



Lucky Cement Corporation



2026 Sustainability Report

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Table of Contents

Message from Management	1
Editorial Policy	4
Sustainability Performance	5
1. Sustainability Issue Management and Stakeholder Engagement	7
1.1 Corporate Sustainability Development Policy	7
1.2 Identification of Material Topics for Stakeholders	7
2. About Lucky Cement	19
2.1 Company Overview	19
2.2 Products and Services	22
2.3 Participation in External Organizations	28
3. Corporate Governance	29
3.1 Governance Practices	30
3.2 Risk Management	38
3.3 Compliance with laws and regulations	44
3.4 Business performance	49
3.5 Information Security Protection	52
4. Sustainable Green Environment	55
4.1 Circular Economy	55
4.2 Implementation of Energy Management	59
4.3 Greenhouse Gas Emissions and Reduction	63
4.4 Air Pollution Prevention and Control	75
4.5 Recycling and Reuse of Waste Resources	78
4.6 Water Resources Management	80
4.7 Biodiversity	86
4.8 Environmental Compliance with laws and regulations	90
4.9 Sustainable Supply Chain	92
5. Social Care	98
5.1 Human Rights Protection	98
5.2 Employee Overview	99
5.3 Compensation and Benefits	101
5.4 Talent cultivation	108
5.5 Occupational Health and Safety	111

5.6 Labor-Management Relations	120
6. Sustainable Social Care	121
6.1 Indigenous Community Care	123
6.2 Community Building Care and Humanities Education and Culture	124
Appendix 1. GRI Index	125
Appendix 2. Sustainability Accounting Standards Board (SASB) Reference Table	135
Appendix 3. ESG Information Disclosure of Taiwan Stock Exchange—Cement Industry	138
Appendix 4. TCFD Disclosure	140
Appendix 5. Climate-related information of TWSE/TPEX-listed companies	148
Appendix 6. Greenhouse Gas Inventory Certificate: ISO 14064-1:2018 Third-Party Verification Certificate	153

Message from the manager

To all stakeholders who are concerned about the future of Lucky Cement Corporation:

A stable supply of basic materials is a key cornerstone supporting social operations and national resilience.

In a critical era of global sustainable development and supply chain restructuring, maintaining stability amid uncertainty and strengthening foundations during transformation have become core issues that enterprises cannot avoid. Lucky Cement upholds the core philosophy of “Integrity, Professionalism, and Steadiness” of its founder, Mr. Liang-Chuan Chen, has long cultivated the field of infrastructure materials, is committed to practicing sustainable development through sound operations, and continues to create long-term and stable value for society.

Sound Operations. Safeguarding the Value of Basic Industries

Driven by the global wave of artificial intelligence (AI), demand for high-tech industries and infrastructure continues to expand, supporting overall economic development. Taiwan has also benefited from semiconductor industry investment and the promotion of public construction, and the cement market continues to receive a certain level of support. However, the market also faces structural challenges in 2025. In addition to increasingly cautious domestic demand, imported cement and imported sand and gravel exert competitive pressure on the domestic market due to their price and supply flexibility advantages. From a corporate management perspective, this is the norm of market competition; however, from a long-term development perspective, cement and sand and gravel are indispensable key materials for infrastructure, and their stable supply is critical to the promotion of national infrastructure and the resilience of social operations. Therefore, when facing market competition, Lucky Cement does not regard short-term price competition as its primary strategy, but continuously strengthens product quality, improves operational efficiency, and prudently adjusts production and sales rhythms to maintain sound operations and the reliability of key material supplies, ensuring the foundation for the Company’s long-term development.

Addressing Climate Change. Enhancing Operational Resilience

Climate change has become an important factor affecting corporate sustainable development. Extreme weather and environmental changes have brought uncertainty to mining, raw material supply, and transportation systems in eastern regions, and have also highlighted the vulnerability of the basic materials supply chain under risk impacts. Lucky Cement continuously strengthens overall operational resilience, comprehensively enhances scheduling and response capabilities from production to the supply chain, and plans its operational layout from a long-term perspective to ensure stable supply amid environmental changes and support social and industrial development needs.

Moving Towards a Low-Carbon Transition. Practicing Environmental Responsibility

With the formal implementation of the carbon fee system in 2025, the industry has entered a new stage of internalizing carbon costs. Lucky Cement adopts a prudent and pragmatic approach, incorporates carbon reduction actions into its operational core, follows its voluntary reduction plan, and continuously promotes various specific measures to gradually reduce carbon emissions while ensuring product quality and supply stability. Meanwhile, we continue to monitor development trends in smart manufacturing and data-driven management, prudently assess their application potential in energy management and process optimization, and regard them as important directions for enhancing future operational efficiency and environmental performance.

Promoting Resource Circulation. Building a Sustainable Supply System

In an environment where resources are increasingly limited, improving resource use efficiency has become an important corporate responsibility. Lucky Cement continuously promotes the application of alternative raw materials and cement kiln co-processing technology to reduce dependence on natural resources. Through cooperation with industry chain partners, we are gradually building a resource symbiosis system and strengthening supply chain resilience, which not only reduces environmental burdens but also ensures the long-term stable supply of key materials.

Mutual Benefit and Shared Prosperity. Deepening Social Connections

Corporate sustainable development comes from growing together with society. Lucky Cement continuously creates a fair and friendly working environment, values talent development and employee development, and deepens connections with communities through local care and social participation. On the market front, we continue to enhance the value of products and services based on quality and integrity, establish long-term trust relationships with customers, and achieve mutually prosperous development for the Company and stakeholders.

Looking Ahead. Moving Forward Steadily

Looking ahead, climate change, carbon management policies, and international competition will continue to affect industry development. Lucky Cement will uphold the core philosophy of sustainable management, continuously enhance product competitiveness and supply stability on the basis of sound development, and prudently respond to challenges arising from global supply chain restructuring. I firmly believe that the value of the basic materials industry lies in its ability to steadily support social operations at critical moments. Lucky Cement will continue to base its actions on long-term responsibility, ensure quality and stable supply, and move forward steadily on the path of sustainable development to create a safer and more reliable future for society.



Editorial Policy

This report has been prepared in accordance with the 2021 edition of the GRI Standards and with reference to the Sustainability Accounting Standards Board (SASB) Cement Industry Standard and the frameworks of IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” and IFRS S2 “Climate-related Disclosures,” progressively strengthening disclosures regarding climate risks, governance mechanisms, strategic management, and financial impacts to enhance sustainability information transparency and alignment with international standards.

The Company continuously monitors material issues such as climate change, energy transition, carbon management, and supply chain resilience, and progressively incorporates relevant risks and opportunities into operational decision-making and management mechanisms as important directions for strengthening corporate sustainability governance and enhancing operational resilience in the future.

The management and performance of corporate sustainability at Lucky Cement’s key operational locations constitute the primary scope of information provided in this report. 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 on 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 year’s sustainability report has not been subject to independent third-party verification or assurance.

Disclosure categories	Scope of sustainability information
Period	For the full year of 2025, to ensure the completeness of disclosed information, if certain content involves operational activities spanning multiple years, such details will be separately explained within the text of this report.
Operational sites	Headquarters, Dong'ao Plant, Puxin Plant, and Heren Plant
Financial Data	Consistent with the consolidated financial report disclosed by Lucky Cement
EHS Data	Primarily the Dong' ao Plant, Puxin Plant, and Heren Plant; if the scope differs, explanatory notes are provided below the statistical tables.
Social	Headquarters, Dong'ao Plant, Puxin Plant, and Heren Plant

This report is the 13th edition, is issued annually, and is scheduled for its next publication in August 2027.

Status of report restatement

- Energy Consumption Statistics: Due to an error in the unit used for heavy fuel oil in 2024, the data have been corrected in Chapter 4.2, Implementation of Energy Management, of this report.
- Air Pollution Emissions: Due to errors in the disclosure of particulate pollutants at the Heren Plant from 2023 to 2025, the data have been corrected in Chapter 4.4, Air Pollution Prevention and Control, of this report.
- Waste Generation Statistics: Due to errors in the disclosure of general industrial waste at the Puxin Plant from 2023 to 2025, the data have been corrected in Chapter 4.5, Recycling and Reuse of Waste Resources, of this report.
- Water Resource Use Statistics: Due to calculation errors in 2023 and 2024, the data have been corrected in Chapter 4.6, Water Resources Management, of this report.
- New Hires and Departing Employees: Due to errors in the number and proportion of new hires in 2024, the data have been corrected in Chapter 5.3, Compensation and Benefits, of this report.

- Salaries of Full-Time Employees Not Serving in Supervisory Positions: Due to errors in the number of employees and salary information disclosed for 2024, the relevant charts have been corrected in Chapter 5.3, Compensation and Benefits, of this report.
- Total Hours Worked: The working hours of employees from other companies within the same Group were mistakenly included in the Heren Plant' s figures for 2023 and 2024, resulting in a significant increase in the reported hours. The data have been corrected in Chapter 5.5.7, Occupational Injury Statistics, of this report.

Issuance cycle

The report is issued annually, and this report is the 13th annual edition,

Previous edition published: August 2025

Current edition published: August 2026

Next edition scheduled: August 2027

Report consultation

If you have any suggestions regarding the content of this report, please do not hesitate to contact us.

Contact point			
Operational sites	Sustainability contact point	Email	Telephone
Headquarters	Quality Assurance Center	welson@luckygrp.com.tw	02-25092188#2326
Headquarters	Sustainability Department	ricky@luckygrp.com.tw	02-25092188#2305

I. Sustainability Issue Management and Stakeholder Engagement

1.1 Corporate sustainable development policy

To ensure the implementation of corporate sustainability, Lucky Cement has established a Sustainability Development Committee (ESG Committee) under the board of directors. The ESG committee is chaired by the directors of the Company, including two independent directors. The duties of the Sustainability Committee include the formulation of corporate sustainable development policies and systems, the review of corporate sustainable development annual plans and strategic directions, the review of corporate sustainable development projects and activity plans, the review of corporate sustainable development reports, and other assignments by the board on matters related to corporate sustainable development and participation in public affairs. After the resolutions or discussions approved by the Sustainability Committee are recorded, they will be handled by the relevant departments of the Company. The Sustainability Committee reports on the implementation of corporate sustainable development policies to the board every year. The Company has set up a part-time corporate sustainable development unit to assist in revising related measures and regulations of corporate sustainable development, and is responsible for the preparation of corporate sustainable development reports

1.2 Identification of material topics for stakeholders

The Company's process of identifying material issues is based on the GRI Standards, guided by the reporting principles and defined report content, the degree of concern for 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 issues that the Company focuses on.

1.2.1 Stakeholder and material topic identification process

Lucky Cement engages with various stakeholders through routine business interactions. Through internal discussions and by referencing industry practices, the company has identified five main categories of stakeholders: employees, customers, suppliers, local communities, and investors. Upholding the principle of respecting stakeholder rights, Lucky Cement ensures appropriate communication and stakeholder participation to understand their reasonable expectations and needs, and to properly respond to the issues they care about.

Issues and communication channels of the Company's main stakeholders

Key stakeholder categories	Significance of key stakeholders to the Company	Key concerns	Communication channels / frequency	Communication practice statistics	Report response sections
Investors	Shareholders are the investors of the Company. The company should safeguard their rights, treat all shareholders fairly, and ensure they are fully informed, involved, and entitled to make decisions on significant corporate matters.	Product responsibility / product safety Business performance Ethics and integrity Customer relations Compliance with laws and regulations	Corporate Website Financial Reports Shareholder Service Mailbox Annual General Meeting Corporate Shareholder Visits Sustainability Report General shareholders' meeting/yearly Investor relations section on official website/monthly http://www.luckygrp.com.tw Market Observation Post System/irregular updates Contact Telephone Number 02-25092188 Extension 2418	1. 83% of shares attended the Annual General Meeting 2. The investor hotline received 5-10 calls (not precisely counted) 3. Held 1 institutional investor conference	3.1 Governance practices 3.2 Risk management 3.3 Compliance with laws and regulations 3.4 Business performance 3.5 Information security protection
Suppliers	The Company maintains	Sustainable supply chain	Corporate Website Complaint mechanism	1. As of the end of 2025, a total of 401	3.1 Governance practices

long-term and positive interactions with its supply partners. Our products and services rely on the stable provision of raw materials and components from numerous suppliers. In addition, by leveraging our influence in the industry, we work together with our supply partners to prevent environmental pollution and violations of labor and human rights.	Product responsibility / product safety Business performance Customer relations Compliance with laws and regulations	Telephone, E-MAIL/ad hoc Contact Telephone Number 02-25092188 Extension 2333	suppliers have signed and returned relevant provisions on adherence to integrity in business operations and ethical standards and compliance with integrity and ethics commitments 2. There were 0 supplier complaint cases in 2025	4.3 GHG Emissions and Reduction 4.9 Sustainable supply chain 5.5 Occupational health and safety
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Client	Customers are the primary source of the Company's revenue. The Company regards product quality, safety, and after-sales service as its highest commitment to customers. Maintaining high levels of customer satisfaction helps the company continually earn and strengthen customer trust and support.	Sustainable supply chain Raw material management Talent cultivation Business performance Customer relations	Corporate Website Customer Satisfaction Survey Distributor Communication and Contact Sustainability Report Business visit/anytime Customer satisfaction survey / monthly Telephone, E-MAIL/ad hoc Contact Telephone Number 02-25092188 Extension 2302	1. Number of cases received through the customer feedback mailbox: 0 2. There were 0 customer complaint cases in 2025 3. Customer satisfaction survey score of 93.77 in 2025	2.2 Products and services 3.1 Governance practices 4.1 Circular economy
Employees	Employees are the indispensable	Compensation and Benefits	Corporate Website Employee Welfare	1. Corporate website employee mailbox	3.1 Governance practices

	foundation of the Company' s operations. The Company is committed to providing a workplace environment that supports employees' physical and mental health and diverse development, allowing employees to work without concerns.	Talent cultivation Business performance Ethics and integrity	Committee and Related Meetings Employee Complaint Telephone, E-MAIL/ad hoc Contact Telephone Number 02-25092188 Extension 2517 Welfare Committee meeting/quarterly Employee complaint channel/ad hoc	received 0 messages. 2. No case was received through the complaint channel 3 Four meetings of the employee welfare committee were held.	5.3 Compensation and benefits 5.4 Talent cultivation 5.6 Labor relations
Local community	The Company implements environmental control measures to prevent pollution at operational sites,	Waste management Maintenance of community relations Ethics and	Corporate Website Road Adoption Contact Telephone Number 03-9986110 Ext. 128, 151, and 175 0933773655	1. Corporate website community relations contact point received 0 complaint cases. 2. Complaint cases received via contact	2.2 Products and services 4.1 Circular economy 4.6 Water resources management



thereby avoiding any decline in the quality of life for neighboring communities.	integrity Compliance with laws and regulations	Participation in Community Social Activities Sustainability Report Complaint channel/ad hoc	point telephone: 0	
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1.2.2 Identifying actual and potential impacts

Lucky Cement consolidates and compiles matters of concern raised through communication between departments and key stakeholders in daily operations through the Sustainable Development Committee, while referring to specific topics in the 2021 edition of the GRI Sustainability Reporting Standards, SASB Sustainability Accounting Standards, and industry indicators, and assessing actual and potential positive and negative impacts related to economic, environmental, and social aspects. A total of 18 sustainability topics covering economic, environmental, and social aspects were identified to ensure that Lucky Cement's sustainability information disclosures in the E (environmental), S (social), and G (corporate governance) dimensions meet stakeholder expectations. The following table presents the positive and negative impact assessment of the Company's sustainability topics in 2025.

Sustainability issues	Positive impact	Negative impact	Actual/potential
Sustainable supply chain	V		Actual
Raw material management		V	Potential
Energy management		V	Potential
Greenhouse gas management		V	Potential
Water resources management	V		Actual
Waste management	V		Actual
Green products/services	V		Actual
Compensation and Benefits		V	Actual
Occupational safety and health	V		Actual
Talent cultivation		V	Potential
Maintenance of community relations	V		Actual
Product responsibility / product safety	V		Actual
Business performance	V		Actual
Ethics and integrity	V		Actual
Innovation and research & development		V	Potential
Customer relations	V		Actual
Information security	V		Actual
Compliance with laws and regulations	V		Actual

1.2.3 Identification of Material Topics

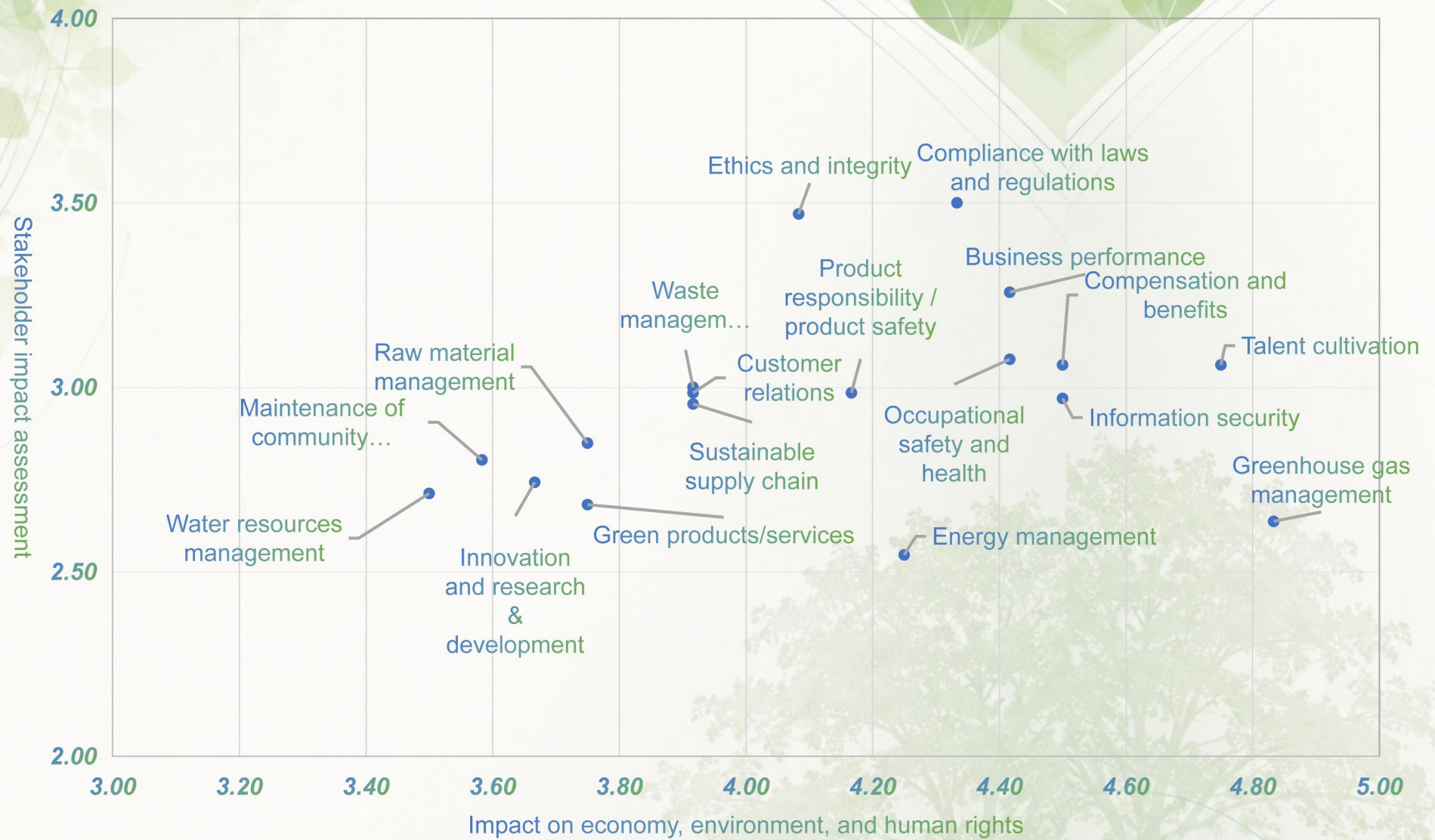
The Sustainable Development Committee assessed the positive and negative impacts of 18 sustainability topics by distributing online questionnaires requesting key stakeholders to complete evaluations of the degree of impact of the Company's various topics on them. A total of 66 valid questionnaires were collected, comprising 7 from investors, 17 from employees, 16 from customers, 15 from suppliers, and 11 from local communities, producing scores for the degree of impact of each sustainability topic on key stakeholders. Online questionnaires were then distributed to 12 Company supervisors to assess the degree of internal and external impacts of each sustainability topic on Lucky Cement. The two sets of scores were consolidated to produce a material topic matrix. Following discussion by the ESG Committee, the top three sustainability topics by score in each of the environmental, social, including human rights, and economic dimensions were included as the material topics for the year. The eight material topics that Lucky Cement should prioritize for disclosure in the environmental, social, including human rights, and economic dimensions for the year were confirmed as sustainable supply chain, greenhouse gas management, waste management, talent development, compensation and benefits, occupational safety and health, operational performance, and regulatory compliance. Lucky Cement will outline the management approaches and related disclosures for each material topic in this report. To ensure a balanced presentation of sustainability information, the report also includes additional disclosures on Lucky Cement's contributions to public welfare initiatives.

Material topics		
Environmental	Social	Corporate governance aspect
Sustainable supply chain Greenhouse gas management Waste management	Talent cultivation Compensation and Benefits Occupational safety and health	Business performance Compliance with laws and regulations

Material topics and changes

2024	2025	Changes in ranking and topics from 2024 to 2025
Business performance	Compliance with laws and regulations	↑ 1
Compliance with laws and regulations	Talent cultivation	↑ 3
Sustainable supply chain	Business performance	↓ 2
Greenhouse gas management	Compensation and Benefits	↑ 2
Talent cultivation	Greenhouse gas management	↓ 1
Compensation and Benefits	Sustainable supply chain	↓ 3
Occupational safety and health	Occupational safety and health	-
	Waste management	New addition

Materiality matrix



Aspect	Material topics	Internal impact boundary	Value chain impact boundary				Corresponding GRI standards	Report disclosure
		Company	Shareholders / investors	Suppliers	Client	Community		
Environment	Sustainable supply chain	●		●			308 Supplier environmental impact assessment 414 Supplier's social assessment	4.9 Sustainable supply chain
Environment	Greenhouse gas management	●	●		●		305 Emissions	4.3 GHG Emissions and Reduction
Environment	Waste management	●				●	306 Waste	4.5 Recycling and Reuse of Waste Resources
Society	Talent cultivation	●					404 Training and Education	5.4 Talent cultivation
Society	Compensation and Benefits	●	●			●	401 Employment	5.3 Compensation and benefits
Society	Occupational safety and health	●				●	403 Occupational safety and health	5.5 Occupational health and safety
Company Governance	Business performance	●	●	●	●		201 Economic Performance	3.4 Business performance
Company Governance	Compliance with laws and regulations	●	●			●	2- 27 Compliance with laws and regulations	3.3 Compliance with laws and regulations 4.8 Compliance with the environmental laws and regulations

II. About Lucky Cement

2.1 Company profile

The Company's General Management Office is located on the 15th floor, No. 237, Songjiang Road, Taipei City. The Company mainly operates in Taiwan. It is engaged in the production and sales of cement, blast furnace slag, limestone, dimension stones and sand and gravel. 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.

