



Lucky Cement Corporation

2025 Sustainability Report

Date of Preparation: August 2025

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Message from the manager

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

Upholding the core values of our founder, Mr. Chen Liang Chuan — "Integrity, Professionalism, and Steadiness" — we firmly believe that every young person with dreams of starting a family and building a career deserves to own a home of their own. To realize this vision, we remain committed to producing high-quality, reasonably priced cement, helping to build warm and secure living spaces. At the same time, we operate with steady management to meet society's expectations for construction quality and residential value.

Moving forward steadily · committed to sustainability

On April 3, 2024, a magnitude 7.2 earthquake occurred in Hualien, causing severe damage to the eastern area of Taiwan. It also showed the importance of earthquake-resistant building quality and infrastructure safety. The Company's factory and mining transportation facilities located in the eastern region were also affected. We promptly initiated inspection and repair operations to ensure stable resumption of operations, while simultaneously strengthening the resilience of the facilities to enhance their response capability against earthquakes and other extreme events.

The year 2024 marks a critical turning point for Lucky Cement Corporation on its path toward sustainable development. While steadfastly upholding the founding principles and maintaining stable operations, we also face multiple formidable challenges. As a high carbon-emitting industry, the cement sector has long been under intense global scrutiny in carbon reduction efforts. In response to the increasingly stringent environmental regulations enacted by various countries, we must accelerate our low-carbon transition while ensuring production capacity and product quality, so as to address external pressures and strengthen corporate competitiveness.

Carbon thinking

In order to fulfill our commitment to environmental protection, we have fully responded to the national policy of achieving net zero emissions by 2050 and focused on the implementation of carbon reduction pathways. We promote concrete and measurable carbon reduction actions through the use of low-carbon fuels, improvements in energy efficiency, and process optimization. In the short-term strategy, we align with the Ministry of Environment's voluntary reduction program and follow internal carbon reduction targets to systematically advance various initiatives. These efforts aim to mitigate the impact of carbon fees on operations and profitability while balancing environmental responsibility with business growth. In the medium- to long-term, 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.

Resource symbiosis

In addition to carbon reduction, we also place great emphasis on the sustainable use of resources. While maintaining product quality and stable supply, we continue to promote the use of alternative raw materials to reduce dependence on natural resources. This effort not only relies on breakthroughs in technological R&D, but also requires the integration of waste co-processing in cement kilns to establish a resilient industrial ecosystem.

Co-responsibility and co-prosperity

We firmly believe that sustainable corporate development goes beyond economic benefits; it also requires responding to the expectations of society and our employees. We remain committed to workplace equality, community inclusion, and social contribution. In 2024, there were no reported cases of gender or racial discrimination, demonstrating our determination to foster a fair and friendly work environment. We are deeply engaged in public welfare initiatives, striving for shared prosperity with society. In 2024, Lucky Cement Corporation actively participated in various social care and community engagement programs, contributing to social welfare and promoting community development. At the same time, we offer a fair compensation and benefits system, and strengthen talent development and career advancement. In terms of customer service, we adhere to a customer-oriented philosophy, continuously enhancing customer satisfaction and market competitiveness through product and technological innovation.

Lead the future

We will continue to uphold our core values of "Low-Carbon Sustainability and Innovative Development," comprehensively enhancing our environmental, social, and corporate governance (ESG) performance. Based on steady management and driven by continuous technological innovation, we are accelerating our low-carbon transition to create long-term and stable value for the Company.

Looking ahead, we firmly believe that with the joint efforts of all employees and the support of our stakeholders, Lucky Cement Corporation will be able to steadily meet challenges and move towards a higher level of sustainable development. We are committed to continuously creating tangible value for our customers, employees, shareholders, and society, while ensuring the Company's long-term stable growth and responsibility as we actively practice environmental protection.

Editorial Policy

To help stakeholders better understand how Lucky Cement is committed to building a robust framework for corporate sustainable development, we have carefully prepared the 2024 Corporate Sustainability Report. This report covers the period from January 1 to December 31, 2024 (all dates hereafter are in the Gregorian calendar). It has been prepared in accordance with the GRI Standards 2021 issued by the Global Reporting Initiative (GRI). In addition, this report is developed based on the Company's business operations and the application of reporting principles, addressing topics of concern to various stakeholders and presenting our efforts in the economic, social, and environmental dimensions.

This report primarily covers the management and performance of corporate sustainability at Lucky Cement's key operational locations. 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 2024, 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, Dongao Plant, Puxin Plant, and Heren Plant
Financial Data	Consistent with the consolidated financial report disclosed by Lucky Cement
Environmental aspect	Dongao Plant, Puxin plants, and Heren Plant
Social aspect	Headquarters, Dongao Plant, Puxin plant and Heren Plant

This is the twelfth edition of the report, issued on an annual basis. The next scheduled publication is set for August 2026.

