts of product and service categories	2.2 Products and Services	8	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2 Products and Services	8	
GRI 417	**Marketing and Labeling**				
	417-1	Requirements for product and service information and labeling	2.2 Products and Services	8	
	417-2	Incidents of non-compliance concerning product and service information and labeling			None
	417-3	Incidents of non-compliance concerning marketing communications			None
GRI 418	**Customer Privacy**				
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			None
GRI 419	**Socioeconomic Compliance**				
	419-1	Non-compliance with laws and regulations in the social and economic area			None