Lucky Cement operates in the midstream segment of the cement industry. The cement industry encompasses upstream sectors such as quarrying, metal mining, and steel smelting, which provide raw materials including limestone, clay, silica sand, slag, and gypsum. It also involves related industries that support the production process, such as power generation, rail and road transportation, and fuel gas supply. Downstream industries that directly require finished cement products include construction, concrete manufacturing, and cement product industries (e.g., cement bricks, asbestos boards, cement pipes, etc.).

Lucky Cement Locations



Company Name	Lucky Cement Corporation	
Location of headquarters	15th Floor, No. 237, Songjiang Road, Zhongshan District, Taipei City, Taiwan	
Equity structure shareholding ratio	Financial Institutions	0.02%
	Other Legal Persons	52.34%
	Domestic natural persons	46.31%
	Foreign institutions and individuals	1.33%
Year-end paid-in capital (Unit: NTD thousand)	NT\$4,047,380 thousand	
Operation Locations in Each Region	Taiwan (Taipei, Yilan, Hualien, Puxin)	
The industry where the Company is located	Listed company in the cement industry	
Main products/services	1. Portland Type I cement 2. Portland Type II Cement, Type II Low-Alkali Cement 3. Portland limestone cement 4. Blast furnace slag 5. Cement products (ready-mixed concrete) 6. Stone Materials (Limestone, Dimension Stone, Sand and Gravel)	
Major product output	In 2025, the company produced 717 thousand tonnes of cement and slag powder, and 1503 thousand tonnes of stone materials.	
Annual Revenue (Unit: NTD thousand)	NT\$4,450,870 thousand	
Sales ratio of major products	Cement and Clinker 52.83% Cement Products 29.90% Others 17.27%	
Proportion of operating revenue in each region	Taiwan 100.00%	



2.2 Products and Services



The Company has maintained a positive brand image for many years based on "**Good Service and Quality Assurance.**"

The Company mainly produces and sells cement, supplemented with various types of stone materials and a small volume of blast furnace slag and quicklime. To align with the government's circular economy policy, the Company operates its cement rotary kiln at a high temperature of 1450°C to process related wastes and reuse resources to fulfill social responsibilities.

Customer Service

Professional services and excellent product quality are key to meeting customer needs and determining business success. Therefore, Lucky Cement has established a customer-oriented quality system and management philosophy. The Company applies innovative technologies to control and enhance product quality and collaborates closely with customers to provide products and services that closely align with their needs.

Concrete actions in customer service

1. Adhering to the principle of serving customers, professional sales personnel proactively provide information on prices and quantities at various cement sales points. Through communication and coordination with customers to schedule delivery times, this approach helps reduce unpredictable long-term inventory on the customer side and shortens the waiting time from order placement to delivery.
2. Utilizing the SAP system to integrate customer complaint handling and accounts receivable management, we can promptly track complaint cases and payment status, minimizing time lags in internal and external communication and improving service efficiency.
3. At each operating site, we establish a collaborative service model among marketing,

technical, and sales teams to complete integrated verification methods for material applications within the industry chain. This strengthens cooperation along the supply chain and facilitates securing fixed transaction orders.

Customer service process for accepting customer complaints:

The sales department (business sections/offices) receives the complaint → relevant departments verify the issue and investigate the cause → the responsible unit proposes countermeasures and improvement plans → the improvement results are communicated to the customer → the sales department processes compensation or product return based on management's instructions. In 2025, no customer complaints or grievances were received.

To ensure the effective implementation of customer service policies, Lucky Cement regularly evaluates customer satisfaction with products or services through an objective monitoring system to understand customer needs and expectations as a basis for the Company's operational management. Lucky Cement regularly conducts customer satisfaction surveys to understand market trends and customer needs, understand the market, use an objective monitoring system to comprehensively evaluate customer satisfaction with products or services, understand the gap between customer needs and expectations, grasp market conditions, adjust transaction terms when necessary, create a win-win outcome for customers and the Company, and enhance the Company's profitability. In 2025, the overall customer satisfaction score reached 93.77. Over the past three years, customer satisfaction has consistently remained above 90, reflecting the strong performance of Lucky Cement's customer service efforts.

Statistics / Year	2023	2024	2025
Customer satisfaction score	93.62	93.67	93.77

Product liability

The Type I and II cement and blast furnace slag produced by the Company have passed the ISO 9001:2015 inspection conducted by the Metal Industries Research and Development Center and meet the standard of CNS 61 Portland Cement.



Business philosophy

Lucky Cement' s Corporate Sustainable Development

Tang dynasty poet Du Fu wrote, "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)

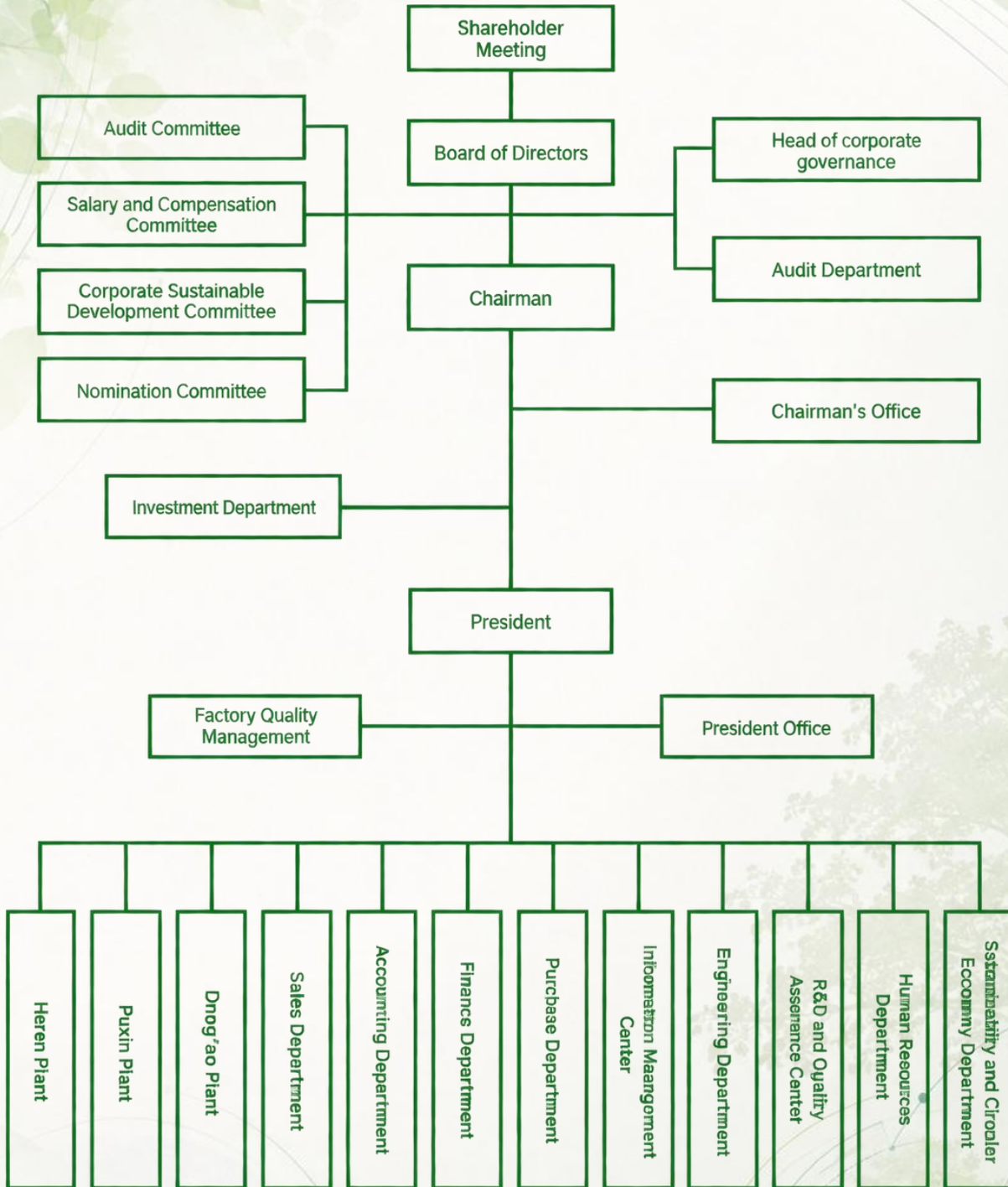


The logo of Lucky Cement Corporation (the "Company") is a red house. The founder Chairman Mr. Liang-Chuan Chen started his nascent career in construction, hoping that every young person who wanted to start a family could own a house and feel warm and happy in life. He became acquainted with the field of cement from his time in the construction business, and then moved into the production and sales of cement. His dream of building houses for young people and helping them realize their dreams has never waived. To produce high quality and reasonably priced cement for sturdy houses is Mr. Chen's lifelong ambition and goal. Therefore, pursuing high quality production and becoming the best service provider for our customers, as well as setting a benchmark in the cement industry, is Lucky Cement' s vision. In addition, in order to implement the Company's corporate sustainable development policy and the business mission of "Environmental Protection, Energy Savings and Love the Earth", we have formulated the Sustainable Development Best Practice Principles with reference to the Sustainable Development Best Practice Principles for TWSE/TPEX 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 sustainable development 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 sustainable development policy

1. Strengthen information disclosure and balanced transparency, strictly adhere to business ethics.
2. Focus on stakeholder needs to achieve industry sustainability.
3. Provide fair wages and benefits, fostering an equal, happy, and friendly workplace environment.
4. Deepen involvement in public welfare activities to pursue social prosperity.
5. Enhance worker safety and establish a comprehensive healthy workplace.
6. Optimize production equipment and processes to improve energy efficiency.
7. Develop low-carbon, eco-friendly cement to reduce carbon dioxide emissions.
8. Promote waste resource reutilization to implement a circular economy.

Organizational Structure



2.3 Participation in external organizations

Lucky Cement actively participates in industry-related guild and association activities and actively communicates with stakeholders through various methods and channels to understand the latest industry development trends.

Name of External Association	Participation Status
Taiwan Cement Manufacturers' Association	Member
Hualien County Precision Mineral Association	Member
Taiwan Concrete Institute	Member
Chinese Institute of Mining and Metallurgical Engineers	Member
Taiwan Marble and Stone Mining Association	Member
Ready-Mixed Concrete Industry Association	Member



III. Corporate Governance

All directors of Lucky Cement Corporation perform their duties with a proactive, diligent, and responsible attitude, setting aside self-interest and emphasizing teamwork. Through a sound board of directors and comprehensive internal control systems, the Company effectively reduces overall operational risks. The directors strictly adhere to principles of integrity, shaping a corporate culture of honesty and accountability. By maintaining a well-functioning corporate governance framework, the company ensures stable operations and development to protect the rights and interests of investors and other stakeholders.

The directors of Lucky Cement Corporation should handle company affairs objectively and efficiently. To strengthen the board's functions and establish a sound corporate governance system, the Lucky Cement Board has adopted the "Corporate Governance Practice Guidelines," ensuring that the appointment of directors is conducted fairly, impartially, and transparently. The board also includes independent directors to enhance management and supervision. Additionally, the board has approved the "Internal Material Information Handling Procedures" to establish a robust mechanism for processing and disclosing material internal information, preventing improper leakage, and ensuring the consistency and accuracy of externally released information. A comprehensive information disclosure system has been established to provide various information related to operations, finance, the board of directors, and shareholders' meetings on the Company's website and the public information disclosure system, ensuring that shareholders have access to the latest company information.

Lucky Cement has established a diversified grievance mechanism. 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 sufficient information to enable the Company to properly handle follow-up matters. The Company will keep the reported cases confidential and let employees become aware that the Company will use its best efforts to ensure the safety of whistle blowers. "In 2025, there were no reported internal complaints regarding violations of ethical conduct within the Company."

To safeguard the rights and interests of external stakeholders, Lucky Cement has established a dedicated Stakeholder Section on its official website. Different communication channels and contact points are provided for various types of stakeholders, enabling smooth and effective communication. Through ongoing engagement, the Company seeks to understand stakeholder needs and expectations, and strives to respond to them accordingly.

3.1 Governance practices

The Board of Directors is the highest governance body of the company. All board members diligently fulfill their duty of care as responsible stewards. The Board is responsible for reviewing business performance, discussing key strategic issues, and communicating material matters in accordance with the Company's internal procedures for handling significant information. These matters include economic, environmental, and social impacts, as well as related risks and opportunities. Follow-up responsibilities are assigned to the relevant units through meetings, and the handling status is reported and reviewed in the subsequent meetings. To enhance corporate governance and strengthen the Company's competitiveness, the Board of Directors has established the Audit Committee, Salary and Compensation Committee, Sustainable Development Committee, and Nomination Committee to ensure sound board operations. Additionally, an independent Internal Audit Office is set up under the Board to conduct regular audits and report the results to both the Audit Committee and the Board of Directors.

To enhance support for directors in the performance of their duties and improve the effectiveness of the Board, the Board of Directors resolved in June 2021 to appoint Mr. Chang Ching-Tien, Head of the Accounting Department, as the Corporate Governance Officer. His responsibilities include assisting directors in fulfilling their duties, providing necessary information, arranging training programs, handling matters related to Board and Shareholders' meetings in accordance with the law, assisting the Company in complying with relevant resolutions, and maintaining investor relations. In the reporting year, the Corporate Governance Officer completed 12 hours of professional training related to corporate governance.

At the same time, the Company's financial statements are regularly audited and certified by an external CPA firm. All legally required disclosures are completed accurately and in a timely manner. Designated personnel are responsible for the external disclosure of company information, and a spokesperson system has been established to ensure that all material information is disclosed promptly and appropriately, allowing shareholders and stakeholders to access relevant financial and operational information about the Company.

Looking ahead, strengthening the operation of the Board of Directors, enhancing information transparency, and progressively integrating sustainable governance strategies into the corporate governance framework are goals that Lucky Cement continuously strives to achieve.

3.1.1 Board of directors

The Board of Directors of Lucky Cement currently consists of seven members, including three independent directors, accounting for 42.9% of the board. Directors serve a term of three years. The nomination and selection of board members follow the company's Articles of Incorporation and utilize a candidate nomination system in compliance with the "Rules for Election of Directors" and the "Corporate Governance Best Practice Principles." This process ensures the diversity and independence of board members. All directors possess industry expertise and extensive practical experience, with a thorough understanding of industry trends and dynamics. The Board of Directors holds meetings at least once per quarter on average in accordance with the Rules of Procedure for Board of Directors Meetings. A total of 8 Board of Directors meetings were held in 2025, with an average director attendance rate of 100%.

Diversity statistics / year			2023		2024		2025	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Director	Gender	Male	5	71.43%	5	71.43%	5	71.43%
		Female	2	28.57%	2	28.57%	2	28.57%
	Age	Under 60 years old	5	71.43%	5	71.43%	3	42.86%
		60 to under 69 years old	1	14.29%	1	14.29%	4	57.14%
		69 or above	1	14.29%	1	14.29%	0	0.00%
	Education Level	Graduate school	4	57.14%	4	57.14%	5	71.43%
		Colleges and universities	1	14.29%	1	14.29%	1	14.29%
		Others	2	28.57%	2	28.57%	1	14.29%

To strengthen the supervisory function of the Board of Directors and ensure the independence of independent directors in executing their duties, Lucky Cement's Board has approved the "Board Meeting Rules," which clearly define the responsibilities of independent directors for compliance. When the board meeting secretariat provides proposals and reports to board members, it first reviews whether the content involves conflicts of interest with stakeholders that require appropriate recusal. Directors also uphold a high degree of self-discipline to implement conflict-of-interest avoidance. For matters in which a director or the entity they represent has a conflict of interest, the director must disclose the relevant details at the meeting. If the issue potentially harms the Company's interests, the director is prohibited from participating in discussion and voting, must recuse themselves from the proceedings, and is not allowed to vote as a proxy on behalf of other directors.

At the same time, to enhance the quality of the Board's decision-making, the Board has approved the "Board Performance Evaluation Regulations." Every year, in the first quarter, an internal evaluation is conducted on the performance of individual directors and functional committees. The Board Secretariat administers self-assessment questionnaires to the directors. These questionnaires cover several areas, including attendance at board meetings, understanding of and participation in agenda discussions before meetings, and interaction with the management team. The evaluation also includes compliance with laws and practical codes, efforts to improve corporate governance, and ongoing participation in corporate governance training courses. Furthermore, the assessment considers the directors' understanding of the Company, its management team, and the industry. The questionnaires may also include other items designated by regulatory authorities or the Board. The main purpose of this process is to regularly review the performance of directors and managers.

Self-Assessment (Questionnaire)	2023	2024	2025
Board of Directors	4	4	4
Audit Committee	4	4	4
Remuneration Committee	4	4	4
Sustainable Development Committee	4	4	4
Nomination Committee	4	4	4



Considering that Company directors face various issues related to legal compliance and governance practices when participating in decision-making, the Company encourages and arranges for directors to undertake relevant professional training courses. In 2025, all directors completed a total of 54 hours of training, including a total of 45 hours of sustainable development-related courses. The Company believes that, under the leadership of a Board of Directors with governance and industry experience, the Company's operations can develop and thrive further.

3.1.2 Functional committees

In order to improve the supervisory function and strengthen the management function, the Board of Directors has established an Audit Committee, a Salary and Compensation Committee, a Corporate Sustainable Development Committee and a Nomination Committee. In addition to exercising its powers independently according to laws and regulations, the functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for resolution.

Audit Committee

The Audit Committee assists the Board of Directors in overseeing the quality of the Company's execution of accounting, auditing, financial reporting processes, and financial controls, and submits evaluation results to the Board of Directors for discussion. The Audit Committee consists of 3 independent directors serving as audit committee members, one of whom serves as the convener, and at least one member has accounting or financial expertise. It holds at least one meeting per quarter, convened 8 meetings during the year, and achieved a 100% attendance rate.

Salary and Compensation Committee

The Salary and Compensation Committee is chaired by an independent director who serves as the convener and meeting chair. During the year, the committee held five meetings, with a 100% attendance rate.

The scope of supervision by the Salary and Compensation Committee includes the performance evaluation and compensation policies and systems for directors and managers, as well as employee incentive and bonus plans. The Salary and Compensation Committee regularly reviews the Company's compensation policies and plans to ensure they can attract, motivate, and retain the professional talent needed by the Company. Policy on the employee and director remuneration as specified in the Articles of Incorporation: If the Company is profitable in the fiscal year, it shall allocate 3% of the profit as the remuneration for employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration. Up to 5% (inclusive) of the aforementioned profit may be distributed as director remuneration at the discretion of the board of directors. When the Company still has accumulated losses, an amount should be reserved in advance to cover those losses, and the remainder should be allocated according to the

aforementioned proportions. The distribution of remuneration to employees and directors shall be approved by a special resolution of the Board of Directors and reported to the shareholders' meeting.

Lucky Cement has not yet linked ESG development goals and performance with the personal compensation of directors and managers. The Company will continue to monitor trends and plans to collaborate with the Salary and Compensation Committee within three years to incorporate sustainability performance into the compensation evaluation framework.

Corporate Sustainable Development Committee

In response to global sustainable development trends, Lucky Cement has established a Corporate Sustainable Development Committee responsible for formulating corporate sustainable development policies, reviewing annual sustainable development plans, approving sustainability reports, and other matters related to sustainable development and corporate social responsibility. The Corporate Sustainable Development Committee consists of 3 directors, held 3 meetings during the year, and achieved a 100% attendance rate.

Nomination Committee

To ensure the proper selection of board members and executives, Lucky Cement has established a Nomination Committee. This committee is responsible for defining the required professional competencies for board members and senior executives, structuring the organization of the board and its committees, evaluating the performance of directors and senior executives, developing director training plans and executive succession plans, and formulating corporate governance best practices. The Nomination Committee is composed of 3 independent directors, and held a total of 3 meeting in the current year, with an attendance rate of 100%.

3.1.3 Internal audit

Lucky Cement has established an Audit Department under the Board of Directors. Based on risk assessment results, the Audit Department formulates an annual audit plan that outlines the specific audit items for each month. The annual audit plan is carried out rigorously to evaluate the effectiveness of the Company's internal control system. Upon completion of each audit, the Audit Department prepares an audit report accompanied by working papers and relevant supporting documents. Internal auditors shall fully communicate with the audited unit on the audit results of annual audit items. The deficiencies and abnormalities of the internal control system found in the evaluation should be disclosed in the audit report, and followed up after the report is submitted for approval. The follow-up reports should be made prepared for each quarter until the improvement is made to ensure that relevant units have taken appropriate improvement measures in a timely manner.

To strengthen the professional capabilities of its audit personnel, Lucky Cement arranges annual continuing education and requires participation in internal audit training programs organized by competent authorities. These efforts aim to enhance and maintain audit quality and execution effectiveness. In the reporting year, audit personnel underwent two training sessions, totaling 24 hours.

Lucky Cement continuously monitors the implementation of various operating procedures through its internal auditors, thereby establishing sound governance practices and effective risk control mechanisms. These efforts also contribute to the creation of a sustainable business environment. During the year, the Internal Audit Department conducted a total of 432 audit tasks, achieving an audit compliance rate of 90.51%, with no major non-conformities, and all non-conformities were improved and closed within the prescribed time limit.

3.1.4 Ethics and Integrity

Lucky Cement upholds integrity as the cornerstone of its corporate values. To foster a culture of ethical conduct and promote sound development, the Company has established a Code of Ethical Conduct. During the onboarding process, the Human Resources Department educates all new employees on the company's internal integrity policies and requires them to sign an "Ethics Commitment Letter." This initiative aims to instill a strong sense of integrity among employees and ensure a clear understanding of the Company's ethical principles.

Internally, the HR Department is the part-time unit responsible for promoting the ethical management policy of the cement industry. The Company has established internal regulations such as the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Procedures for Handling Material Inside Information," and "Management Procedures for Prevention of Insider Trading." The Board of Directors has resolved to disclose the above information to stakeholders on the Company' s official website.

At the same time, Lucky Cement has established multiple whistleblowing channels. Stakeholders can submit reports through the Stakeholder Section on the Company' s official website. Depending on the identity of the reported party, the case is forwarded to the appropriate supervisor. Whistleblowers may choose to report anonymously or with their name, and are encouraged to provide details of the incident, including but not limited to the name of the accused, the time and location of the event, the circumstances involved, and any supporting evidence. If an anonymous whistleblower provides substantial evidence, the designated personnel may still proceed with an investigation. In cases where the designated investigator has a conflict of interest with either the whistleblower or the accused, or any relationship that may influence the outcome, they are required to disclose the matter and recuse themselves, allowing another person to take over the investigation. The process must be handled with fairness and strict confidentiality, ensuring the whistleblower' s identity is not disclosed. Lucky Cement is committed to protecting whistleblowers from any improper treatment as a result of their report. In current year, Lucky Cement did not receive any whistleblowing or complaint cases.