Status of report restatement

This report does not involve any significant organizational changes or changes in the scope of the reporting period. If there are any adjustments or changes to relevant data or content, they will be explained at the corresponding sections.

Issuance cycle

The report is published annually. This is the 12th edition of the report.

Previous edition published: August 2024

Current edition published: August 2025

Next edition scheduled: August 2026

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	E-mail	Telephone
Headquarters	R&D and quality assurance center	welson@luckygrp.com.tw	02-25092188#2326

Sustainability Performance

1. Customer satisfaction score reached 93.67 points.
2. No labor disputes or incidents of gender/racial discrimination occurred.
3. We participated in social care and community engagement activities, with a total community contribution expenditure of NTD 1,701 thousand.
4. We educated, trained, and improved employees' awareness of safety and health, and continued to improve safety and health performance.
5. We completed greenhouse gas inventory and passed third-party verification.
6. Water consumption in 2024 increased by 35.10% compared to 2023, due to the inclusion of Heren Plant's water consumption in reporting starting from 2023.
7. The consolidated operating revenue in 2024 is expected to decrease by 4.47% compared to 2023.

1. 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.	·Economic performance ·Corporate Governance ·Risk management ·Regulatory compliance ·Information security ·Business Ethics ·Code of conduct	·Company website ·Financial reports ·Shareholder service mailbox ·Annual general meeting ·Visits by corporate shareholders ·Corporate social responsibility report - General shareholders' meeting/yearly - Investor relations section on official website/monthly	1. Held 1 shareholders' meeting 2. Held 1 institutional investor conference 3. Number of investor inquiry calls: 0	3.1 Governance practices 3.2 Risk management 3.3 Regulatory compliance 3.4 Business performance 3.5 Information security protection

			Market Observation Post System/ on an irregular basis		
Suppliers	The Company maintains 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	·Occupational safety and health ·Supplier management ·Corporate governance ·Sustainable supply chain (environmental protection & human rights) ·Green purchasing ·Energy Saving and Carbon Reduction	·Company website ·Complaint mechanism Phone, e-mail / on an irregular basis	1. As of the end of 2024, a total of 385 suppliers have signed and returned declarations committing to integrity in business operations, adherence to ethical standards, and compliance with anti-corruption principles. 2. In 2024, there were zero supplier complaint cases.	3.1 Governance practices 4.3 GHG Emissions and Reduction 4.8 Sustainable supply chain 5.5 Occupational health and safety

	supply partners to prevent environmental pollution and violations of labor and human rights.				
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	·Product liability ·Environmental policy/Management system ·Customer relationship management ·Corporate governance	·Company website ·Customer satisfaction survey ·Distributor communication ·Corporate social responsibility report Business visit/anytime Customer satisfaction survey / monthly Phone, e-mail / on an irregular basis	1. Number of cases received through the customer feedback mailbox: 0 2. Number of customer complaints in 2024: 0 3. 2024 Customer Satisfaction Survey Score: 93.67	2.2 Products and services 3.1 Governance practices 3.6 Customer service 4.1 Circular economy

	support.				
Employees	Employees are the indispensable foundation of the Company's operations. The Company is committed to providing a workplace that supports both the physical and mental well-being of employees, as well as opportunities for diverse development, so that they can work without worry.	·Labor relations and salary and welfare ·Talent nurturing and training and education ·Labor rights ·Corporate governance	·Company website ·Employee Welfare Committee and related meetings Phone, e-mail/ on an irregular basis Welfare Committee meeting/quarterly Employee complaint channel/ on an irregular basis	1. Corporate website employee mailbox received 0 messages. 2. No case was received through the complaint channel 4 Four meetings of the employee welfare committee were held.	3.1 Governance practices 5.3 Compensation and benefits 5.4 Talent cultivation 5.6 Labor relations
Local community	The Company implements	·Water resources management	·Company website ·Road adoption	1. Corporate website community relations	2.2 Products and services

	environmental control measures to prevent pollution at operational sites, thereby avoiding any decline in the quality of life for neighboring communities.	·Social participation ·Environmental policy/Management system ·Product liability ·Climate change	·Contact phone number 03-9986110 - Ext. 128, 151, and 175 0933773655 ·Participate in community social activities - ESG Report - Complaint channel/ on an irregular basis	contact point received 0 complaint cases. 2. Complaint cases received via contact point telephone: 0	4.1 Circular economy 4.5 Water resources management
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1.2.2 Identifying Actual and Potential Impacts

Through daily operational activities and communication between various departments and key stakeholders, Lucky Cement Corporation gathers and consolidates concerns via its Sustainability Development Committee. In addition, the Company references the 2021 edition of the GRI Sustainability Reporting Standards' specific topics, the SASB Sustainability Accounting Standards, and relevant industry indicators. Based on an assessment of the actual and potential positive and negative economic, environmental, and social impacts related to these issues, 18 sustainability topics have been identified. These topics cover economic, environmental, and social dimensions to ensure that Lucky Cement's sustainability disclosures in Environmental (E), Social (S), and Governance (G) aspects meet stakeholder expectations. The table below presents the positive and negative impact assessments of the Company's sustainability topics for 2024.