To further embed the concepts of ethics and integrity in employees during their work processes, the Human Resources Department has planned integrity-related training for new employees, who are also required to sign an Ethics Commitment Letter. Additionally, to ensure the implementation of integrity in the governance level, all directors must sign the Ethics Commitment Letter, and the Internal Audit Department supervises and audits the overall ethic implementation within the Company.

2025 Ethics-related training status

Ethics course name	Number of participants	Total training hours on ethical business practices	Average training hours per person
Ethical management training for new employees	31	15.5	0.50

2025 Ethics Commitment Letter signing status

Ethic commitment letter statistics / category	Director	New employees	Suppliers
Total number of individuals (entities)	7	31	408
Number of signatories (entities)	7	31	401
Signing rate	100.00%	100.00%	98.28%

3.2 Risk management

Lucky Cement formulated its “Risk Management Policy” in 2020. To meet risk management needs, a cross-departmental task force was established under the General Manager’s Office, with department heads serving as the principal members of the “Risk Management Task Force.” Each year, risks are regularly identified and measured for the scope of work of each department, and risks are controlled within an acceptable range. The scope of risk management includes “strategic risks,” “operational risks,” “financial risks,” “information security risks,” and “risks of climate change and non-compliance with environmental protection, climate-related regulations, and other international regulatory agreements.” The “Risk Management Task Force” reports at least once a year to the Audit Committee on the risk environment faced by the Company, risk management priorities, risk assessments, and response measures. Chairperson of the Audit Committee reports to the board at least once a year on the risk environment and the implementation of risk control measures and the operation of risk management.

Scope of risk management	Risk items	Risk assessment (impact)	Response measures
Strategic risk Business operations Human resources	Inability to objectively and subjectively assess changes in the external environment, and to respond with clear and timely policies.	Stagnation in growth momentum, declining competitiveness, and lack of operational resilience.	1. Functional departments shall proactively issue warnings and propose response strategies through various meetings in response to changes in the subjective and objective environment, and the decision-making level shall also make prompt decisions to avoid adverse effects caused by delays. 2. Management shall establish medium- to long-term (3~5 years) development goals and plans for various operational functions, implement them according to the schedule, and enhance operational resilience.
	Talent gap	Impact on on-site operations	Current factors including the plant salary system and welfare policies are insufficient to effectively recruit suitable personnel and retain talent, resulting in a workforce gap at the plant and a failure to pass on experience. Recommendations: 1. The starting salary for new entry-level employees shall be NT\$32,000, increasing to above NT\$33,000 upon completion of the probation period. 2. Increase the salaries of existing employees to NT\$33,000 or above. 3. Raise salaries for frontline and mid-level supervisors.

			4. Promote outstanding talent to fill vacant frontline supervisor positions. 5. Fixed year-end bonus payments (1-2 months) + performance bonus payments increased in accordance with performance evaluations and Dragon Boat Festival/Mid-Autumn Festival bonuses. 6. Implement regular salary adjustments within a fixed period (Adjustment every 1~3 years) 7. Employees who receive continuous A or A+ performance ratings for three consecutive years will be considered for salary increases or promotions. 8. Once staffing is complete in each unit, underperforming employees will be subject to termination based on performance evaluations. 9. Enhance the employee benefits system.
Operational risks Business operations Human resources	1. Substandard production and shipping quality, impacting delivery capabilities and customer confidence.	Customer attrition and loss of competitiveness may eventually lead to loss of market share.	1. The Taichung storage and transportation station should maintain close and positive interactions with suppliers to maintain a stable supply of materials. 2. The production and shipping operations of the Dongao and Puxin plants should maintain stability to prevent unscheduled downtime from undermining customer confidence.

	2. Low-priced imported cement dumping.		3. Effectively manage the scheduling and dispatching of railway wagons to maximize transportation capacity. 4. Initiate anti-dumping litigation against imported cement to protect the domestic cement market.
	Violation of laws and regulations	Potential risks of violating the Labor Standards Act and other related regulations	1. Strengthen the organizational structure and staffing of each plant. 2. Review public safety and the sanitary environment at the plant, and improve workplace cleanliness to enhance work efficiency. 3. Recruit suitable mid-to-senior-aged workers. 4. Engage corporate interns and provide learning and development opportunities to retain talent. 5. Properly arrange work for foreign workers, strengthen job and competency training, arrange external training to facilitate certificate acquisition, and enhance work skills.
Financial risks	1. Interest rate risk 2. Exchange rate risk 3. Inflation risk	1. Rising interest rates increase interest expense. 2. Appreciating exchange rates increase import costs. 3. Inflation increases raw material and various	1. Maximize the use of operating revenue to cover working capital needs, thereby reducing financing and lowering interest expenses. 2. Asset revitalization to generate cash inflows. 3. Invest prudently, assess investment risks, and reduce financial pressure. 4. Closely monitor financial market trends and exchange

		operational expenses.	rate fluctuations, and pre-purchase foreign currency to reduce import costs. 5. Identify inflation-resistant products to ensure real benefits and alleviate inflationary pressure.
Information security risks	1. Access rights management 2. Access control 3. External threats 4. System availability	1. Excessive user privileges may lead to abuse or unauthorized access. 2. Users choose weak passwords or fail to properly manage passwords, which may be cracked or stolen. 3. External attackers may carry out attacks or hacking intrusions. 4. Hardware or software failures leading to service interruptions.	1. Adhere to the principle of least privilege by granting employees only the minimum access necessary to perform their duties, while regularly reviewing and adjusting these permissions. 2. Enforce a strong password policy and require regular password updates. 3. Deploy firewalls and intrusion detection systems (IDS), and regularly test security protections. 4. Formulate disaster recovery plans and data backup and redundancy measures, and establish off-site backup.
Risks related to climate change and	1. According to the three carbon fee sub-laws, the	1. The Dong'ao Plant's average greenhouse gas emissions over the past	1. The following reduction measures are currently adopted under the Ministry of Environment voluntary reduction plan targets for 2025~2030 to achieve a reduction rate of >5.7%

non-compliance with environmental, climate-related, and other international regulatory agreements	Company is subject to carbon fee collection. 2. A fee of NT\$300 is charged per ton of carbon dioxide emissions in 2025. 3. If Plan B is adopted under the voluntary reduction plan, a preferential fee rate of NT\$100/ton CO₂e will be obtained (2025 price).	five years have been approximately 650,000 tonnes. 2. High carbon fees will affect operating costs. 3. In the future, there may be government tenders or customer requirements for using low-carbon products.	by the target year 2030 and ensure eligibility for preferential fee rates: (1) Use low-carbon materials to replace cement raw materials. (2) Produce blended hydraulic cement. (3) Use alternative fuels to replace coal. 2. Short-term equipment upgrade measures: cement mill upgrades and coal mill upgrades to improve production process standards and reduce unit energy consumption of cement.
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3.3 Compliance with laws and regulations

Material topics	Compliance with laws and regulations
Significance to the Company	Compliance with laws and regulations is the foundation of the Company' s relationship with local governments and communities. Any legal violation could cause significant damage to both the Company' s financial health and corporate image. In addition, records of non-compliance may negatively affect shareholder and customer trust in the Company.
Policy/commitment:	Compliance with laws and regulations is fundamental to sustainable business development.
Goals	The Company proactively monitors all relevant regulations that could affect its finances or operations, ensuring full compliance across all business activities.
Annual resources invested / concrete results	1. New employees received training on professional ethics and legal compliance. In 2025, a total of 31 participants attended, with an average of 0.5 training hours per person. 2. Legal compliance guidelines are available on the Company' s internal website, providing employees with easy access to regulatory information. 3. In accordance with regulations, audit supervisors and financial and accounting supervisors are assigned to participate in relevant training. Audit supervisors and their deputies received a total of 24 training hours, while financial and accounting supervisors and their deputies received a total of 9 training hours on professional ethics and legal responsibilities.
Responsible department complaint mechanism	Stakeholder Company website/complaint channel https://www.luckygrp.com.tw/tw/index.asp?au_id=40
Evaluation mechanism/results	Three violations occurred in 2025.

Legal compliance is the foundation of a company. The Company continues to monitor the formulation and development of laws and regulations related to the Company's operations. The Company's internal web page also provides a guideline for legal compliance to ensure that all employees comply with the requirements of various laws and regulations in their daily operations. The Company's legal compliance is divided into the following aspects:

Corporate governance aspect

1. Functional committees oversee the Company's financial operations and internal control systems. By adhering to the Corporate Governance Best Practice Principles and conducting board performance evaluations, these committees enable the board to better supervise key corporate matters, strengthen board functions, provide professional advice, and enhance information transparency.
2. Moving forward, the Company will continue to improve its corporate culture in accordance with corporate governance evaluations and the Corporate Governance Best Practice Principles, ensuring compliance with Taiwan Stock Exchange regulations.

Personnel

Establishing internal integrity regulations and conducting regular audits: The Company's professional ethics and regulatory compliance are based on integrity and honesty as core values, and are established through a series of regulations, implementation, self-review, accessible reporting channels, and whistleblower protection. Management leads by example and requires every employee to ensure that relevant business conduct complies with laws and the Company's policies and regulations. Compliance is reviewed through annual internal control self-assessments and audited by the internal audit organization.

Education and training

To enhance employees' awareness of professional ethics and regulatory compliance, the Company provides training for new hires through the Human Resources department, based on applicable laws and internal regulations. In 2025, 31 employees participated in the training, with an average training duration of 0.5 hours per person. Additionally, the Company's internal website offers compliance guidelines, allowing employees to access regulatory information at any time. External training is arranged in accordance with regulations, with audit supervisors and financial and accounting supervisors assigned to attend relevant sessions. Audit supervisors and their deputies received a total of 24 training hours, while financial and accounting supervisors and their deputies received 9 hours of training on professional ethics and legal responsibilities.

Lucky Cement regularly reviews the Company's compliance with applicable laws and regulations and aims to continuously improve legal compliance through sound systems. During the reporting period, the Company had three material violation incidents. The Company subsequently reviewed the relevant matters and established corrective measures.

Date of major violation penalty	Date of major violation	Cause of major violation in the year	Violated regulation	Nature / Details of Major Penalty	Follow-up improvement measures description
Dong'ao Plant, Lucky Cement Corporation 2025/6/23	2025/4/25	On April 25, 2025, the Environmental Protection Bureau of the City Government dispatched personnel to conduct a Cylinder Gas Audit (CGA) accuracy inspection of the continuous automatic monitoring facility for the cement dry manufacturing process, cement rotary kiln, and preheater discharge pipeline (No.: P002) at your plant. The inspection result did not meet the performance specifications ($-15\% \leq \text{accuracy} \leq 15\%$), violating Article 22, Paragraph 3 and Article 23, Paragraph 2 of the Air Pollution Control Act, and Article 14, Paragraph 1 and Appendix 3, (VII) Performance Specification Table 3-1 of the Regulations Governing Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources promulgated thereunder. 5 and Article 33, and shall be penalized in accordance with Article 62 of the same Act.	Violation of Article 22, Paragraph 3 and Article 23, Paragraph 2 of the Air Pollution Control Act	A fine of NT\$100,000 was imposed. Required to attend a 2-hour environmental education session.	On April 26 th (Sat.), Lianzhou was requested to enter the plant for active inspection and repair, and an application was made for the Yilan County Environmental Protection Bureau to conduct a follow-up inspection at the plant on April 28 th (Mon.), which confirmed that the calibration curve had returned to

					normal.
Dong'ao Plant, Lucky Cement Corporation 2025/4/16	2024/3/30	The continuous automatic monitoring facility for gaseous pollutant nitrogen oxides in the cement dry manufacturing process, cement rotary kiln, and preheater discharge pipeline (No.: P002) at your plant recorded an arithmetic average of all valid monitoring data of 309.98 ppm for eight consecutive hours, calculated from 00:00 on March 30, 2024 (inclusive), exceeding the cement industry air pollutant emission standard (300 ppm), thereby violating Article 20, Paragraph 1 of the Air Pollution Control Act.	Violation of Article 20, Paragraph 1 of the Air Pollution Control Act	A fine of NT\$730,000 was imposed. Required to attend a 2-hour environmental education session.	Requested Lianzhou Company (monitoring software company) to install additional software to integrate the exceedance alarm into the central control room's graphical interface.
Employee-related legal violations Dong'ao Plant, Lucky Cement Corporation 2025	2025	Failure to provide workers with statutory rest days		A fine of NT\$20,000 was imposed.	Adjusted duty schedules to ensure rest days are arranged in accordance with regulations.

3.4 Business performance

Material topics	Business performance
Significance to the Company	Business performance is a key indicator of a company's management effectiveness, directly influencing shareholder returns, employee benefits, and market competitiveness. Continually improving operational performance helps the Company maintain steady growth in a dynamic market environment and supports the goal of sustainable operation.
Policy/commitment:	Policy: Lucky Cement has developed a rigorous operational strategy focused on optimizing and innovating its core business, while actively expanding into new markets to increase market share. In alignment with national net-zero policies, the Company is investing resources to build a green production environments and move toward sustainability goals. Commitment: The Company is committed to enhancing production efficiency, reducing operational costs, and ensuring the quality of its products and services through effective resource allocation and management, in order to meet customer needs. In support of the government's 2050 net-zero target, Lucky Cement will continue to fulfill its responsibility as a global citizen.
Short-term goals	As Taiwan has entered the ranks of developed countries, significant growth in cement market demand is unlikely. Additionally, low-priced imported cement continues to be dumped into the Taiwanese market. In response, the Company aims to maintain a market share of over 6%. In alignment with national energy conservation and carbon reduction policies, the Company will continue to invest in equipment, optimize production processes, and develop low-carbon cement to meet market demands.

Long-term and mid-term goals	We will integrate group resources to expand downstream cement distribution channels by establishing additional ready-mixed concrete plants, aiming to increase market share. The Company' s He-Ren Quarry is the largest producer of manufactured sand domestically and supplies limestone to the Dongao Cement Plant. We will continue to invest in equipment upgrades to improve efficiency and enhance production resilience to address the impacts of extreme climate conditions. Sustainable development: We will continue to optimize equipment, adopt smart manufacturing, enhance information integration, and promote green production to reduce carbon emissions, achieve both environmental and economic benefits, and move towards sustainable development.
Annual resources invested / concrete results	1. Resources invested during the year: Continued construction of the Taoyuan Haihu ready-mixed concrete plant and New Taipei Shulin ready-mixed concrete plant, with the two projects expected to cost more than NT\$1.5 billion, including land. 2. A crushing system for alternative fuel processing will be installed, with an investment of NT\$16.5 million, and is scheduled for completion by the end of 2025. 3. Three storage tanks for cement mills are being added for blending low-carbon materials during cement production to reduce carbon emissions. The project is currently under design, planning, and tendering, with an expected investment of NT\$32.8 million.
Responsible department / complaint mechanism	Responsible Departments: The Operations Management Department is responsible for formulating and implementing operational strategies, while the Finance Department monitors costs and revenue. Complaint mechanism: Establish complaint channels for employees and customers, regularly collect feedback, and continuously improve operational processes.

**Evaluation
mechanism/results**

In 2025, the Company's consolidated revenue declined by approximately 8.55% compared to 2024. As railway freight rates more than doubled, the sand and gravel business reduced its operations to avoid losses, resulting in lower revenue than in 2024. However, as sand and gravel suppliers received tax refunds from the Hualien County Government, earnings per share increased from NT\$1.22 in 2024 to NT\$2.16 in 2025, representing annual growth of 77.05%. In the face of various operational changes, the Company responded prudently and maintained steady operations.

Lucky Cement's consolidated revenue for 2025 was NT\$4,450 million, a decrease of 8.55% from the previous year. In recent years, global high inflation and high interest rates, coupled with housing market cooling policies and labor shortages, have reduced private-sector demand for cement and affected Lucky Cement's revenue. In 2025, railway freight rates more than doubled, resulting in increased costs and reduced sand and gravel business operations. Taiwan has been classified as a developed country, and the cement industry has entered a mature stage. Cement market demand is unlikely to grow significantly. Lucky Cement continues to optimize logistics conditions, enhance product dispatch capabilities, and meet customer needs. Through ready-mixed concrete plant channel deployment, it maintains market share, and actively invests in capital expenditures to improve equipment and production efficiency, reduce production costs, and enhance the Company's overall competitiveness.

Item (\$ thousand)	2023	2024	2025
Revenue	5,094,743	4,867,094	4,450,870
Operating cost	4,211,831	3,939,390	3,599,426
Employee wages and benefits	430,261	429,701	422,352
Payments to providers of capital	323,790	404,738	303,554
Payments to government	96,058	207,142	92,352
Community investment	1,540	1,701	2,022
Economic value retained	31,263	-115,578	31,164

Note 1: Retained economic value = Revenue - (Operating costs + Employee wages and benefits + Payments to providers of capital + Payments to government + Community investment).

Note 2: The Company did not receive any financial assistance from the government in 2025.

3.5 Information security protection

Lucky Cement's information security is overseen by the Chief Information Security Officer, who is responsible for establishing cybersecurity strategies, conducting risk assessments and management, and handling incident response. Regular information security training is conducted for all employees to raise awareness and reinforce best practices in daily operations. To meet the expectations of stakeholders and protect product and service information from unauthorized access, modification, use, disclosure, or losses caused by natural disasters, the Company aims to earn the trust of customers and suppliers while ensuring the continuity of critical operations and fulfilling commitments to shareholders. By implementing an effective information security management policy, the Company ensures the confidentiality, integrity, and availability of its key information assets, in compliance with relevant laws and regulations.

Information security policy

To effectively strengthen information security management and ensure the confidentiality, integrity, availability, and compliance of data, systems, equipment, network security, and associated information assets; and to comply with relevant laws, regulations, and contractual requirements, protecting them from intentional or accidental internal and external threats, all employees are expected to work together toward achieving the following policy objectives.

Division of information security responsibilities:

Management	· Establish and approve information security policies. · Provide the necessary resources and support to ensure effective implementation of the policies.
Information security team	· Oversee and implement information security measures. · Conduct risk assessment and management to identify and mitigate potential threats.
Employees	· Comply with information security policies and procedures. · Report any suspicious activities or security incidents and assist in any subsequent investigations and resolutions.

Concrete information security actions

Lucky Cement' s overall information security operations are overseen by the Chief Information Security Officer, who is responsible for formulating concrete action plans for the Company' s information security policy, as well as implementing and promoting information security protection and enforcement measures.

To safeguard against various internal and external information security threats, the Company has adopted a range of protective measures aimed at enhancing the overall security of its information environment.

Access control	Effectively manage user accounts to ensure that only authorized users can access the corresponding information systems and data. This includes the regular review and updating of user permissions.
Access control	Identity verification and authorization, regular account reviews, application firewall to restrict communication, protecting connections between internal and external networks, email server with filtering mechanism to reduce the chances of users falling victim to social engineering attacks.
External threats	Implement mandatory complex password requirements, require regular password changes to reduce the risk of password cracking, disable unauthorized USB devices to prevent malware from spreading through portable media, conduct vulnerability scans of information equipment next year to promptly identify and patch system vulnerabilities, and conduct social engineering exercises to enhance user awareness of social engineering attacks.
System availability	Implementing system/network availability monitoring and notification mechanisms, contingency measures for service interruptions, data backup and redundancy measures, onsite/offsite backup mechanisms, and conducting regular disaster recovery drills.

Information security resource investments

- Established a new VPN domain boundary.
- Information equipment and software updates
- Conducted 1 cybersecurity education and training session in 2025, with a total of 38 participants receiving 38 training hours.

Concrete Outcomes

In 2025, internal audits and external audits (certified public accountants) identified no major non-conformities or improvement recommendations.

IV. Sustainable Green Environment

In response to Taiwan's 2050 Net-Zero Emissions Roadmap policy, the Company continues to promote low-carbon transformation and circular economy development. By leveraging the high temperature, high turbulence, and long retention time of cement rotary kilns, the Company co-processes waste as alternative raw materials and fuels, effectively reducing natural resource extraction and fossil fuel consumption while reducing the environmental impacts of incineration and landfilling. The Company continues to implement energy management and process optimization, improve energy efficiency, reduce greenhouse gas emissions, and reduce pollutant dispersion through air pollution control equipment and operational management to enhance environmental protection performance. Regarding water resource management, biodiversity conservation, and environmental regulatory compliance, the Company continues to implement various improvement measures to balance operational development with environmental sustainability. Furthermore, the Company actively collaborates with supply chain partners to promote the use of low-carbon and circular materials, establishing a supply chain system characterized by resource efficiency, environmental responsibility, and sustainable resilience.

4.1 Circular Economy

Management Policy

The Company continues to promote resource recycling and the application of alternative raw materials and fuels. Through high-temperature cement kiln co-processing technology, the Company enhances waste resource recycling efficiency and reduces the use of natural raw materials and fossil fuels to reduce process carbon emissions and environmental burdens.

While promoting the circular economy, the Company continues to focus on product quality, process stability, and environmental safety management, and gradually establishes a sustainable development model integrating resource circulation, low-carbon transformation, and supply chain resilience in line with the government's 2050 net-zero emissions policy.

The impact of a circular economy

The promotion of a circular economy relies on the government's continued active guidance and the refinement of institutional frameworks. Although Taiwan has identified the circular economy as a key policy direction, further integration and refinement are still needed in technical, economic, social, policy, and regulatory aspects, resulting in gaps in understanding and information among central and local governments, academia, and the public. Going forward, it is advisable to continue strengthening the legal framework and supporting measures for the circular economy, while deepening core concepts such as energy and resource recycling, source reduction, and green design and production, to accelerate industry sustainability transformation and effective resource utilization.

Policy/commitment :	Under the conditions of compliance with the relevant certificates and documents for reuse issued by the county government, the Company will strive to assist the government, industrial parks and enterprises to convert waste into supplies and fuels required by the Company's manufacturing processes.
Management system or practices:	Handle various waste energy and resource recycling processes in accordance with the Waste Disposal Act.
Goals and targets	1. The waste is redefined and returned to the industry 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, hence 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 information on the storage situation of waste energy and resources in the factory as of the end of the previous month. 3. The delivery slips for receiving waste energy and resources are kept 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) on a quarterly basis to ensure

	product safety.
Effectiveness of evaluation methods	The ESG report discloses the Company's annual waste energy and resource recycling quantity and alignment with industrial parks and collaborating partners for factory visits to conduct recycling before verifying and discussing results with various criteria.

In view of the increasing domestic demand for waste treatment, the Company has used high-temperature cement kiln processes to assist in industrial waste treatment since the 1990s, implementing resource circulation and the application of alternative raw materials and fuels while balancing environmental protection and operational benefits. The Company continues to leverage the core environmental capability of cement kiln co-processing to facilitate the proper treatment of waste; the general industrial waste received and treated by the Dong'ao Plant each year is reported in accordance with the law as follows:

Year	Total weight of waste (required to be declared) treated (metric tons)
2023	103,216.91
2024	112,648.06
2025	98,174.37

Recycled and renewable materials used

Lucky Cement actively promotes the circular economy. The operating site using recycled materials is the Dong'ao Plant, which used 248,083.76 tons of external recycled materials as alternative raw materials for cement, such as engineering clay, engineering silica sand, iron slag, general industrial waste, furnace slag, and desulfurization gypsum.

Due to the nature of the industry, Lucky Cement's renewable materials consist of packaging materials (cement paper bags), representing a very small proportion of approximately 810.9 tons; non-renewable materials weighed 859,037.11 tons (excluding recycled materials).

Lucky Cement raw material usage statistics

Unit: Thousand tonnes

Category	Year	2023	2024	2025
Renewable materials		888.98	912.98	810.90
Recycled materials		272,107.04	263,144.03	248,083.76
Subtotal of non-renewable materials		898,141.33	901,549.28	859,037.11
Total materials used		1,171,137.35	1,165,606.29	1,107,931.77
Total recycled materials used		272,107.04	263,144.03	248,083.76
Percentage of recycled materials used		23.23%	22.58%	22.39%

4.2 Implement Energy Management Management Policy

Cement plants are an energy-intensive industry, and the main sources of energy consumption are raw coal and electricity. In order to implement energy management, both the regulatory aspect and equipment investment can increase the cost of the company. To achieve sustainable operation in a green environment, greenhouse gas emissions must comply with relevant government laws and regulations.

Policy/commitment:	1. Use high-efficiency energy conservation equipment 2. Improve efficiency of energy utilization 3. All employees participate in energy savings and carbon reduction 4. Comply with relevant government laws and regulations 5. Achieve energy goals
Management system or practices:	Handle relevant matters in accordance with the Energy Administration Act.
Goals and targets	Meet the requirement of a 1% reduction in electricity usage every year.

Energy consumption statistics

Lucky Cement's overall energy use structure is primarily raw coal, followed by electricity, with other energy sources including diesel and gasoline. To establish a comprehensive energy statistics system, Lucky Cement included the Puxin Plant and Heren Plant in 2024, and included the parent company's full scope in 2025. This initiative will subsequently be extended to all subsidiaries to achieve the completeness of the Group's energy inventory. Through regular reviews of energy consumption, the Company can better understand energy use in each year and use this as an important reference for planning future energy-saving projects.

Implementation of specific energy-saving measures

Lucky Cement Company actively promotes the concept of energy conservation and environmental protection by incorporating related requirements into the basic training courses for new employees, enabling them to gain an initial understanding of the importance and practical approaches of energy saving and environmental protection from the start of their employment. In addition, the Company continuously strengthens employees' environmental awareness and energy-saving actions through regular meetings and in-plant activities. Specific energy conservation and environmental protection measures include improving equipment energy efficiency, optimizing plant emission controls, and promoting green initiatives such as operational processes that reduce resource waste.

Administrative units	Plant units
1. Set the air-conditioning temperature to 27-28°C. 2. Lights are turned off when not in use. 3. Waste paper recycling, double-sided photocopying. 4. Turn off lights in meeting rooms when not in use. 5. Turn off the computer and the power switch before getting off work 6. Use the government electronic document exchange mechanism to save document delivery time and reduce paper consumption.	1. Implemented 4 lighting improvement projects, replacing traditional floodlights with LED lamps. 2. Implemented 2 equipment improvement projects to improve energy efficiency.

Energy-saving and carbon reduction measures through the use of alternative fuels

The Company continues to promote the application of alternative fuels, replacing a portion of traditional fossil fuels through waste resource reutilization to reduce coal consumption and carbon emissions. Through the high-temperature treatment characteristics of cement rotary kilns, waste fibers or other cotton and fabric mixtures, organic sludge, non-hazardous oily sludge, sludge mixtures, and waste oil mixtures are introduced into the production process as alternative fuels to improve energy efficiency, reduce reliance on fossil fuels, and implement energy conservation, carbon reduction, and circular economy principles.

Alternative fuel consumption		(Unit: metric tons)		
Year	2023	2024	2025	
Alternative fuels - Total	13,543.18	16,466.88	12,939.78	

Lucky Cement energy consumption statistics

Scope	Item/year	2023	2024	2025
Parent company	Electricity (GJ)	273,784.32	319,938.50	300,194.62
	Diesel (GJ)	8,204.72	14,846.76	20,849.16
	Gasoline (GJ)	143.66	393.74	492.10
	Coal (GJ)	2,231,278.65	2,174,411.71	2,113,628.14
	Liquefied petroleum gas (GJ)	42.93	73.23	81.75
	Heavy fuel oil (GJ)	-	30,741.98	24,540.54
	Solar energy (GJ)	-	-	2,396.47
Total (GJ)		2,513,454.28	2,540,405.92	2,462,182.78
Revenue (in NTD million)		5,094.743	4,867.094	4,450.870
Energy intensity (inGJ/ NTD million)		493.34	521.96	553.19

Note 1: 1 kilowatt-hour equals 3.6 million joules, 1 kcal equals 4,186 joules, and 1 GJ equals 10^9 joules; the calorific value coefficients for gasoline, diesel, and liquefied petroleum gas before 2025 were based on the "Energy Product Unit Calorific Value Table" published by the Taiwan Environmental Protection Administration, while the calorific value for 2025 is calculated in accordance with the calorific values announced by the Ministry of Environment.

Note 2: The data scope for 2023 was the Dong'ao Plant; the data scope for 2024 was the Dong'ao Plant, Puxin Plant, and Heren Plant; and the data scope for 2025 was the parent company.

Note 3: The scope of the parent company includes the headquarters, Dong'ao Plant, sales offices, storage and transportation stations, Heren Plant, and Puxin Plant.

Note 4: The solar energy used by the Company is self-generated and supplied from the solar installation at the Lucky Golf Club parking lot.

4.3 Greenhouse Gas Emissions and Reduction

As the global net-zero transition and carbon management systems are gradually advanced, the cement industry faces challenges including energy transition, the carbon fee system, and increasing demand for low-carbon products. The Company continues to promote energy efficiency improvements, process optimization, the use of alternative raw materials and fuels, and the development of low-carbon cement products to gradually reduce product carbon emission intensity and strengthen its ability to respond to future low-carbon markets and regulatory changes.

The Company will continue to monitor international decarbonization trends and domestic policy developments, gradually strengthen climate-related management and information disclosure, and enhance its long-term operational resilience and sustainable competitiveness.

Material topic: greenhouse gas management	
Significance to the Company	• In the face of environmental and economic challenges posed by climate change, we recognize our corporate responsibility to reduce greenhouse gas emissions. The Company continues to advance carbon reduction initiatives and improvement measures, aiming to gradually minimize its environmental impact while maintaining operational stability, thereby meeting societal expectations for corporate sustainability.
Policy/commitment:	• Implement greenhouse gas inventory and emissions management • Promote and implement the Ministry of Environment voluntary reduction plan • Cooperate with the carbon fee system and related policies • Incorporate carbon reduction into operational decision-making mechanisms

		• Develop the circular economy and green sustainability • Strengthen process improvement and the application of technological innovation
Goals	Short-term	• Annual total greenhouse gas emissions of the Dong'ao Plant shall be reduced by more than 10% compared with emissions in 2013 (baseline year 1).
	Medium-term	• Dong'ao Plant Ministry of Environment voluntary reduction plan target reduction rate: emissions in 2030 shall be reduced by more than 5.7% compared with the baseline year (average of 2018~2022).
	Long-term	• Continue using low-carbon raw materials and fuels, improving energy efficiency, enhancing processes, and applying renewable energy. • Promotion of low-carbon products: low-carbon cement and low-carbon concrete • Actively respond to Taiwan' s net-zero by 2050 policy and fully participate in the self-determined reduction plan of the Ministry of Environment to ensure the balanced development of carbon fees and emission reduction benefits. • AI intelligent development.
Responsible department complaint mechanism		• Headquarters in Taipei Name: Chen Tsun Jen, Senior Manager Telephone: 02-2509-2188 Email: rain@luckygrp.com.tw • Dong' ao Plant Name: Chu Shih Hsiung Email: L02144@luckygrp.com.tw Telephone: 03-9986110

Resources invested during the year	• Equipment upgrades and automation: automated cement packaging systems (Dong'ao Plant and Wudu Storage and Transportation Station), a crushing system for biomass fuel (Dong'ao Plant), and the addition of a limestone feeding system to the cement mill (Puxin Plant). • Promotion of low-carbon products: production of blended hydraulic cement. • Use low-carbon raw materials to replace limestone raw materials for cement kilns. • Application and implementation of the Ministry of Environment voluntary reduction plan.
Evaluation mechanism/r esults	• Implementation progress of the 2025 voluntary reduction plan: (1) Obtained blended hydraulic cement certification and produced 1,582 tons of blended hydraulic cement. (2) Used 32,159.4 tons of low-carbon raw materials to replace limestone raw materials. (3) Installation and commissioning of the crusher system. • Carbon reduction benefits: approximately 10% reduction in 2025 compared with the baseline year (average of 2018~2022).

Impact of greenhouse gas emissions and reductions

(I) Regulatory and transition risks

The cement industry is a high-energy-consuming and high-carbon-emission industry. Clinker firing in the production process requires substantial use of fuel and limestone raw materials, and faces increasingly stringent regulatory requirements including the carbon fee system, greenhouse gas inventories, carbon trading mechanisms, and product carbon emission standards. As carbon reduction policies are advanced in the future, costs for fuel, electricity, carbon reduction equipment, and low-carbon raw materials may increase, creating challenges for corporate operations and market competitiveness.

(II) Physical risks of climate change

Extreme rainfall, typhoons, high temperatures, and other events caused by climate change may affect mining, raw material supply, rail and road transportation, and production stability, thereby increasing operating costs and supply chain risks.

To mitigate these risks, the Company continues to advance equipment maintenance management, supply chain scheduling, energy efficiency improvements, and operational resilience enhancement measures, and reduces the impacts of extreme climate events on operations and financial performance through regular reviews of climate-related risks and response strategies.

Greenhouse gas emissions statistics

Lucky Cement conducts regular annual greenhouse gas emission inventories, tracks subsequent improvements in major emission sources, and uses the results as a reference for designing future energy-saving and carbon reduction projects.

Lucky Cement greenhouse gas emissions

Year	Scope	Scope	Emissions (tCO ₂ e)	Revenue (in NTD million)	Emission intensity (tCO ₂ e / million revenue)	Third-party verification ● Self-assessment
2023	Parent company	Scope 1	572,909.78	5,094.743	112.45	Third party verification
		Scope 2	46,704.20		9.17	
		Scope 3	48,070.87		9.44	
		Total	667,684.85		131.06	
2024	Parent company	Scope 1	552,149.50	4,867.094	113.45	Third party verification
		Scope 2	43,194.75		8.87	
		Scope 3	37,121.59		7.63	
		Total a	632,465.84		129.95	
	Subsidiaries in the Consolidated Financial Statements	Scope 1	2,853.54		0.59	● Self-evaluation
		Scope 2	536.58		0.11	
		Total b	3,390.12		0.70	
2025	Parent company	Scope 1	526,310.22	4,450.870	118.25	Third party verification
		Scope 2	38,858.53		8.73	
		Scope 3	44,512.26		10.00	
		Total a	609,681.01		136.98	
	Subsidiaries in the Consolidated Financial Statements	Scope 1	2,356.08		0.53	● Self-evaluation
		Scope 2	496.01		0.11	
		Total b	2,852.09		0.64	

Note 1: The greenhouse gas inventory was conducted in accordance with the [ISO 14064-1:2018] standard.

Note 2: The scope of the parent company includes the headquarters, Dong'ao Plant, sales offices, storage and transportation stations, Heren Plant, and Puxin Plant, and third-party verification information has been disclosed since 2024; the Company has included greenhouse gas inventory information of subsidiaries since 2024.

Note 3: The scope of subsidiaries includes Luckicon Ready Mixed Concrete Factory (Keelung Plant, Sanxia Plant, and Puxin Plant), Dai Shen Development, Luckyship Marine Agency, and Fu Yu Development, and assurance information will be disclosed from 2027.

Note 4: Scope 3 refers to indirect greenhouse gas emissions from CAT4 products used.

2025 Greenhouse Gas Inventory Details of Lucky Group Companies

Location	CAT1 Direct emission sources (tCO ₂ e)	CAT2 Energy indirect emission sources (tCO ₂ e)	CAT4 Indirect GHG emissions from products used (tCO ₂ e)	Total (tCO ₂ e)	
Headquarters	12.44	107.84	0	120.28	
Business office	1.84	22.22	0	24.06	
Storage and transportation station	186.36	789.55	0	975.91	
Heren Plant	656.31	1,941.38	0	2,597.69	
Puxin Plant	1,967.82	4,305.84	0	6,273.66	
Dong' ao Plant	523,485.45	31,691.69	44,512.26	599,689.40	
Luckicon Ready Mixed Concrete Factory (Keelung Plant)	154.11	61.51	0	215.62	
Luckicon Ready Mixed Concrete Factory (Sanxia Plant)	442.60	273.35	0	715.95	
Luckicon Ready Mixed Concrete Factory (Pushin Plant)	411.04	161.05	0	572.09	
Dai Shen Development	0	0.11	0	0.11	
Luckyship Marine Agency	0	0	0	0.00	
Fu Yu Development	1,348.33	0	0	1,348.33	
Total (tCO₂e)	528,666.30	39,354.54	44,512.26	612,533.10	-

[Dong'ao Plant] Greenhouse Gas Inventory and Reduction Results

In 2013, the Dong'ao Plant obtained a greenhouse gas verification statement issued by SGS in accordance with ISO 14064 requirements, and completed its greenhouse gas inventory in 2014. Third-party verification has been conducted annually starting in May. To comply with greenhouse gas reporting to the Environmental Protection Administration, the inventory boundary is based on the control number; therefore, the baseline year was revised to 2013, the year in which greenhouse gases were first reported. Lucky Cement conducts regular annual greenhouse gas emission inventories, tracks subsequent improvements in major emission sources, and uses the results as a reference for designing future energy-saving and carbon reduction projects.

In accordance with relevant inventory guidelines and requirements announced by the Environmental Protection Administration, the Dong'ao Plant conducts annual greenhouse gas inventories, third-party verification, and registration. Total greenhouse gas emissions for 2025 were 555,142.602 tCO₂e/year, a reduction of 26.89% compared with greenhouse gas emissions in 2013 (baseline year), thereby achieving the target.

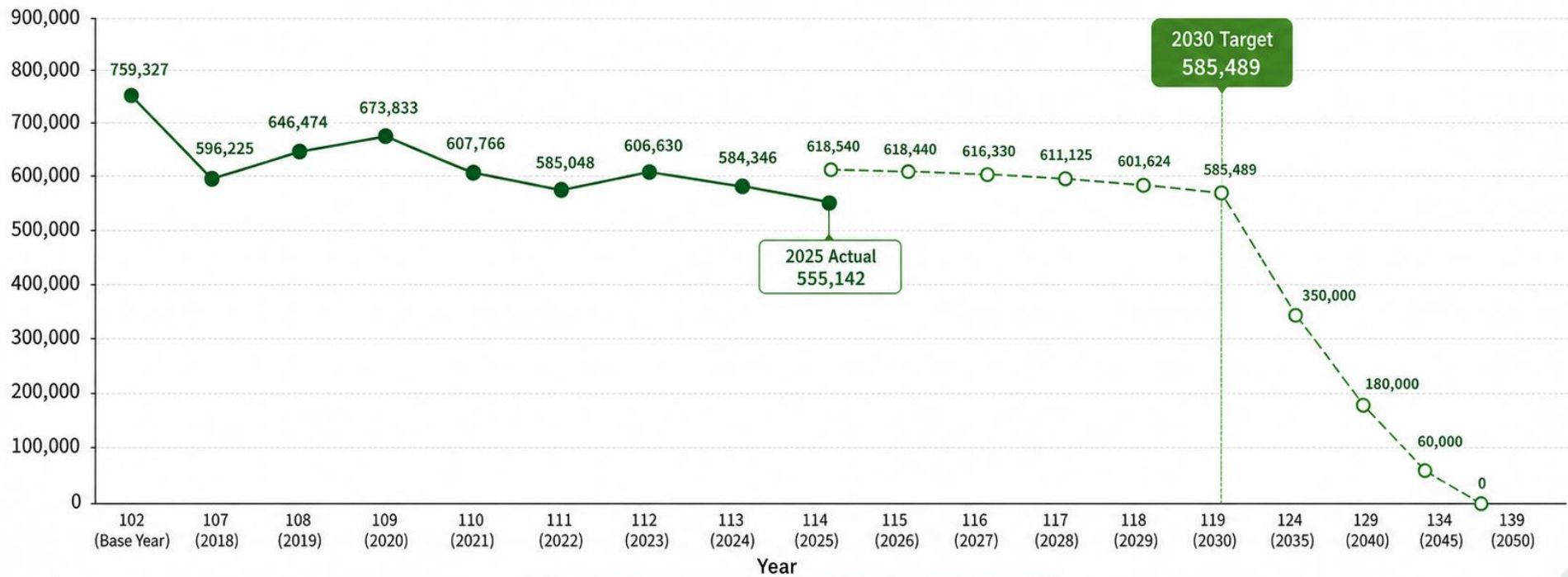
Unit: tCO₂e

Dong' ao Plant	2013 (baseline year)	2018	2019	2020	2021	2022	2023	2024	2025
Total emissions	759,327	596,225	646,474	673,833	607,766	585,048	606,630	584,346	555,142
Emissions reduction percentage	-	21.48%	14.86%	11.26%	19.96%	22.95%	20.11%	23.04%	26.89%

Dong'ao Plant – Total GHG Emissions Trend

Using 2013 as the Base Year, Continuing toward Net-Zero Emissions

Total Carbon Emissions (Metric Tons CO₂e)



—●— Actual (Achieved) - -○- - Target (Planned)



Energy Saving & Carbon Reduction
Continuous Improvement



Smart Innovation
Efficient Management



Green Transformation
Sustainable Development



Net-Zero Future
Creating Sustainability Together

Carbon Reduction Roadmap Timeline

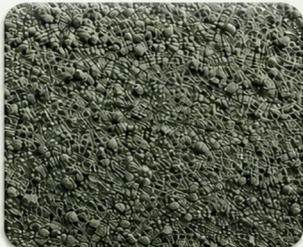
GHG Reduction Measures

In response to the government's Net Zero by 2050 Policy, the Company has set GHG reduction targets by combining the "Three Carbon Fee Sub-Laws" - Regulations Governing Self-determined Reduction Plans, announced by the Ministry of Environment on August 29, 2024, which is a voluntary reduction plan:

2025 - 2030

- **Action adopted** : Reduction measures under the Regulations Governing Self-Determined Reduction Plans of the Ministry of Environment.
- **Base-year emissions** :Based on the average for 2018–2022.
- **Planned target reduction rate**: Reduce emissions by more than 5.7% in 2030 compared with base-year emissions, with cumulative annual GHG emission reductions exceeding 100,000 tonnes.
- **Key measures**: Alternative fuels, alternative raw materials, low-carbon cement, cement grinding, coal mill modifications, etc.

Key initiatives



Low-Carbon Materials
Replacing Cement Raw Materials



Process Improvement

Hydraulic Blended Cement



Reduction Measures

Switch to Low-Carbon Fuels

Alternative Fuels
Replacing Coal



Enhancement Measures

Coal Mill Retrofit



Improve Energy Efficiency

Cement Mill Retrofit

Low-Carbon Cement - Blended Hydraulic Cement Portland Limestone Cement (IL) Obtained low-carbon cement and low-carbon concrete certifications in 2025



CNS Mark Certificate
Bureau of Standards, Metrology and
Inspection (BSMI), Ministry of Economic
Affairs
(Blended Hydraulic Cement – Portland
Limestone Cement (IL))



**Taiwan Construction Research
Institute Certification**
(Limestone Cement Concrete)

Long-term carbon reduction strategy

Moving Towards the 2050 Net-Zero Carbon Reduction Goal

[Cement Kiln Technological Upgrades]

Continue to promote cement kiln equipment upgrades and process optimization, improve combustion efficiency and reduce energy consumption, and reduce carbon emissions from clinker production through the use of alternative raw materials and fuels, improved grinding efficiency and intelligent operational management.

[Waste Heat Power Generation]

Establish and optimize waste heat recovery power generation systems to recover waste heat energy generated by cement kiln processes, improve energy-use efficiency,

and reduce demand for externally purchased electricity and indirect GHG emissions.

[CCUS Technology]

Assess the introduction of CCUS (carbon capture, utilization and storage) technology, gradually establish carbon capture and circular utilization capabilities, reduce process emissions, and serve as an important technological pathway for future deep decarbonization and net-zero transformation.

[Low-Carbon Cement and Green Product Development]:

Continue to promote the development of low-carbon cement and alternative cementitious materials, reduce the proportion of clinker used, enhance resource circular utilization benefits, and develop green building material products in line with low-carbon trends in response to market and engineering needs.

Lucky Cement will continue to deepen its carbon reduction efforts, committed to promoting sustainable operations with minimal environmental impact and maximum cost-effectiveness. With ongoing technological innovation and advancement, we will dynamically adjust and optimize our carbon reduction strategies annually to ensure their foresight and effectiveness, continuously enhancing our carbon reduction performance.

GHG Reduction Implementation Status

Parent company GHG emissions in 2025 decreased by 22,784.83 tCO₂e compared with 2024, representing a decrease of approximately 3.60%.

GHG emissions from subsidiaries included in the Consolidated Financial Statements decreased by 538.03 tCO₂e in 2025 compared with 2024, representing a decrease of approximately 15.87%.

Greenhouse gas inventory certificate

Please refer to Appendix 6 of this report for the GHG inventory certificate.

Toward the 2050 Net-Zero Carbon Reduction Goal

Technology Integration × Circular Utilization × Innovative Development Creating a Sustainable Future Together



4.4 Air pollution control

The cement industry is an energy-intensive industry subject to air pollution controls, and its processes may generate pollutants such as particulate matter, sulfur oxides (SOx) and nitrogen oxides (NOx). The Company continues to promote process improvements, maintenance of pollution control equipment and enhanced combustion efficiency to reduce pollutant emissions, and conducts fixed pollution source monitoring and reporting in accordance with the law to ensure compliance with regulatory requirements and implement environmental protection and sustainable operations.

Impact of air pollution control:

Particulate matter may affect the respiratory system, with PM2.5 posing a higher risk to human health; sulfur oxides (SOx) may cause irritating odors and acid rain, while alkaline oxides in cement processes have a partial absorption effect; nitrogen oxides (NOx) are among the main pollutants generated by high-temperature combustion and may cause acid rain and affect respiratory health.

Our approach

Policy	To balance economic development and environmental protection, Lucky Cement continues to introduce best available technologies to reduce air pollutant and GHG emissions and, through process improvements, high-efficiency equipment and the application of mineral admixtures, improve energy and raw material use efficiency and implement pollution reduction and low-carbon sustainable development.
Management system or practices:	Continuously promote environmental management systems, strengthen emissions management, and establish monitoring, testing and estimation mechanisms to promptly monitor emissions conditions and corrective actions for abnormalities

Goals and targets	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, SO_x and NO_x emissions concentration and annual emissions to reduce particulate pollutants, sulfur oxides and nitrogen oxides emissions. 3. Monitor the heat consumption of the production system to control fuel consumption.
Complaint mechanism	When people in the nearby communities have complaints about the factory's emissions, they can inform the factory by telephone or other means, and the factory management will deal with the issues immediately in accordance with the relevant communication procedures to mitigate negative opinions.
Effectiveness of evaluation method	"Particulate pollutants, sulfur oxides and nitrogen oxides emissions concentration and volume" and "abnormally large emissions" are listed as key performance indicators. The review reports are submitted to the management level every month, and annual review meeting is held to review last year's performance in order to propose improvement measures and review their effectiveness and set targets where necessary to further improve the emissions situation.

Air Pollution Management and Emission Reduction Actions

Cement processes primarily involve dust-generating operations. To effectively reduce air pollutants generated during production, the Company continues to implement source reduction and end-of-pipe control measures. In terms of source management, stable-quality fuels are strictly selected to reduce pollutant generation; in terms of end-of-pipe controls, high-efficiency dust collection equipment and online monitoring systems have been installed to monitor emissions in real time, and emission data are recorded and reported in accordance with the law.

Taking the Dong'ao Plant as an example, it currently has two electrostatic precipitators and 20 bag filters installed, and continues to review equipment performance and improve and replace less efficient equipment. In addition, an optimization

project to convert one electrostatic precipitator into a bag filter was completed in 2022 to improve overall dust collection efficiency and pollution control effectiveness. No environmental complaints were received from surrounding communities in 2025.

Lucky Cement Air Pollution Emissions

Facility	Dong' ao Plant			Puxin Plant			Heren Plant		
Year/item	2023	2024	2025	2023	2024	2025	2023	2024	2025
SOx (kg)	33,281.67	20,459.82	45,893.78	583.43	740.68	577.22	0	0	0
NOx (kg)	692,989.14	668,678.60	712,579.90	272.23	503.17	354.10	0	0	0
Particulate Matter (kg)	24,571.68	6,332.75	2,460.76	2,381.99	2,541.38	2,135.44	203,090.30	91,220.41	70,180.73
Heavy Metal (Lead)(mg/Nm ³)	-	-	N.D.(<0.01262)	-	-	-	-	-	-
Heavy Metal (Cadmium)(mg/Nm ³)	-	-	N.D.(<0.00137)	-	-	-	-	-	-
Heavy Metal (Mercury)(mg/Nm ³)	-	-	0.0259	-	-	-	-	-	-
Dioxin(ng I-TEQ mg/Nm ³)	-	-	0.031	-	-	-	-	-	-

Note 1: The Heren Plant primarily engages in stone crushing operations and has no SOx or NOx emissions; the Company has no emissions of ozone-depleting substances (ODS).

4.5 Recycling and Reuse of Waste Resources

Material Topic: Waste Management		
Significance to the Company		- Through cement kiln co-processing, waste is redefined and returned to the industrial production chain for continuous circulation, reducing the consumption of primary energy and resources. - Comply with the Waste Disposal Act and carbon reduction regulations to establish an image as a leader in the circular economy.
Policy/commitment:		Commit to implementing the vision of “Zero Waste and Circular Economy” . Strictly implement source reduction and energy and resource recovery of waste within plants, and report waste treated off-site in accordance with the law, to maximize resource circulation and reduce the extraction of and dependence on natural resources.
Goals	Short-term	Increase the in-plant general industrial waste recycling rate to more than 90%.
	Long-term and mid-term	- Continue to reduce in-plant waste. - Become a zero-waste factory by 2050 and achieve an internal closed-loop cycle for all production waste.
Responsible department complaint mechanism		- Environmental Protection Department, Dong'ao Plant - External stakeholder communication platforms (e.g., community forums and official website email).
Resources invested during the year		The Dong'ao Plant has established a dedicated Environmental Protection Department with three personnel to implement the Dong'ao Plant In-Plant Waste Energy and Resource Recovery Integration Project.
Evaluation mechanism/results		The general industrial waste resource recovery rate the Dong'ao Plant was 100% in 2025, achieving the target. (A total of 18.38 tonnes were recovered through cement kiln processing, 425.54 tonnes of scrap iron were sold off-site for reuse, and there was no waste not recovered for reuse)

In terms of waste management, all waste generated by the Dong'ao Plant is general industrial waste, mainly including waste fibers and waste cement packaging bags generated from cement processes and packaging operations, as well as employee domestic waste, non-process waste plastics and waste iron drums. Most of the aforementioned waste is recovered using existing facilities such as in-plant cement rotary kilns; scrap iron generated from process equipment replacement is recovered and reused by qualified contractors. The Puxin Plant uses outsourced waste removal, with processing handled by contractors holding Taoyuan City Government waste removal permits, and reporting is conducted through the Ministry of Environment Industrial Waste Reporting and Management System in accordance with the law.

Lucky Cement Waste Generation Statistics

Facility	Waste Type	Waste Items (Unit: Metric Tons)	2023	2024	2025	Disposal method	Off-site / on-site treatment
Dong ' ao Plant	General industrial waste	Scrap iron (mixed scrap, decommissioned equipment)	280.68	169.48	425.54	Recycling	Off-site
		Waste wood	-	-	7.38	Reuse	On-site
		Waste Fiber	-	-	7.00	Reuse	On-site
		Sludge	-	-	4.00	Reuse	On-site
		Subtotal	280.68	169.48	443.92	-	-
Puxin Plant	General industrial waste	Waste Fiber	1.15	3.50	2.85	Landfill	Off-site
		Household waste	4.21	2.86	3.23	Landfill	Off-site
		Scrap Iron Sand	235.00	175.62	122.58	Recycling	Off-site
		Subtotal	240.36	181.98	128.66	-	-
Heren Plant	General industrial waste	Scrap Iron (Mixed Scrap, Iron Sand, Decommissioned Equipment)	-	-	116.34	Recycling	Off-site
		Domestic Waste (Including Waste Paper, Aluminum Cans, Glass, etc.)	13.20	18.90	6.81	Incineration	Off-site
		Subtotal	13.20	18.90	123.15	-	-
Total			534.24	370.36	695.73	-	-

4.6 Water Resource Management

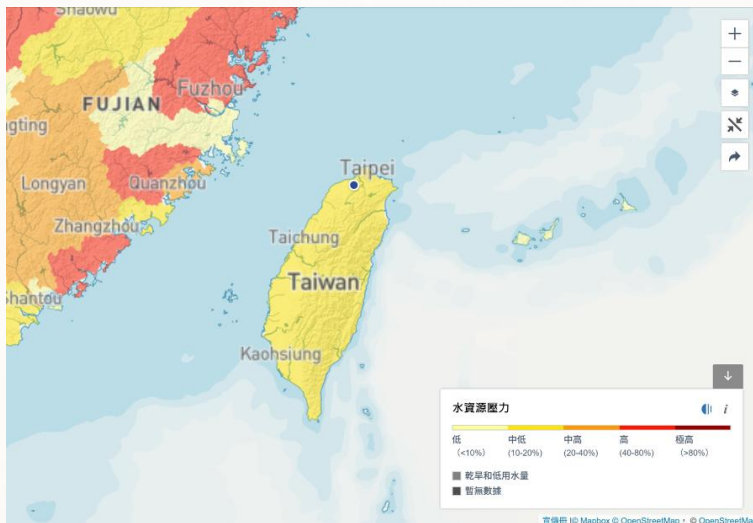
Water plays an extremely important role in production processes, and effective water conservation and water resource recovery and reuse are important objectives for the Company in promoting sustainable development.

Our approach

Commitment	1. In order to comply with the regulations of the county government issuing water rights certificates, groundwater in the #1 deep water well can only be extracted 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 the #3 deep water well every year.
Management system or practices	Statistical records of water extraction every day, every month, over one year and over five years are made into reports.
Goals and targets	The water recovery rate of the car wash platform is over 75% every year.
Specific actions and initiatives	Water pumping monitoring: Handle reports on daily, monthly and annual water extraction.
Evaluation methods	Through regular monitoring and ESG disclosures, track the annual achievement of the car wash platform' s water recycling rate goal of over 75%.

Risk evaluation

In recent years, the impacts of climate change have led to more frequent extreme weather events and shifting rainfall patterns, increasing risks related to water scarcity and water quality. As a result, the use and management of water resources have become an increasingly important environmental issue. To understand water use at each operating site and assess potential water resource-related risks, Lucky Cement used the Aqueduct tool of the World Resources Institute (WRI) to conduct scenario simulation analysis. The results show that all Lucky Cement sites in Taiwan are located in low-to-medium-risk areas (10%–20%), classified as non-water-stressed areas.



Water Use

Lucky Cement's water withdrawals mainly come from approved surface water and groundwater, with surface water as the main source and groundwater extracted only when necessary. Actual annual water use is reported to the county government's water resources authority and is monitored and recorded in real time. Water is mainly used for process cooling, production equipment and domestic use. Although the Company's operating sites are not located in water-stressed areas and do not cause significant environmental impacts on water resources and watershed ecosystems, the Company still actively adopts corresponding water resource management measures, such as regular leak detection for return-water pipelines and water recovery from vehicle washing platforms, effectively enhancing water resource control.

Lucky Cement water usage statistics

Unit: Million Liters/Year	2023	2024	2025
Total water withdrawal	3,467.21	1,554.89	1,740.76
Total discharge volume	481.97	290.37	205.43
Total water consumption	2,985.24	1,264.52	1,535.33

Lucky Cement Water Withdrawal Source Statistics

Facility	Water Withdrawal Source/Year	2023	2024	2025
Headquarters	Surface water	-	-	-
Business office		-	-	-
Storage and transportation station		-	-	-
Dong' ao Plant		852.53	705.91	909.79
Puxin Plant		-	-	0.00
Heren Plant		2593.13	733.11	735.75
Subtotal (Million Liters)		3,445.66	1,439.02	1,645.53
Headquarters	Groundwater	-	-	-
Business office		-	-	-
Storage and transportation station		-	-	-
Dong' ao Plant		15.40	109.46	85.11
Puxin Plant		4.76	4.84	4.36
Heren Plant		0.00	0.00	0.00
Subtotal (Million Liters)		20.16	114.30	89.47
Headquarters	Water Treatment Plant	-	-	1.30
Business office		-	-	0.42
Storage and transportation station		-	-	2.33
Dong' ao Plant		-	-	-
Puxin Plant		1.39	1.57	1.70
Heren Plant		-	-	-
Subtotal (Million Liters)		1.39	1.57	5.76
Total (Million Liters)		3,467.21	1,554.89	1,740.76

Note 1: The Heren Plant began statistical reporting in 2023; the Company added statistics for the headquarters, business offices and storage and transportation stations beginning in 2025.

Note 2: Heren Plant consists of a mining site and crushing plant; all water used is recycled (settling and withdrawal of settled water), with the remainder discharged naturally and not included in the statistics.

Water pollution control

Lucky Cement has assigned dedicated personnel to manage wastewater. Both the Dong'ao Plant and Heren Plant regularly conduct wastewater quality testing and analysis and complete reporting procedures in accordance with the law to ensure that discharges meet effluent acceptance standards. At the same time, equipment is regularly cleaned according to testing results, and cleaning and removal frequency is enhanced according to actual needs. In addition, the Company continues to improve wastewater treatment technology and equipment performance and strengthen management processes and operational controls to ensure stable compliance of effluent water quality and reduce environmental impacts.

Dong'ao Plant wastewater monitoring

Unit: mg/L	Total suspended solids (TSS)	Discharge standard	Chemical oxygen demand (COD)	Discharge standard
Q1 2024	N.D.	10	<1.25	20
Q2 2024	<1.25	10	12.4	20
Q3 2024	25.3*	10	8.9	20
Q4 2024	<1.25	10	16.9	20
Q1 2025	<1.25	10	N.D.	20
Q2 2025	<1.25	10	5.4	20
Q3 2025	<1.25	10	N.D.	20
Q4 2025	<1.25	10	<10	20

Heren Plant wastewater monitoring

Unit: mg/L	Total suspended solids (TSS)	Discharge standard	Chemical oxygen demand (COD)	Discharge standard
Q2 2024	3.6	10	15.3	20
Q4 2024	6.5	10	13.6	20
Q2 2025	9.7	10	< 10	20
Q4 2025	7	10	N.D.	20

Note 1: The Puxin Plant uses domestic water only and does not require measurement.

Water Resource Management Plan

1. Regularly conduct equipment maintenance, promote water-saving measures and recovery and reuse, and improve water-use efficiency.
2. Continue to replace and upgrade aging pipelines to reduce the risk of water leakage.
3. Regularly replace drinking water equipment filter media and test water quality to ensure water-use safety.
4. Promote concepts of water conservation, electricity conservation and resource conservation through announcements and education and training to enhance employee environmental awareness.
5. The water recovery rate of the vehicle washing platform reached 100% in 2025.



Time 2025-06-03 09:09

Work Item Recovered Water (Clean Water Recovery Tank T02-5)



Time 2025-06-03 09:48

Work Item Effluent (D01)



4.7 Biodiversity

The Company understands the impact of mining development on the natural environment and biodiversity and therefore actively promotes mine rehabilitation and environmental management, endeavors to reduce impacts on biological habitats and gradually restore ecological functions. Relevant management measures are currently mainly implemented in mining area operations. At this stage, in addition to fully meeting all environmental impact assessment requirements and rehabilitation measures, the Company prospectively refers to the nature management principles advocated by the Kunming-Montreal Global Biodiversity Framework and the Taskforce on Nature-related Financial Disclosures (TNFD) as directions for future improvement and optimization of ecological management mechanisms.

Plant Site Location and Ecological Sensitivity

Although there are no ecologically sensitive areas such as national parks or nature reserves near the Company's factories, the surrounding natural ecology is abundant and provides habitats for various protected animals, including the Formosan muntjac, Formosan serow, yellow-throated marten, crab-eating mongoose, white-eared sibia, ornate rice frog and red-tailed green bamboo viper. In addition, roads surrounding the plant site are activity areas for traditional

hunting and mountain access by local indigenous people; with respect to water resource use, upstream of the factories is the surface water intake applied for by the Company. After

being diverted downstream, the water source is mainly provided to residents of nearby tribes for domestic water use. Therefore, the Company attaches great importance to its symbiotic relationship with local communities and the ecological environment.

Main Operating Activities

The factory's main operating activities are blasting, mining and excavation of limestone in mining areas. Extracted raw ore first undergoes crushing. In addition to a portion directly supplied as cement raw material, the remainder undergoes stone sorting to produce aggregate products such as manufactured sand, three-eighths stone and three-quarters stone. Finally, these finished products are conveyed to the loading and unloading area by automated conveyor belts and transported out of the factory by rail, forming an efficient and systematic production, marketing and distribution process.

Environmental Monitoring and Management Measures

To ensure that mining and daily operations do not adversely affect the local environment, such as soil and water conservation, Lucky Cement actively implements environmental management and risk control mechanisms and regularly conducts rigorous mine environmental monitoring programs. Taking 2025 as an example, the latest monitoring period was from March to August, and the monitoring scope comprehensively covered key indicators including surface water quality, air quality, noise, vibration and traffic volume.

Historical and latest monitoring data show that no material abnormalities occurred in any indicators at the plant sites, nor was there any deterioration in environmental quality, and overall mining operations proceeded steadily according to plan. The Company continues to minimize the impacts of its operations on the surrounding environment through practical actions and, through the following specific measures, effectively reduces the impacts of mining operations on the ecological environment and biodiversity:

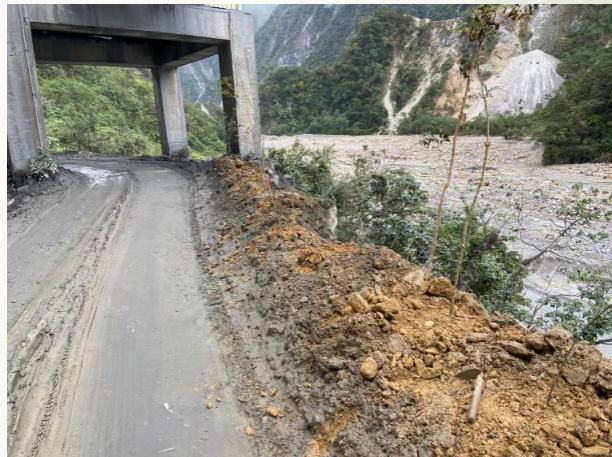
Management Measures	Explanation
Pre-extraction assessment	We conduct detailed environmental and social impact assessments before developing new mining areas to ensure minimal impact on the ecological environment.
Management plan development	In accordance with relevant regulations, formulate mine environmental maintenance plans and mine closure plans to ensure effective environmental protection and restoration during and after mining.
Ecological restoration and afforestation / continuous greening	Ecological restoration and afforestation / continuous greening We regularly perform vegetation restoration, with cumulative greening areas increasing year by year to enhance the ecological value of the mining sites.
Dust and noise control	We adopt an enclosed ore transportation system to reduce the impact of dust and noise on the surrounding environment.
Water resources management	We have established a comprehensive water resource management system to ensure the efficient recycling of process water and the compliant discharge of wastewater, thereby reducing the impact on aquatic ecosystems.
Habitat protection	The mining site is not located within any World Heritage Site or other sensitive area such as a IUCN (International Union for Conservation of Nature) Category I–IV protected area.
Community engagement	We maintain close communication with local communities, listen to the opinions and suggestions of stakeholders, and ensure that mining operations coexist harmoniously with the surrounding community.
Circular economy compensation	The Company incorporates circular economy principles into its cement production process by adopting alternative fuels, raw materials, and green energy initiatives to reduce the consumption of natural resources and minimize negative impacts on the environment and biodiversity.

Implementation Status for the Year

As the April 3, 2024 Hualien earthquake caused surface damage and slope sliding at some of the Company's plant sites, the Company initiated a post-disaster recovery plan at the time and carried out terrain restoration, revegetation and soil and water conservation projects in stages, while introducing more native plants to enhance ecological diversity.

The Company will continue to strengthen disaster response and recovery mechanisms, considering ecological balance and habitat connectivity during the restoration process to minimize the long-term impact of natural disasters on the surrounding environment and biodiversity. As of the end of 2025, the reforestation and greening rate reached 56%, covering an area of 62 hectares.

Plantation and greening



4.8 Compliance with the environmental laws and regulations

The cement industry must comply with relevant environmental laws and regulations regarding air pollution, water pollution and waste, among which air pollution control includes the “Air Pollutant Emission Standards for the Cement Industry”. As public environmental awareness increases and local emission standards become increasingly stringent, compliance with environmental regulations in the cement industry has received greater attention. Therefore, continued regulatory compliance has become an important issue for sustainable corporate operations.

Impact of compliance with environmental laws and regulations

The Company continues to monitor trends in environmental regulatory amendments and announcement content and timely assesses and promotes responsive measures to ensure that all operations comply with regulatory requirements. The Company understands that violations of environmental regulations may result in fines and affect corporate image and investor trust; therefore, it attaches great importance to all environmental regulations and continues to implement management.

Our approach

Policy and system	1. The Company's environmental management policy is based on the core principles of compliance with environmental regulations, pollution prevention, risk control and continuous improvement. 2. The Regulations Management Operating Procedures have been established to regularly review regulatory compliance and response measures for newly amended regulations, and through regular and irregular inspections, confirm that all units comply with regulatory requirements and continuously track and improve deficiencies.
Goals and targets	Through establishing annual environmental performance targets and incentive mechanisms, encourage all units to proactively report and identify regulatory non-compliance matters and continuously improve the effectiveness of environmental management and regulatory compliance.

Complaint mechanism	Internal and external stakeholders may submit grievances and feedback through diverse channels including feedback forms, letters, telephone calls, meetings, announcements and communication platforms.
Effectiveness of evaluation methods	Environmental regulatory compliance is regularly reviewed in accordance with the Regulations Management Operating Procedures, and operational conditions are confirmed through on-site inspections, with non-compliance matters continuously tracked for improvement; relevant review results are reported to management for review, and the plant manager supervises the implementation of improvement measures.

Environmental Violations and Penalties

Penalties imposed for environmental violations in 2025 are as follows:

Date of major violation penalty	Date of major violation	Cause of major violation in the year	Violated regulation	Nature / Details of Major Penalty	Follow-up improvement measures description
2025/6/23	2025/4/25	See the table in 3.3 Compliance with laws and regulations for details.			
2025/4/16	2024/3/30	See the table in 3.3 Compliance with laws and regulations for details.			

Note 1: The Company defines a "major violation" as an incident where a single penalty exceeds NT\$100,000 (including fines and penalties).

4.9 Sustainable supply chain

Procurement philosophy and culture of the supply chain

Upholding its management philosophy, quality policy and corporate commitments, Lucky Cement follows procurement principles of timely delivery, appropriate quantity, appropriate quality and reasonable prices, with qualified suppliers providing equipment, raw materials and related materials to meet the Company's operational, production and expansion needs. At the same time, the Company continues to communicate with suppliers on environmental protection and sustainability issues, jointly promotes energy conservation, emission reduction and environmental protection, and fulfills its corporate social responsibility.

Purchasing regulations and self-expectations

Lucky Cement has established relevant measures for procurement operations management, construction contracting operations, supplier evaluation and assessment, and transportation outsourcing operations management, and conducts procurement and contracting based on the principles of fairness, impartiality and openness. The Company values the integrity and professional competence of procurement personnel, requires adherence to integrity principles and prohibits acceptance of improper benefits, and continuously improves procurement efficiency and management effectiveness through risk prevention and process management.

Supply chain categories and sources

We adopt the most suitable procurement strategy for supplies, transportation operations, and construction contracting required for the production of cement, and conduct market observation and cost-benefit analysis, and strive to handle the procurement and contracting operations in the most beneficial way for the Company.

Category	Explanation
Raw materials	The main raw materials used in cement production include limestone, clay, silica sand, iron slag, coal fines, gypsum, and blast furnace slag. In order to align with national construction and economic development efforts, we use mostly construction soil for clay and silica sand, and iron sand, gypsum and furnace slag come from solid materials produced by domestic and foreign power

	plants and steel plants to achieve circular economy of recycling resources in the society. The main fuel for production is coal, which is mainly imported from Russia and Australia.
Supplies	Supplies such as refractories, refractory mortar, refractory castings, heat-resistant castings, wear-resistance castings, steel balls, paper bags and bulk 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, we choose transportation companies of good reputation and good service quality to collaborate with after the supplier evaluation and audit.
Construction outsourcing	For manufacturing, assembly and maintenance projects in mining, civil engineering, machinery, electrical works, etc., as well as contracting operations for industrial safety, environmental protection engineering, and human hourly labor, we assess the company size, equipment configuration, technical capabilities, actual performance experience, etc. to outsource related projects to maintain equipment and stabilize production.

Supplier code of conduct and commitment to ethics and integrity

To pursue sustainable operations and fulfill sustainable development as a corporate citizen, based on mutually beneficial partnership relationships with cooperating manufacturers or suppliers, the Company has promoted the Supplier Code of Conduct since 2016, jointly committing to corporate sustainable development, promoting environmental sustainability, valuing labor rights, occupational safety and health and safeguarding basic human rights, adhering to ethical corporate management and ethical standards and complying with relevant integrity and ethics commitments, and will continue to promote it in the future.

Summary of main issues in the Supplier Code of Conduct and commitment to ethics and integrity

Item	Description
Comply with relevant government laws and regulations	Labor work and wages and benefits Labor health, safety, and hygiene regulations Environmental regulations Intellectual property rights and personal data protection
Basic principles	Jointly fulfill corporate sustainable development, and when necessary, confirm the results of implementation of sustainable development; and 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 sustainable development 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 wastage, and achieve energy conservation goals through energy saving, recycling, reuse, substitution, and other methods.
Labor rights, human rights, safety and health	Employment should comply with relevant laws and regulations and include no forced labor. Salary policies should comply with local laws and regulations. Discrimination of any form is prohibited. Child labor is prohibited. Freedom of association must be allowed. Compliance with labor health, safety and hygiene regulations is mandatory in order to reduce potential risks and hazards and prevent occupational disasters.
Ethical corporate management	Comply with the principles of ethical corporate management: Incorporate integrity and fairness into legitimate income and advertising; Protect intellectual property rights; conduct open and transparent transactions; and confidential information shall be treated as such.
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.

Supplier development and management

In order to develop supply sources of goods, we actively explore and evaluate new suppliers. We conduct vendor surveys, evaluations, reviews, verifications, and complete registrations in accordance with the procedures and regulations specified by the Company. In the process of continuously developing new suppliers, we have increased supply partners, improved the selectivity of sources, ensured price advantages and stable supply, and reduced operating costs. No complaints were received from suppliers in 2025.

In 2025, Lucky Cement screened new suppliers based on various ESG themes.		
New suppliers	Number of new suppliers	9
	ESG screening rate	56.25%

Supplier evaluation and audit

Lucky Cement has established the Supplier Evaluation and Assessment Measures to regularly evaluate quality, delivery time, price and service as the basis for supplier management and selection, and continues to maintain good communication and cooperative relationships with suppliers. In terms of procurement and contract management, suppliers are required to meet quality certification standards and comply with relevant regulations on labor, occupational safety and health, environmental protection and information security, to jointly implement sustainable supply chain management.

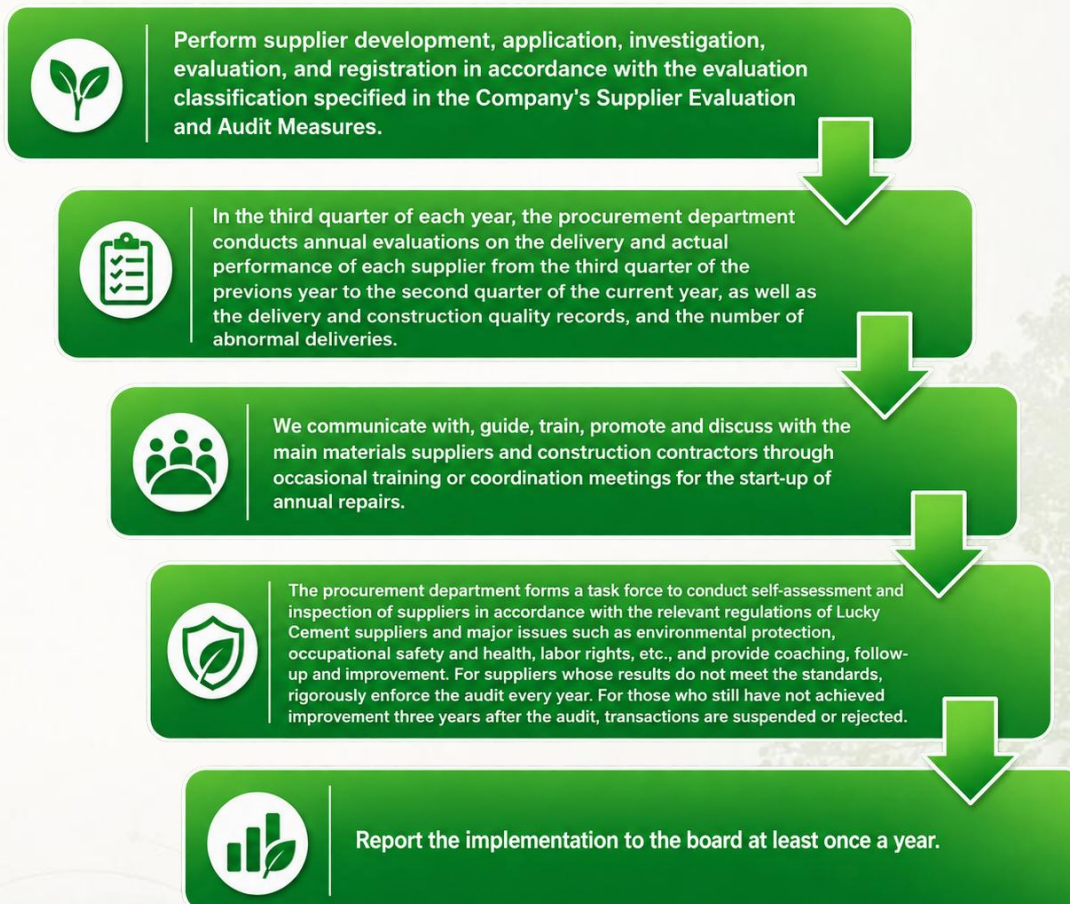
Implementation Status of Lucky Cement Existing Supplier Evaluations

Item	2023	2024	2025
Number of suppliers	360	385	401
Number of suppliers with ESG self-assessments	59	60	65
Number of suppliers with on-site ESG audits	20	20	20
Supplier ESG audit rate	21.94%	20.78%	21.20%

Supplier audit, training, communication and coaching.

Since 2021, the Company has conducted on-site inspections and provided improvement guidance in accordance with supplier management regulations and, through inspection, training and communication mechanisms, continuously promoted sustainability management requirements regarding environmental protection, occupational safety and health, labor and human rights, regulatory compliance, ethical corporate management and information security.

Operational method



V. Social Care

Lucky Cement values employee care and labor-management harmony and continues to invest in compensation and benefits, talent development and career development, creating a safe, friendly and developmental work environment to enhance employee cohesion and willingness to remain. The Company's employees have relatively high average years of service, demonstrating employees' strong identification with and stability in the Company; at the same time, Lucky Cement has introduced the ISO 45001 Occupational Health and Safety Management System and continues to strengthen occupational health and safety management to safeguard employees' physical and mental health.

5.1 Human rights protection

Lucky Cement complies with the Labor Standards Act and relevant government laws and regulations, recognizes and supports internationally recognized human rights standards such as the United Nations Global Compact, the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and has established a human rights policy covering workplace human rights, freedom of association, health and safety, information security and human rights promotion. The Company treats all employees fairly and does not provide differential treatment or discriminate based on gender, age, race, religion or physical and mental condition, endeavors to create a safe, equal and harassment-free work environment, and provides diverse grievance channels to safeguard employees' legal rights and interests.

Employee complaint practices

Lucky Cement has established diverse and open employee communication channels. Employees may express opinions, submit grievances or report illegal matters through labor unions, the Company website, email and telephone, and the Company actively responds to and handles such matters prudently to safeguard employee rights and interests and ensure smooth communication mechanisms. No labor complaint (forced and compulsory labor or sexual harassment) cases in 2025.

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

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

Complaint dedicated fax: 03-9986066 ; 02-25093033

Dedicated grievance email: yu@luckygrp.com.tw ; kevinlee@luckygrp.com.tw

5.2 Employee Profile

Lucky Cement is a stable and mature company. Its workforce structure has been stable in recent years, and employees have relatively long average years of service. As of the end of 2025, the Company had 308 employees. Compared with 2024, the Company's employee number and composition had no significant fluctuations, and employees had an average service tenure of 11.56 years. As Lucky Cement is in the cement industry, most employees are on indefinite-term contracts, namely full-time employees. The Company provides long-term and stable employment, allowing employees to devote themselves fully to work without worries and helping safeguard their economic livelihoods. Employees are mainly divided into direct and indirect personnel. Direct personnel are engaged in on-site process production work, while indirect personnel primarily perform support roles such as administration, clerical tasks, and services, with the majority being male. Lucky Cement's Taiwan operations employ 100% local talent in senior management positions, demonstrating the Company's commitment to collaborating with the local community to discover and attract outstanding talent to work nearby. This approach helps gain recognition from the local community and further promotes the local economy.

Statistics / Year		2023		2024		2025	
Total Number of Employees		337		298		308	
Employment Contract		Indefinite-term	Fixed-term	Indefinite-term	Fixed-term	Indefinite-term	Fixed-term
Gender	Male	273	2	240	2	244	2
	Female	62	0	56	0	62	0
Region	Taiwan	335	2	296	2	306	2
	Overseas	0	0	0	0	0	0
Employment Type		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	273	2	240	2	244	2
	Female	62	0	56	0	62	0
Region	Taiwan	335	2	296	2	306	2
	Overseas	0	0	0	0	0	0

Note: Total number of employees for the year: based on the total number of employees as of the end of the year (December 31)

Diversity statistics / year				2023		2024		2025	
				Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Employees	Direct	Gender	Male	83	24.63%	65	21.96%	70	22.88%
			Female	4	1.19%	4	1.35%	7	2.29%
		Age	Under 30 years old	11	3.28%	5	1.69%	5	1.63%
			30 to under 50 years old	32	9.55%	25	8.45%	31	10.13%
			50 or above	42	12.54%	39	13.18%	41	13.40%
		Education Level	Graduate school	0	0.00%	0	0.00%	0	0.00%
			Colleges and universities	10	2.99%	10	3.38%	14	4.58%
			Others	75	22.39%	59	19.93%	63	20.59%
	Indirect	Gender	Male	189	56.08%	173	58.45%	174	56.86%
			Female	61	18.10%	54	18.24%	55	17.97%
		Age	Under 30 years old	23	6.87%	15	5.07%	14	4.58%
			30 to under 50 years old	106	31.64%	80	27.03%	82	26.80%
			50 or above	121	36.12%	132	44.59%	133	43.46%
		Education Level	Graduate school	16	4.78%	12	4.05%	13	4.25%
			Colleges and universities	148	44.18%	121	40.88%	120	39.22%
			Others	86	25.67%	94	31.76%	96	31.37%

5.3 Compensation and benefits

Lucky Cement values talent development and sustainable management, provides market-competitive remuneration and benefits, and adheres to the principles of openness, fairness, and impartiality in talent recruitment and employment, without differential treatment based on personal backgrounds. The Company complies with labor laws and promotes job rotation alongside diverse training programs to continuously cultivate professional talent, thereby enhancing employee capabilities and overall business performance.

Item/year		2023		2024		2025	
Total number of employees for the year		337		298		308	
Statistics of new hires and outgoing employees		Number of People	Ratio (Note)	Number of People	Ratio (Note)	Number of People	Ratio (Note)
New employees							
Age	Under 30 years old	13	3.86%	8	2.68%	5	1.62%
	30 to under 50 years old	33	9.79%	18	6.04%	17	5.52%
	50 or above	10	2.97%	7	2.35%	18	5.84%
Gender	Male	38	11.28%	25	8.39%	31	10.06%
	Female	18	5.34%	8	2.68%	9	2.92%
Education Level	Graduate school	0	0.00%	0	0.00%	1	0.32%
	Colleges and universities	27	8.01%	17	5.70%	18	5.84%
	Others	29	8.61%	16	5.37%	21	6.82%
Region	Taiwan	56	16.62%	33	11.07%	40	12.99%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Outgoing employees							
Age	Under 30 years old	9	2.67%	13	4.36%	10	3.25%

	30 to under 50 years old	42	12.46%	33	11.07%	16	5.19%
	50 or above	17	5.04%	28	9.40%	10	3.25%
Gender	Male	53	15.73%	59	19.80%	25	8.12%
	Female	15	4.45%	15	5.03%	11	3.57%
Education Level	Graduate school	0	0.00%	0	0.00%	0	0.00%
	Colleges and universities	31	9.20%	31	10.40%	23	7.47%
	Others	37	10.98%	43	14.43%	13	4.22%
Region	Taiwan	68	20.18%	74	24.83%	36	11.69%
	Overseas	0	0.00%	0	0.00%	0	0.00%

New hires and outgoing employees

Note 1: New hire rate = (Total number of new hires in the specific category during the year / Total number of employees during the year) × 100%.

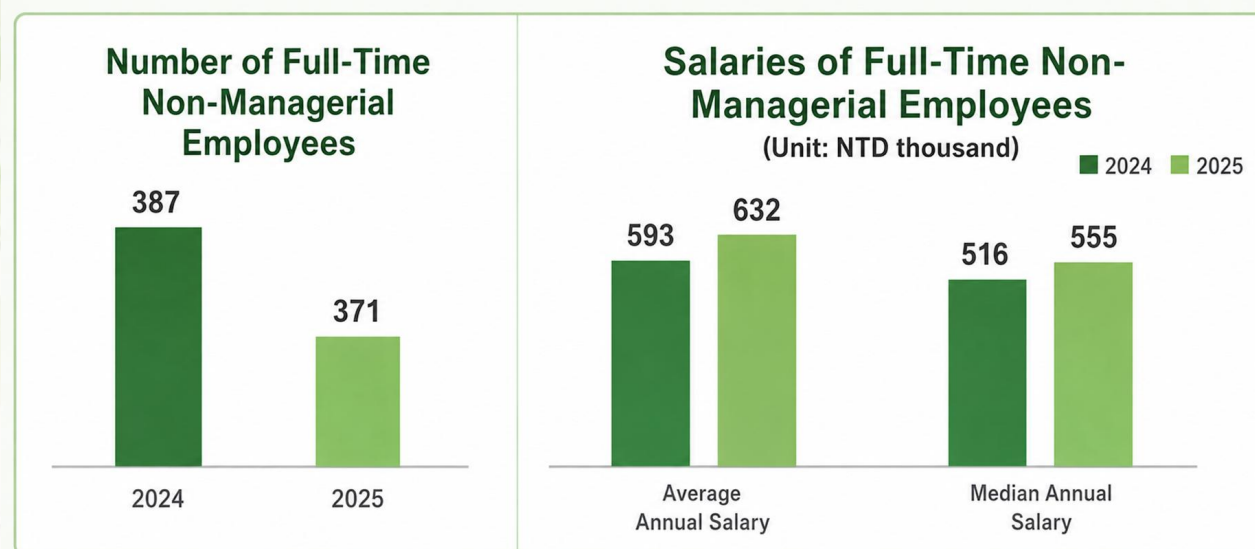
Note 2: Turnover rate = (Total number of employees who left in the specific category during the year / Total number of employees during the year) × 100%..

Material topics		Compensation and Benefits
Significance to the Company		Lucky Cement is committed to providing a competitive remuneration and benefits system to attract and retain top talent, enhancing employee satisfaction, cohesion, and productivity while promoting sustainable development and innovative growth.
Policy		Compensation management: The Company establishes a transparent, fair, and market-competitive compensation system to ensure salary levels meet industry standards. Performance Evaluation: Salary adjustments and rewards are provided based on employee performance, ensuring fairness in the performance appraisal process. Benefits: Comprehensive labor and health insurance, retirement plans, additional subsidies, opportunities for further education, and family-friendly benefits are offered to enhance employee well-being.
Commitment:		Salary fairness: We ensure that all employees receive fair, reasonable, and market-aligned compensation, avoiding any gender or other unjustified disparities. Employee care: We regularly review the salary structure to ensure employee compensation keeps pace with economic changes and living costs, providing a stable work environment. Talent development: We integrate compensation with performance management to motivate employees to continue learning and growing, thereby enhancing overall competitiveness.
Goals	Short-term	We will continuously review the salary adjustment mechanism annually to ensure market competitiveness.
	Long-term and mid-term	We will adjust salaries yearly based on market standards to enhance competitiveness. We will strengthen non-monetary benefits, such as employee health management and career development opportunities.
Resources invested during the year		1. Resource investment and concrete outcomes Salary resources: We adjust salaries timely every year based on labor market targets and economic changes to enhance overall compensation competitiveness. 2. Non-monetary Benefits: We provide diverse benefits, including health check-ups, education subsidies, and employee

	family support programs. We promote friendly workplace policies to increase employees' sense of belonging and loyalty to the Company. 3. Performance rewards: We use performance appraisal mechanisms to offer additional bonuses and promotion opportunities to outstanding employees, strengthening motivation.
Responsible department / complaint mechanism	1. Human resources department: Responsible for planning, implementing, and reviewing compensation and benefits. Complaint mechanism 2.1 Establish employee complaint channels to ensure fairness and transparency in compensation. 2.2 Hold regular employee forums to gather suggestions and feedback for improving compensation and benefits policies.
Evaluation mechanism/ results	1. Regularly compare with market salary levels to ensure that the remuneration system is competitive. 2. Both the average and median salaries of full-time non-managerial employees increased by NT\$39 thousand in 2025 compared with the previous year. 3. Employee welfare expenses amounted to NT\$4,675 thousand in 2025. 4. 204 health checkup participants in 2025

Lucky Cement adjusts salaries annually based on labor market trends and economic shifts to enhance overall compensation competitiveness, and provides bonuses and promotion opportunities through a performance evaluation system to strengthen incentives, create a fair and developmental work environment, and attract and retain top talent. The Company's compensation is primarily determined by employees' seniority, educational background, work experience, and professional capabilities, without any differential treatment based on personal physical or mental differences, and the Company shares its operating results with employees. In 2025, the average and median salaries for full-time non-managerial employees both increased by NT\$39 thousand compared to the previous year.

Salaries of Full-Time Non-Managerial Employees



Performance evaluation implementation

2025 evaluation statistics		Number of employees actually evaluated	Number of employees	Percentage
Gender	Male	200	244	81.97%
	Female	58	62	93.55%
Employee categories	Direct	66	77	85.71%
	Indirect	192	229	83.84%

Note: Employees with less than three months of service are not included in the performance evaluation.

Furthermore, to enhance employee work efficiency, Lucky Cement provides various welfare benefits and a comfortable working environment. By organizing periodic employee welfare activities, the Company helps reduce work-related stress while promoting positive interactions among employees.

Employee welfare items	Taiwan	Employee welfare items	Taiwan
Group insurance	V	Transportation allowance	V
Marriage/funeral allowance	V	Maternity allowance	V
Three major holiday bonuses	V	Housing allowance	V
Year-end bonus	V	Employee travel program	V

Unpaid parental leave of absence/year	Gender	Statistics		
		2023	2024	2025
Number of employees eligible for unpaid parental leave	Male	0	1	1
	Female	0	2	0
Number of employees who applied for unpaid parental leave	Male	0	1	1
	Female	0	2	0
Number of employees scheduled to return to work after completing unpaid parental leave	Male	0	1	1
	Female	0	2	0
Number of employees who actually returned to work after completing unpaid parental leave	Male	0	1	1
	Female	0	2	0
Return-to-work rate	Male	-	100.00%	100.00%
	Female	-	100.00%	-
Number of employees who completed unpaid parental leave the previous year and remained employed 12 months after returning to work	Male	0	1	1
	Female	0	2	0
Retention rate	Male	-	-	100.00%
	Female	-	-	0.00%

Finally, to ensure employees' financial planning for retirement, Lucky Cement's pension system is divided into a Defined Benefit Plan (the old pension scheme) and a Defined Contribution Plan (the new pension scheme).

The Labor Pension Act came into effect on July 1, 2005. Employees who were hired before June 30, 2005 and were still employed on July 1 may choose to continue their eligibility for the pensions under the "Labor Standards Act" and retain the service tenure under the conditions for which the eligibility applies. New employees who are hired after July 1, 2005 are only eligible for the pension system under the Labor Pension Act.

The Labor Pension Act is applicable to the Company's pension system. Starting from July 1, 2005, the Company began confirming the distribution and allocating 6% of an employee's monthly salary to a personal account at the Bureau of Labor Insurance. The Company has established a retirement plan for the employees based on the Labor Standards Act, which is considered a defined-benefit pension plan. The payment of employee pension is calculated based on the length of service and the average salary of the six months before retirement. We allocate the pension reserve every month according to regulations, and contribute it to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In 2025, 9 employees retired, and total pension payments amounted to NT\$20,991 thousand.

5.4 Talent cultivation

Material topics		Talent cultivation
Significance to the Company		Lucky Cement values talent cultivation and sustainable development. Through tiered training and talent development mechanisms, the Company continuously strengthens employees' professional skills and management capabilities, thereby enhancing the Company's overall competitiveness and operational performance.
Policy		1. Dedicated talent development organization: We have established a dedicated unit to provide professional skills and management training programs for employees across different job levels and roles. 2. Culture of continuous learning: We promote digital learning platforms and internal knowledge-sharing mechanisms to enhance learning accessibility and efficiency. 3. Career development program: We support employees in expanding their career development opportunities through job rotation and promotion systems, thereby strengthening internal advancement mechanisms.
Commitment:		Employee capability enhancement: Continuous training ensures that employees possess the professional skills and managerial competencies aligned with market demands. Equal development opportunities: We provide employees with equal opportunities for learning and promotion to foster the growth of internal talent. Support for technological innovation: Talent development focuses on expertise in cement production processes, energy conservation, and carbon reduction to support the company's low-carbon transformation.
Goals	Short-term	1. To achieve a 100% competency training completion rate for new employees. 2. To approve external training applications for employees pursuing professional certifications. 3. To incorporate annual training hours into employee performance evaluations to enhance professional and managerial capabilities. 4. To strengthen managerial and leadership skills to ensure supervisors at all levels are capable of motivating teams and driving business growth.
	Long-term	To increase the average training hours per employee to meet international standards, ensuring both depth and

	and mid-term	breadth of learning. To strengthen the digital learning environment by utilizing online courses and internal knowledge management systems to enhance learning efficiency. To establish a talent development mechanism focused on future technologies and innovation to ensure cement production processes align with environmental protection and energy-saving trends.
	Resources invested during the year	1. Learning platform optimization: Enhanced the digital learning system to improve usability and interactivity. Increased the number of internal trainers and expanded course offerings to enhance learning diversity. 2. International technical exchange: Supported employee participation in international technical conferences to keep abreast of industry trends. Facilitated collaborations with domestic and international academic institutions to advance technical expertise. 3. Talent development program: Established an internal mentorship system to help employees adapt to the workplace and improve competencies. Provided outstanding talents with opportunities for further study both domestically and abroad to broaden their horizons.
	Responsible department / complaint mechanism	1. Human resources department: responsible for planning and implementing talent training policies. Complaint mechanism 2.1 We have established communication channels for employee career development to ensure talent cultivation plans align with employee needs. 2.2 We collect staff views on learning and development through regular surveys and seminars.
	Evaluation mechanism/ results	1. Technical professional evaluation: Departments may request personnel to participate in external certification training and assessments based on needs. The company covers the costs, and employees apply their learning outcomes to business development. Employee external education and training expenses reached NT\$331 thousand in 2025. 2. Sharing learning experiences and outcomes: Employees are encouraged to share their learning insights, and departments organize internal training sessions to enhance professional competence.

3. The Dong'ao Plant trained 38 persons in 2025 to obtain qualifications for operating professional equipment, such as heavy machinery

Lucky Cement values talent cultivation and sustainable development, actively recruits local talent, and has established employee training regulations to continuously enhance employees' professional capabilities through workshops, training programs, and cooperation with external training institutions. The Company has also optimized its digital learning platform and established internal mentor and trainer systems to strengthen talent cultivation and knowledge transfer.

Upon onboarding, new employees must receive training in human rights education, occupational safety protection, ISO 9001 systems, ethical management, and the prohibition of workplace sexual harassment and bullying. Each department also provides professional on-the-job training and external certification training as needed, and encourages participation in domestic and international technical seminars and industry-academia cooperation to continuously cultivate professionals in cement processes, energy conservation, and carbon reduction, thereby enhancing corporate competitiveness and supporting low-carbon transformation development.

In 2025, Lucky Cement invested NT\$331 thousand in education and training expenses. The average training hours per employee have increased year by year in recent years, demonstrating Lucky Cement's emphasis on education and training.

Statistics of employee training hours

Statistics / Year		2022	2023	2024	2025
Average training hours per employee		8.10	12.80	14.93	17.90
Average employee training hours by gender	Female	17.14	51.43	34.29	53.71
	Male	7.13	8.99	12.73	13.46
Average employee training hours by category	Direct	4.71	28.24	18.82	16.81
	Indirect	9.59	5.30	12.63	19.15

Note: Average training hours per employee: Total training hours of all employees during the year / total number of employees during the year.

5.5 Occupational Health and Safety

Description of management policy

The cement manufacturing industry is a high-risk workplace. Lucky Cement has established comprehensive occupational safety and health management mechanisms, including safety and health education and training for new employees, operation of the Occupational Safety and Health Committee, safety inspection and maintenance of machinery and equipment, provision of personal protective equipment, fire drills, worker health examinations, and refresher education and training, to continuously enhance workplace safety and employee health protection.

5.5.1 Occupational Safety and Health Management System and Mechanisms

The Company has established an occupational safety and health management system in accordance with Article 23 of the Occupational Safety and Health Act and continuously enhances safety and health management performance through management mechanisms including planning, implementation, inspection, and improvement. The Company introduced the ISO 45001:2018 Occupational Safety and Health Management System in 2018 and obtained certification from TÜV NORD in 2019. As of 2025, the Company has continued to maintain the effective operation and management of the system.



The latest system certification of ISO 45001:2018 granted by the TÜV Nord.

Date of Issuance: August 26, 2025

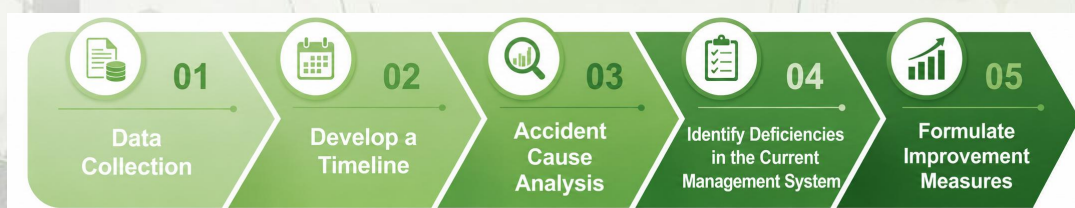
Coverage Period: August 26, 2025 - August 25, 2028

Workers Covered by the Occupational Safety and Health Management System During the Year

Facility	Management systems / regulations	Type of inspection	Number of People	Ratio
Dong' ao Plant	Occupational Safety and Health Act	Internal inspection	200	100%
		Labor inspection	200	100%
Puxin Plant		Internal inspection	20	100%
		Labor inspection	20	100%
Heren Plant		Internal inspection	29	100%
		Labor inspection	29	100%
Dong' ao Plant	ISO 45001	Internal audit	200	100%
		External verification	200	100%

5.5. 2 Hazard identification, risk assessment and incident investigation

Hazard identification, risk assessment, and incident investigation are important core elements of safety management. Lucky Cement's Dong'ao Plant conducts periodic and ad hoc hazard identification and risk assessments by each unit to identify unacceptable risks, serving as the basis for annual occupational safety and health objectives and management programs, continuously improving the ISO 45001 Occupational Safety and Health Management System, and reducing potential hazards and occupational accident risks. The Company has also established an emergency response management procedure. Following the reporting of an occupational accident, the safety and health group conducts a preliminary assessment and initiates an accident investigation, cause analysis, and improvement follow-up in accordance with prescribed procedures.



5.5.3 Occupational health services

The physical and mental health of employees is a key concern for Lucky Cement. To provide a safe and friendly working environment, the Company has established a series of occupational health service measures in accordance with the Occupational Safety and Health Act and the Regulations on Labor Health Protection. These measures are reviewed and adjusted annually based on actual conditions. The current implemented measures are as follows:

Protection measures for work environment and employees' personal safety

Item	Explanation
Workplace environmental monitoring	• Prevent occupational injury, protect the health of workers, prevent physical and chemical hazards, provide workers with a healthy and comfortable working environment, and implement regular monitoring of the work environment. Perform dust and noise testing in the workplace every six months.
Health check-ups, health management, and health promotion measures	• Implement the health checks of in-service personnel every year, and implement the health checks of special personnel. • Health management and health promotion, with tiered management implemented to protect worker health.
Safety and health work guidelines	• 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 for employees to follow.
Safety and health self-inspection	• Fire-fighting equipment is inspected regularly, and all fire-fighting facilities are inspected every quarter. • The forklifts are inspected regularly, monthly inspections are implemented and recorded, and overall inspections are implemented and recorded annually.

	• The winders are inspected regularly, monthly inspections are implemented and recorded, and overall inspections are implemented and recorded annually. • The stationary crane is inspected regularly, and hanging operation inspection is conducted before use. Monthly inspections are implemented and recorded, and overall inspections are implemented and recorded annually. • General vehicles are inspected regularly, inspections are implemented and recorded before daily operations, and regular inspections are recorded every quarter. • Inspect and record all protective equipment for on-site operating machinery and equipment, such as emergency pull ropes, protective nets, protective covers, and deviation switches.
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, we provide appropriate personal protective equipment for employees to use for various hazardous operations. In the cement manufacturing industry, workers often come into contact with high-heat materials. Therefore, we must prepare adequate fire protection gear and teach employees to wear and use all of it properly.

Labor health inspection and management

Regular general health examinations for on-the-job workers and special health examinations for those involved in operations involving particular hazards are conducted annually. After the examinations, a handbook is produced and distributed to the workers, and the health examination results are simultaneously recorded in the Labor Health Protection Management Information System. In addition, at our Dong'ao Plant, medical staff from the hospital visit monthly to provide various health consultations and conduct questionnaire surveys, offering improvement suggestions based on the workers' physical conditions.

Employee health checkup



5.5.4 Worker participation, consultation, and communication on occupational health and safety

In the modern workplace, occupational safety and health is receiving increasing attention. To ensure a safe and healthy workplace, Lucky Cement recognizes that direct employee participation plays a crucial role. The Company has established dedicated occupational safety and health management units and personnel in accordance with the law to promote occupational safety and health-related operations, and has formed an Occupational Safety and Health Committee with a total of 14 members. Workers account for one-third of the total number of committee members in accordance with the law. Meetings are regularly held each quarter to review and make recommendations on various safety and health management matters.

5.5.5 Occupational Safety and Health Education and Training

As cement manufacturing is classified as a high-risk work environment, Lucky Cement fully recognizes that employee safety awareness is a critical factor in ensuring health and safety. Therefore, the Company has developed occupational safety and health training programs to enhance employees' safety awareness, enabling them to understand safety regulations and operational procedures in order to prevent accidents and injuries.

Item	Explanation
Occupational safety and health training	• General safety and health education and training for new personnel and personnel changing operations. • Safety and health education and training for in-service personnel. • Implement various safety and health education and training programs for first aid personnel, crane operators, forklift operators, and others.
Firefighting training	• Fire drills are conducted twice annually, with employees forming command, communication, firefighting, evacuation guidance, and safety protection teams for the drills, and the results are reported to the Su'ao Fire Brigade.

Implementation Status of Occupational Safety Training During the Year

Course name	Number of Participants (Persons)	Total Hours
General Safety and Health Education and Training	19	57
Safety and Health Education and Training for In-Service Personnel	41	123
Various Safety and Health Education and Training	153	546
Total	213	726

Disaster prevention and emergency response drills



5.5.6 Impacts of Occupational Safety and Health

To reduce occupational safety and health impacts, Lucky Cement has established response measures and emergency procedures based on actual conditions to quickly control disasters and mitigate losses. In addition to providing immediate emergency guidance at the time of an incident, the Company also shares occupational disaster case studies during monthly plant management meetings to enhance employees' occupational safety and health awareness and response capabilities. Furthermore, the safety and health group conducts daily on-site inspections, including safety inspections of contractors' construction activities, to continuously prevent potential risks and reduce the occurrence of occupational accidents.

Occupational safety and health management plan



5.5. 7 Occupational injury statistics

Lucky Cement has established occupational accident management mechanisms and continues to implement the ISO 45001 Occupational Safety and Health Management System. Through regular occupational safety and health education and training, the Company strengthens hazard identification and risk prevention. The Company has established emergency response plans and emergency contact networks to ensure immediate reporting, incident investigation, cause analysis, and improvement follow-up when accidents occur, thereby mitigating risks associated with joint operations between employees and contractors. The Puxin and Heren plants have recorded no occupational injury incidents over the past three years.

Lucky Cement Occupational Injury Statistics

Facility		Dong' ao Plant			Puxin Plant			Heren Plant		
Year		2023	2024	2025	2023	2024	2025	2023	2024	2025
Total hours worked		398,144	359,306	372,869	82,553	89,779	85,396	76,695	59,775	57,064
Fatal incidents caused by occupational injuries	Number of People	0	0	0	0	0	0	0	0	0
	Ratio	0	0	0	0	0	0	0	0	0
Serious occupational injury	Number of People	0	0	0	0	0	0	0	0	0
	Ratio	0	0	0	0	0	0	0	0	0
Recordable occupational injury	Number of People	1	1	0	0	0	0	0	0	0
	Ratio	2.51	2.78	0	0	0	0	0	0	0
Work-related illness	Number of People	0	0	0	0	0	0	0	0	0
	Ratio	0	0	0	0	0	0	0	0	0
Recordable work-related ill health	Number of People	0	0	0	0	0	0	0	0	0
	Ratio	0	0	0	0	0	0	0	0	0

Note 1: Calculated based on a rate per one million working hours.

Note 2: Serious occupational injury: Refers to an injury that results in an employee being unable or unlikely to recover to their pre-injury health condition within six months. However, data on serious occupational injuries should exclude fatalities.

Note 3: Recordable occupational injuries or occupational diseases: occupational injuries or occupational diseases resulting from any of the following, such as death, time away from work, restricted work or transfer to another position, medical treatment beyond first aid, loss of consciousness, or a significant injury or illness diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, time away from work, restricted work or transfer to another position, medical treatment beyond first aid, or loss of consciousness; however, statistics shall include the number of fatalities. Commuting accidents are excluded from the statistics.

Lucky Cement Occupational Injury Category Statistics

Main type / year		2023	2024	2025	Hazards and improvement description
Types of occupational injuries	Fall injury	1	1	0	For areas within the plant with risks of slips, trips, or falls, additional railings and anti-slip measures have been installed.

5.5.8 Supplier occupational safety requirements

Lucky Cement Corporation values labor rights and occupational safety and health within its supply chain. The Company has established a "Supplier Code of Conduct," requiring suppliers to comply with relevant laws and regulations and to implement safety and health management. The Company strengthens supplier management and improvement tracking through inspection, training, communication, and guidance mechanisms, and the procurement department regularly conducts supplier self-assessments and inspections; for those that fail to meet standards, inspections are strengthened, and if no improvement is made for three consecutive years, transactions will be suspended or cooperation will be terminated.

5.6 Labor relations

Smooth communication between labor and management helps promote cooperation, allowing employees to understand the Company's operational plans, business overview, and market conditions, while helping the Company to understand employee needs in a timely manner and build a friendly workplace. Lucky Cement complies with relevant labor laws and regulations. In addition to the labor union at the Dong'ao Plant that actively promotes labor-management communication, each operating site holds labor-management meetings at least once every three months in accordance with the law. With labor and management representatives each accounting for 50%, regular meetings and diverse communication channels facilitate two-way exchanges to promote labor-management cooperation and enhance employee rights and interests. In the event of plant closure, establishment of a new plant, or change in workplace location, the Company will also report to the local government labor bureau 60 days in advance in accordance with the Act for Worker Protection of Mass Redundancy and comply with the relevant notice periods.

VI. Sustainable social care

Description of management policy

In order to maintain social welfare, the Company actively participates in community development and related activities of charitable public welfare organizations. The scope covers the locations of business and the nearby community building efforts.

Impact of Sustainable Social Care

Lucky Cement has deep roots in Su'ao Township and Nan'ao Township, and has long emphasized good neighborly relations and local development. Upholding the philosophy of “taking from society and giving back to society,” the Company continuously invests in local public welfare, charitable, and community care activities, giving back to local communities through practical actions and promoting local co-prosperity and social harmony.

Managing sustainable social care

Policy and commitment

The Company's sustainable development commitments are mainly aimed at community building and emergency relief for vulnerable groups, assisting local people and indigenous people in employment, care and education, and providing all necessary assistance.

Goals and targets

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

Specific actions and initiatives

In 2025, specific projects for fulfilling social responsibilities related to giving back to local communities included:

Sponsored social activities, supporting traditional cultural inheritance/indigenous communities and community care (neighboring residents)	1. Social Sponsorship (27 Items) 2. Community Care Activities for Nearby Residents, Including Indigenous Peoples (16 Items) 3. Sponsorship for Humanities, Science, Education, and Indigenous Activities (23 Items)
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Effective evaluation methods for social care

Evaluation plan

The responsible unit keeps track of the achievement of the objectives.

Actual evaluation

The evaluation of sustainable development commitment expenditure items and details is proposed by the community and the organization, and then submitted to the management for approval by the responsible unit. In 2025, a total of 66 social activity sponsorships, traditional cultural heritage and Indigenous activity support activities, and community care activities for nearby residents were undertaken, with total expenditures of NT\$2,022 thousand per year.

6.1 Care for the Indigenous Community



Lucky Cement's Dong'ao Plant is located in the Nan'ao area, within the “Back Mountain” region. Dong'ao Tribe is an Indigenous Atayal settlement. In the early stage of the tribe's development, development was relatively lagging and economic conditions were insufficient. Since Lucky Cement established a plant here in 1980, Indigenous employment opportunities have increased through direct employment at the plant. As of the end of 2025, the Dong'ao Plant employed 26 Indigenous persons, accounting for 17.69% of the plant's total of 147 employees, while the Heren Plant employed 10 Indigenous persons, accounting for 34.48% of the plant's total of 29 employees. The Company takes practical actions to care for the lives of the local indigenous people, and actively assists community public affairs and community environment cleaning, road maintenance, immediate care for the community, care for the disadvantaged people and provides the greatest help and creates a happy and hopeful community together.



6.2 Community building care and humanities education culture

The Company spares no effort in giving back to the local community and supporting various social welfare activities with practical actions. We are grateful for the local recognition and support, and have been unanimously affirmed by all sectors of the society.

To promote local employment, as of the end of 2025, the Dong'ao Plant employed 145 local employees in Yilan County, accounting for 98.64% of the plant's total of 147 employees; the Heren Plant employed 16 local employees in Hualien County, accounting for 55.17% of the plant's total of 29 employees.



2025 Nan'ao Township Year-End Gala



2025 Jinyue Village Sports Meet



2025 Jinyue Village Year-End Gala

Appendix 1. GRI Content Index

Usage statement	Lucky Cement Corporation has reported content for the period from January 1 to December 31, 2025, in accordance with the GRI Standards				
GRI 1 Used	GRI 1: Foundation 2021				
Applicable GRI industry standards	The Company operates in the cement industry, for which there is currently no specific GRI sector standard available.				
Topic	Disclosure Item	Description	Chapter	Page Number	Reason for omission / necessary explanation
GRI 2: General disclosure 2021					
Organization and reporting practices	2-1	Detailed information about the organization	2.1 Company profile		
	2-2	Entities included in the organization' s sustainability reporting	Editorial Policy		
	2-3	Reporting period, frequency, and contact person	Editorial Policy		
	2-4	Information re-editing	Editorial Policy		
	2-5	External guarantee / assurance	Editorial Policy		
Activities and workers	2-6	Activities, value chain, and other business relationships	2.1 Company profile		
	2-7	Employees	5.2 Employee Profile		

	2-8	Non-employee workers	5.2 Employee Profile		
Governance	2-9	Governance structure	3.1.1 Board of directors		
	2-10	Nomination and selection of the highest governance	3.1.1 Board of directors		
	2-11	Chairperson of the unit with the highest governance	3.1 Governance practices		
	2-12	The role of the highest governance body in overseeing the management of impacts	3.1.1 Board of directors		
	2-13	Person in charge of impact management	1.1 Corporate sustainable development policy		
	2-14	The role of the highest governance in sustainability reporting	1.1 Corporate sustainable development policy		
	2-15	Conflict of interest	3.1.1 Board of directors		
	2-16	Communication of key material events	3.1 Governance practices		
	2-17	Collective intelligence of the highest governance	3.1 Governance practices		
	2-18	Performance evaluation of the highest governance	3.1 Governance practices		
	2-19	Remuneration policy	3.1.2 Functional committees		
	2-20	Decision process for remuneration	3.1.2 Functional committees		
	2-21	Annual total remuneration ratio			Confidentiality

					Provisions/Salary is considered confidential information of the Company and is therefore not disclosed
Strategies, policies, and practices	2-22	Statement of sustainability development strategy	Message from the manager		
	2-23	Policy/commitment:	3.1.4 Ethics and Integrity		
	2-24	Inclusion of policy commitments	3.1.4 Ethics and Integrity		
	2-25	Procedures for remediation of negative impacts	3.1.4 Ethics and Integrity		
	2-26	Mechanisms for seeking advice and raising concerns	3.1.4 Ethics and Integrity		
	2-27	Compliance with laws and regulations	3.3 Compliance with laws and regulations 4.8 Compliance with the environmental laws and regulations		
	2-28	Membership qualification of cooperatives and associations	2.3 Participation in external organizations		
Stakeholder engagement	2-29	Stakeholder engagement policies	1.2.1 Stakeholder and material topic identification process		

	2-30	Group agreement	5.6 Labor relations		
GRI 3: Material topic 2021					
Material topics	3-1	Process for determining material topics	1.2.3 Identification of material topics		
	3-2	Material topic list	1.2.3 Identification of material topics		
Economic aspect					
Economic performance					
GRI 3: Material topic 2021	3-3	Material topic management	3.4 Business performance		
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	3.4 Business performance		
	201-2	Financial impacts and other risks and opportunities caused by climate changes	Appendix 4. TCFD Disclosure		
	201-3	Defined benefit plans, obligations and other retirement plans	5.3 Compensation and benefits		
	201-4	Financial assistance received from government	3.4 Business performance		
Indirect economic impacts					
GRI 203: Indirect economic impacts 2016	203-1	Investment in infrastructure and development and impact of support service	6.2 Community Building Care and Humanities Education Culture		
Environmental					

Biodiversity					
GRI 101: Biodiversity 2024	101-2	Biodiversity impact management	4.7 Biodiversity		
	101-5	Locations With Biodiversity Impacts	4.7 Biodiversity		
Materials					
GRI 301: Materials 2016	301-1	Supplies used by weight or volume	4.1 Circular Economy		
	301-2	Use of recycled and reused materials	4.1 Circular Economy		
	301-3	Recycled products and their packaging materials	4.1 Circular Economy		Not applicable/the Company did not recycle products or their packaging materials
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Implement energy management		
	302-3	Energy intensity	4.2 Implement energy management		
	302-4	Reduction of energy consumption	4.2 Implement energy management		
Water and effluent					
GRI 303: Water and effluents 2018 management policy	303-1	Interactions with water as a shared resource	4.6 Water resources management		
	303-2	Management of water discharge-related impacts	4.6 Water resources management		
GRI 303: Water and effluents 2018	303-3	Water withdrawal	4.6 Water resources management		
	303-4	Water discharge	4.6 Water resources management		

	303-5	Water consumption	4.6 Water resources management		
Emissions					
GRI 3: Material topic 2021	3-3	Material topic management	4.3 GHG Emissions and Reduction		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas emissions	4.3 GHG Emissions and Reduction		
	305-2	Indirect (Scope 2) greenhouse gas emissions	4.3 GHG Emissions and Reduction		
	305-3	Indirect (Scope 3) greenhouse gas emissions	4.3 GHG Emissions and Reduction		
	305-4	Greenhouse gas emission intensity	4.3 GHG Emissions and Reduction		
	305-5	Reduction of GHG emissions	4.3 GHG Emissions and Reduction		
	305-6	Emissions of ozone-depleting substances (ODS)	4.4 Air pollution control		Not applicable/the Company has no relevant gas emissions
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.4 Air pollution control		
Waste					
GRI 3: Material topic 2021	3-3	Material topic management	4.5 Recycling and Reuse of Waste Resources		
GRI 306: Waste 2020 – management	306-1	Waste generation and significant waste-related impacts	4.5 Recycling and Reuse of Waste Resources		

approach	306-2	Management of significant waste-related impacts	4.5 Recycling and Reuse of Waste Resources		
GRI 306: Waste 2020	306-3	Waste generated	4.5 Recycling and Reuse of Waste Resources		
	306-4	Waste diverted from disposal	4.5 Recycling and Reuse of Waste Resources		
	306-5	Waste directed to disposal	4.5 Recycling and Reuse of Waste Resources		
Supplier environmental impact assessment					
GRI 308: Supplier environmental impact assessment 2016	308-1	Screen new suppliers with environmental standards	4.9 Sustainable supply chain		
	308-2	Negative impact of supply chain on the environment, and the actions taken	4.9 Sustainable supply chain		
Social					
Labor/management relations					
GRI 3: Material topic 2021	3-3	Material topic management	5.3 Compensation and benefits		
GRI 401: Employment 2016	401-1	New hires and outgoing employees	5.3 Compensation and benefits		
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.3 Compensation and benefits		
	401-3	Parental leave	5.3 Compensation and benefits		

	Salary	The Company shall disclose the number of full-time employees not in managerial positions, the average and median salaries of these non-managerial full-time employees, and the year-over-year differences for each of the above three indicators.	5.3 Compensation and benefits		
Employment					
GRI 402: Labor/management communication 2016	402-1	Minimum notice period for changes in operations	5.6 Labor relations		
Occupational safety and health					
GRI 403: Occupational health and safety 2018 management policy	403-1	Occupational safety and health management system	5.5.1 Occupational Safety and Health Management System and Mechanisms		
	403-2	Hazard identification, risk assessment and incident investigation	5.5. 2 Hazard identification, risk assessment and incident investigation		
	403-3	Occupational health services	5.5.3 Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5.4 Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety	5.5.5 Occupational Safety and Health Education and Training		

	403-6	Promotion of worker health	5.5.3 Occupational health services		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5.6 Impacts of Occupational Safety and Health 5.5.8 Supplier occupational safety requirements		
GRI 403: Occupational safety and health 2018	403-8	Workers covered by an occupational health and safety management system	5.5.1 Occupational Safety and Health Management System and Mechanisms		
	403-9	Work-related injuries	5.5. 7 Occupational injury statistics		
	403-10	Work-related illness	5.5. 7 Occupational injury statistics		
Training and Education					
GRI 3: Material topic 2021	3-3	Material topic management	5.4 Talent cultivation		
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	5.4 Talent cultivation		
	404-2	Programs improving employees' capabilities and transition assistance	5.4 Talent cultivation		
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Compensation and benefits		
Diversity and equal opportunity					
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	5.2 Employee Profile		

Supplier Social Assessment					
GRI 3: Material topic 2021	3-3	Material topic management	4.9 Sustainable supply chain		
GRI 414: Supplier social assessment 2016	414-1	Screening of new suppliers using social criteria	4.9 Sustainable supply chain		
	414-2	Negative social impacts in the supply chain and actions taken	4.9 Sustainable supply chain		

Appendix 2. Sustainability Accounting Standards Board (SASB) Reference Table

Topic	Code	Metric (Unit of Measure)	Type	Corresponding chapter	Remarks
GHG emissions	EM-CM-110a.1	(Scope 1) Total emissions from perfluorocarbons	Quantitative	4.3 GHG Emissions and Reduction	
	EM-CM-110a.2	Discussion of long-term and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets, and performance analysis	Qualitative	4.3 GHG Emissions and Reduction	
Air quality	EM-CM-120a.1	Emissions to air of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	Quantitative	4.4 Air pollution control	
Energy management	EM-CM-130a.1	(1) Total energy consumption, (2) Percentage of electricity from the grid, (3) Percentage of alternative energy, (4) Percentage of renewable energy	Quantitative	4.2 Implement Energy Management	
Water management	EM-CM-140a.1	(1) Total water withdrawal, (2) Percentage of recycled water, (3) Percentage located in areas with high or extremely high water stress	Quantitative	4.6 Water resources management	None of the Company's operating sites are located in areas with high water stress.

Waste management	EM-CM-150a.1	Amount of waste generated, percentage of hazardous waste, percentage of waste recycled	Quantitative	4.5 Recycling and Reuse of Waste Resources	
Biodiversity impacts	EM-CM-160a.1	Description of environmental management policies and practices in the operational areas	Qualitative	4.7 Biodiversity	
	EM-CM-160a.2	Area of land affected, percentage of impacted areas restored	Quantitative	4.7 Biodiversity	As of the end of 2025, the reforestation and greening rate reached 56%, covering an area of 62 hectares.
Workforce Health & Safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) Near-miss incident rate for directly hired and contract employees	Quantitative	5.5. 7 Occupational injury statistics	The near-miss incident rate is not disclosed due to lack of statistical data.
	EM-CM-320a.2	Report on the number of pneumoconiosis cases.	Quantitative	5.5. 7 Occupational injury statistics	No cases of pneumoconiosis were reported in 2025.
Product innovation	EM-CM-410a.1	Percentage of products eligible for sustainable building design and construction certifications	Quantitative	--	The Company supplies cement products to customers; certification-related data has not been compiled.
	EM-CM-410a.2	The overall potential market and market share of products designed to reduce impacts on energy, water, and/or materials during their use and/or production phases.	Quantitative	--	Not disclosed due to lack of statistical data.
Pricing Integrity	EM-CM-520a.1	Total monetary losses resulting from	Quantitative	In 2025, there	

& Transparency		legal actions related to cartel activities, price manipulation, and antitrust or anti-competitive practices.		were no lawsuits or monetary losses related to cartel activities, price-fixing, or anti-trust practices.
Activity Metrics	EM-CM-000.A	Production volume of major product lines	Quantitative	Cement and slag powder production was 717 thousand tonnes, and stone production was 1,503 thousand tonnes.

Appendix 3. ESG Information Disclosure of Taiwan Stock Exchange—Cement Industry

Number	Indicator	Type of indicator	Annual disclosure status	Reference Chapters
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Total Energy Consumption (GJ): 2,462,182.78 Percentage of purchased electricity (%): 12.19% Renewable energy usage rate (%): 0.10%	4.2 Implement Energy Management
2	Total water withdrawal and total water consumption	Quantitative	Total Water Withdrawal (1,000m ³): 1,740.76 Total Water Consumption (1,000m ³): 1,535.33	4.6 Water resources management
3	Weight of waste generated, percentage of hazardous waste, and percentage of waste recycled	Quantitative	Weight of Waste (metric tons): 695.73 Percentage of hazardous waste (%): 0 Percentage of Waste Recycled (%): 98.15%	4.5 Recycling and Reuse of Waste Resources
4	Description of the number and rate of occupational injuries.	Quantitative	Number of Occupational Injuries (Persons): 0	5.5. 7 Occupational injury statistics

			Occupational Injury Rate (%): 0	
5	Production volume by main product category	Quantitative	Cement and slag powder production: 717 thousand metric tons Stone Production: 1503 thousand metric tons	2.1 Company profile

Appendix 4. TCFD Disclosure

Lucky Cement has established internal control and internal audit systems, and in 2020, implemented a risk management policy to support integrated risk management related to environmental, social, and governance aspects for sustainable operations. Due to the increasingly significant impacts of extreme weather caused by global warming, as well as energy and climate change issues in recent years, Lucky Cement has, since 2024, followed the framework of the Task Force on Climate-related Financial Disclosures (TCFD), covering governance, strategy, risk management, and metrics and targets, to mitigate the impact of climate change on the Company's operations. Members under the Sustainable Development Committee identify climate-related risks and opportunities, formulate subsequent response strategies, and report regularly to the Board of Directors each year, with the Board of Directors monitoring implementation effectiveness.

Governance	Strategy	Risk management	Indicators and targets
Governance of climate-related risks and opportunities at Lucky Cement	Business, strategy, and financial planning in response to actual and potential climate-related impacts	Processes for managing climate-related risks	Indicators and targets used to assess and manage climate-related issues
◆ The governance of climate-related risks and opportunities, along with annual sustainability risk management topics, is reported annually by the Chairperson to the Board of Directors.	Please refer to the 2025 table of short-, medium-, and long-term climate risks and opportunities.	The risk identification, assessment and management process are as follows: (1) ESG Committee members completed the collection of background information on the low-carbon environment and the assessment of climate risks and operational scope (2) Establish a list of climate risks and opportunities and establish an internal operational impact survey	In 2025, the Company completed its greenhouse gas inventory and obtained third-party verification, while also enhancing disclosure through its website and public information channels.

The Board is responsible for overseeing the effectiveness of implementation.		questionnaire	
◆ The head of corporate governance serves as the chairperson overseeing the management of climate-related risks and opportunities. Department heads at the first-tier level are responsible for identifying, assessing, and managing risks.	In reference to climate-related impacts	(3) The ESG Committee compiles climate risks and opportunities and operational impact analyses to determine material risk factors (4) Establishment of executive strategies and setting of targets (5) Review the effectiveness of implementation strategies and targets annually through the ESG Committee	Parent Company Only Financial Statements: Scope 1 emissions were 526,310.22 metric tonnes CO₂e; Scope 2 emissions were 38,858.53 metric tonnes CO₂e; and Scope 3 emissions were 44,512.26 metric tonnes CO₂e in 2025. [Subsidiaries in the Consolidated Financial Statements conduct self-assessments and will disclose assurance information starting from 2027]
	The Company adopts scenario analysis to assess the impact of climate change risks on operational resilience, and distinguishes the assessment methods for physical risks and transition risks according to the risk type. Physical risks: With reference to climate scenario projection tools provided by the Taiwan Climate	The Company' s risk management procedures have incorporated climate-related risks and opportunities into the operations of all units.	2050 net-zero emissions target and the Ministry of Environment' s voluntary reduction plan The company aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by

Change Projection Information and Adaptation Knowledge Platform (TCCIP), and adopting the Shared Socioeconomic Pathway (SSP) scenarios from the IPCC Sixth Assessment Report (AR6), SSP1-2.6 (low-emission scenario) and SSP5-8.5 (very high-emission scenario) are selected as the basis for analysis to assess the potential impacts of climate events, such as extreme heat and heavy rainfall, on operating sites, raw material supply and transportation operations.

Transition risks: In conjunction with Nationally Determined Contribution (NDC 3.0) carbon reduction targets, the carbon fee system, and relevant climate policy developments, assess the impacts of regulatory changes, energy transition and changes in market demand on operating costs and product competitiveness, as a basis for identifying climate-related risks and opportunities and formulating response strategies.

5.7% in 2030 compared to the baseline average from 2018 to 2022.

2025 Table of short-, medium-, and long-term climate risks and opportunities							
Number	Climate change risk topics	Risk level	Time horizon	Number	Climate change opportunity topics	Opportunity level	Time horizon
R1	Increasing the pricing of GHG emissions	High	Short-term and medium-term	O1	Reducing water use and consumption	Medium	Medium-term and long term
R2	Strengthening emissions reporting obligations	Medium	Short-term, medium-term, and long term	O2	Adopting more efficient production and distribution processes	Medium	Medium-term and long term
R3	Requirements and regulations for existing products and services	Medium	Short-term	O3	Recycling and reuse	Medium	Medium-term and long term
R4	Replacing existing products and services with low-carbon alternatives	Medium	Medium-term and long term	O4	Switching to more energy-efficient buildings	Medium	Medium-term and long term
R5	Costs of transitioning to low-carbon technologies.	Medium	Short-term and medium-term	O5	Adopting more energy-efficient modes of transportation	Medium	Short-term, medium-term, and long term
R6	Changes in customer behavior	Medium	Short-term and medium-term	O6	Using low-carbon energy.	Medium	Medium-term and long term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	High	Medium-term and long term	O7	Implementing incentive policies	Medium	Medium-term and long term
R8	Increasing severity of extreme weather events such as typhoons and floods	Medium	Medium-term	O8	Utilization of new technologies	Medium	Medium-term and long term
R9	Increasing in raw material costs	Medium	Short-term, medium-term, and	O9	Participating in carbon trading markets	Medium	Medium-term and long term

			long term				
R10	Average temperature rise	High	Short-term, medium-term, and long term	O10	Transitioning to decentralized energy	Low	Medium-term and long term
R11	Sea level rise	Medium	Medium-term and long term				

Note 1: The short term refers to 1 to 5 years, the medium term refers to 5 to 10 years, and the long term refers to periods exceeding 10 years

Climate-related financial impacts and responses.

Risk and opportunity items	Financial impacts and response mechanisms
Increasing the pricing of GHG emissions	As for the Climate Change Response Act, the government has legally established the goal of achieving net-zero emissions by 2050 and plans to impose a carbon fee in 2025 on industries with high direct or indirect emissions. The potential financial impact of this risk dimension is an increase in operating costs. As the Company operates in a high carbon-emission industry, there is a certain level of financial risk to overall operations. In the future, besides continuing to implement greenhouse gas inventories, the Company will also conduct evaluations on investments in production process system upgrades, alternative raw fuel strategies, and changes to the cement product mix. It will set carbon reduction targets and carry out initiatives in accordance with the voluntary reduction plan of the Ministry of Environment. Based on the Dong'ao Plant's annual emissions of 560,000 metric tonnes CO₂e, calculated at a minimum annual increase of NT\$300 to NT\$1,200 per tonne over the short-term period of five years, annual costs will increase by NT\$12 million to NT\$82 million if the Ministry of Environment's voluntary reduction measures are approved. If the voluntary reduction plan is not met, the annual expense would increase by NT\$180 million to NT\$730 million. This represents a high-impact risk.
Changes in rainfall (water) patterns and extreme changes in climate	Impact of changes in rainfall and climate patterns In recent years, the frequency and intensity of extreme climate events (such as heavy rainfall, typhoons and droughts) have increased, resulting in significant changes in rainfall patterns and climate conditions, thereby affecting the stability of production and transportation operations. The Company's transportation cost ratio is high, and it has already been affected by railway freight adjustments, placing upward pressure on the overall cost structure. Under such circumstances, concentrated rainfall or short-duration heavy rainfall may cause: delays or interruptions in transportation schedules, increasing dispatching and warehousing costs. The introduction of temporary transportation alternatives (such as trucking) will drive up transportation costs. In summary, extreme rainfall events will indirectly increase operating costs and affect

patterns	financial performance through raw material management, transportation scheduling and operational efficiency. Impact of extreme climate risks and transition costs With increasing climate risks and the promotion of the carbon fee system, the Company is required not only to bear physical risks but also to face transition risks, including: Increased carbon fee expenditures (calculated based on emissions), carbon reduction investments (equipment upgrades, alternative fuels, low-carbon product development), and operational process adjustment costs. The above transition actions will increase operating expenses in the short term and place a certain degree of pressure on profitability; however, in the medium and long term, they will help reduce carbon cost risks and enhance competitiveness.
Average temperature rise	(1) Increase in energy costs: As average temperatures continue to rise, the unit price of electricity charged by Taiwan Power Company may increase, constituting a moderate financial impact. Countermeasures: promote the replacement of energy-saving equipment, improve energy efficiency and increase the proportion of green electricity used. (2) Increase in operational interruption and asset risks: Rising temperatures may increase the frequency of extreme climate events (such as typhoons and heavy rainfall), thereby leading to: increased damage to plant equipment and repair expenditures, interruption of transportation systems (especially railway transportation), losses from operational interruptions and supply chain risks. Countermeasures: In addition to existing railway transportation, diversified transportation modes (such as shipping and road transportation) are planned to enhance supply chain resilience, but this will be accompanied by the risk of increased transportation costs.

Emission reduction target	Strategic actions and timeline
1. Short-term target: Dong'ao Plant' s annual total greenhouse gas emissions shall be reduced by more than 10% compared with emissions in 2013 (baseline year 1). 2. Mid-term Goal: Starting in 2025, Dong'ao Plant will reduce emissions by more than 5.7% compared to the baseline year 2 (average of 2018-2022) in accordance with the Regulations Governing Self-determined Reduction Plans of the Ministry of Environment, which is the average value from 2018 to 2022. 3. Long-term goal: 2050 Net zero emissions target	- Purchase energy-saving equipment and replace old energy-consuming facilities - Formulate an energy-saving plan for the year at the beginning of each year. - Initiate incentives to encourage each business group to improve energy conservation technology. Electricity saving by 1% per year. - In response to the government's Net Zero by 2050 Policy, the Company has set GHG reduction targets by combining the "Three Carbon Fee Sub-Laws" - Regulations Governing Self-determined Reduction Plans, announced by the Ministry of Environment on August 29, 2024, which is a voluntary reduction plan: - Period: 2025 - 2030 - Action adopted: Relevant reduction measures are established in accordance with the "Regulations Governing Self-determined Reduction Plans" of the Ministry of Environment. - Baseline emissions: Based on the average value from 2018 to 2022. - Target reduction rate: Reduce emissions by more than 5.7% in 2030 compared to the baseline year, and the accumulated GHG emission reduction volume is greater than 100,000 tonnes. - Key promotion measures: Alternative fuels, alternative raw materials, low-carbon cement, cement mill and coal mill upgrades. - Long-term goal: Product structure design of low-carbon cement products with kiln technology reform, surplus heat generation, and CCUS.

Appendix 5. Climate-related information of TWSE/TPEx-listed companies

Climate change-related risks and opportunities for the Company, and corresponding response measures undertaken.

Item	Status of implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	Please refer to the 2025 Annual Report
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	Please refer to the 2025 Annual Report
3. Describe the financial impact of extreme climate events and transformation actions.	Please refer to the 2025 Annual Report
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Please refer to the 2025 Annual Report
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	Please refer to the 2025 Annual Report
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	Please refer to the 2025 Annual Report
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Please refer to the 2025 Annual Report
8. If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the	Please refer to the 2025 Annual Report

quantity of renewable energy certificates (RECs) shall be specified.	
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (see 1-1 and 1-2).	1. Reduction targets are implemented in accordance with the Ministry of Environment' s self-determined reduction plan, and carbon fees are paid annually based on carbon reduction benefits. The strategy focuses on low-carbon raw materials, low-carbon cement, and alternative fuels as the main strategies, implemented through equipment upgrades including cement mill upgrades, coal mill upgrades, and the addition of powder silos. 2. Third-party (SGS) verification of the greenhouse gas inventory is expected to be completed by August 31, 2026.

1-1 GHG inventory and assurance for the most recent two years.

1-1-1 GHG Inventory Information

Describe the GHG emission volume (tCO₂e), intensity (tCO₂e/NTD million), and data coverage for the most recent two years.

According to the scope of disclosure of the Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies:

- (1) The parent company only statements shall disclose the information on the inventory starting from 2023.
- (2) The consolidated financial statements including all subsidiaries shall disclose the information on the inventory starting from 2025.

The Company has established the GHG inventory mechanism for the parent company in accordance with the ISO14064-1 GHG inventory standard published by the International Standards Organization (ISO).

The GHG inventory data for the most recent two years is based on the operational control approach, which includes the GHG emissions of the parent company and subsidiaries in the Consolidated Financial Statements. The details are as follows:

Item		2024		2025	
		Emissions (tCO ₂ e)	Intensity (tCO ₂ e/million revenue)	Emissions (tCO ₂ e)	Intensity (tCO ₂ e/million revenue)
Parent company	Scope 1	552,149.50	113.4454	526,310.22	118.2488
	Scope 2	43,194.75	8.8749	38,858.53	8.7305
	Subtotal	595,344.25	122.3203	565,168.75	126.9793
Subsidiaries in the Consolidated Financial Statements	Scope 1	-	-	2,356.08	0.5294
	Scope 2	-	-	496.01	0.1114
	Subtotal	-	-	2,852.09	0.6408
Total		595,344.25	122.3203	568,020.84	127.6202

1-1-2 GHG assurance information

(A description of the assurance status for the most recent two years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance)

A description of the assurance status for the most recent two years as of the publication date of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

The Company shall, in accordance with the Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies, perform at least the following assurance coverage:

1. The parent company has been disclosing assurance information since 2024.
2. Subsidiaries in the Consolidated Financial Statements will disclose assurance information starting from 2027.

The Company's GHG inventory for the most recent two years is as follows:

Item		2024	2025 emissions
		Emissions (tCO ₂ e)	Emissions (tCO ₂ e)
Parent company	Scope 1	552,149.50	526,310.22
	Scope 2	43,194.75	38,858.53
	Total	595,344.25	565,168.75
	Percentage of the inventory data disclosed in the above 1-1-1	100%	100%
Assurance institution		SGS	SGS
Assurance standard		ISO14064-3:2019	ISO14064-3:2019
Assurance opinion		An unqualified opinion	

1-2 GHG reduction goals, strategies and specific action plans

Emission reduction target	Strategic action	Project schedule
1. Dong'ao Plant' s annual total greenhouse gas emissions are reduced by more than 10% compared with emissions in 2013 (baseline year 1). 2. Starting in 2025, Dong'ao Plant will reduce emissions by more than 5.7% compared to the baseline year 2 (average of 2018-2022) in accordance with the Regulations Governing Self-determined Reduction Plans of the Ministry of Environment, which is the average value from 2018 to 2022. 3. Planning underway combined with the net zero 2050 goal.	1. Purchase energy-saving equipment and replace old energy-consuming facilities 2. Formulate an energy-saving plan for the year at the beginning of each year. 3. Initiate incentives to encourage each business group to improve energy conservation technology. Electricity saving by 1% per year. 4. In response to the government' s 2050 net-zero emissions policy, and in conjunction with the Ministry of Environment' s policy announced on August 29, 2024, the "Three Carbon Fee Sub-Laws" Regulations Governing Voluntary Reduction Plan Management, the Company has established greenhouse gas reduction targets.	Based on Dong'ao Plant' s greenhouse gas emissions of 759,327 metric tonnes CO₂e per year in the announced greenhouse gas inventory baseline year (2013), and greenhouse gas emissions of 555,142.602 metric tonnes CO₂e per year in 2025, emissions were reduced by 26.89%. 1. 2025 - 2030 (1) Action adopted: Implement relevant reduction measures under the Ministry of Environment' s "Regulations Governing Voluntary Reduction Plan Management" . (2) Baseline emissions: Based on the average value from 2018 to 2022. (3) Target reduction rate: Reduce emissions by more than 5.7% by 2030 compared to the baseline year, and have the accumulated GHG emission reduction volume be greater than 100,000 tons. (4) Key promotion measures: Alternative fuels, alternative raw materials, low-carbon cement, coal mill upgrades. 2. 2030 - 2050 Product structure design of low-carbon cement products with kiln technology reform, surplus heat generation, and CCUS .

Appendix 6. GHG Inventory Certificate: ISO 14064-1:2018 Third-Party Verification Statement [Lucky Cement Corporation]

Opinion TW26/00428GG

SGS

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2025 of

Lucky Cement Corporation

No. 101, Sec. 3, Suhua Rd., Nan'ao Township, Yilan County 272, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Opinion Type: Modified

Direct emissions

526,310.22 tonnes of CO₂e

Indirect emissions

83,370.79 tonnes of CO₂e

Direct emissions and indirect emissions

609,681 tonnes of CO₂e

Authorized by



Stephen Pao

Business Assurance Director

Date: 05 August 2026

Version 1

TGP56B-15-1 2601

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Validation and Verification

VB002

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Page 1 of 6