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
Regulatory compliance	V		Actual

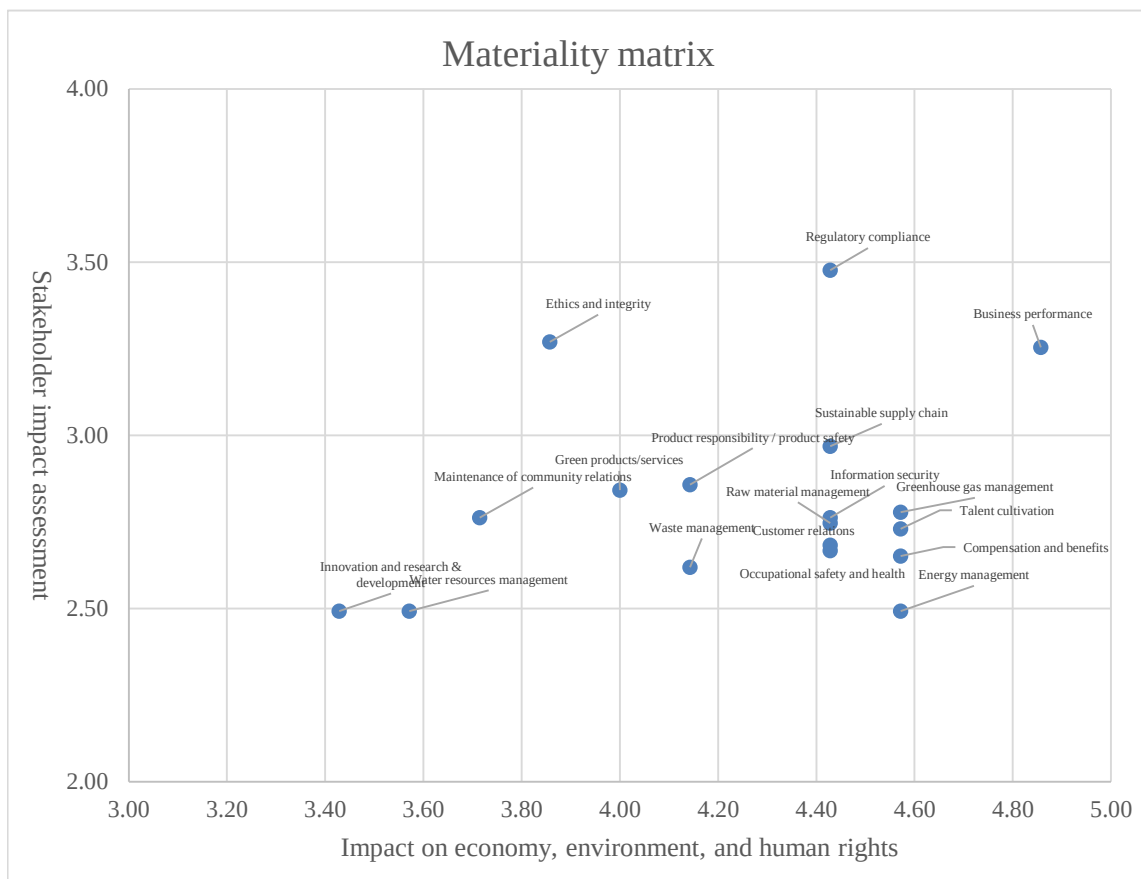
1.2.3 Identification of Material Topics

The Sustainable Development Committee conducted an assessment of 18 sustainability topics based on their positive and negative impacts. An online questionnaire was distributed to key stakeholders, asking them to evaluate the level of impact each topic had on them. A total of 63 valid responses were collected, including 15 from investors, 12 from employees, 10 from customers, 11 from suppliers, and 15 from members of the local community. These responses provided scores representing stakeholder perspectives on the impact of each sustainability topic. Additionally, a separate online questionnaire was sent to seven internal senior managers, requesting evaluations of the internal and external impact each topic had on Lucky Cement Corporation. The results from both stakeholder and internal evaluations were compiled to create a materiality matrix. Following discussions within the ESG Committee, the top three sustainability topics in each of the three dimensions—environmental, social (including human rights), and economic—were identified as the Company’s material topics for the year. Accordingly, the seven key topics prioritized for disclosure by Lucky Cement Corporation for the reporting year were: sustainable supply chain, greenhouse gas management, talent cultivation, compensation and benefits, occupational health and safety, business 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 aspect	Social aspect	Corporate governance aspect
Sustainable supply chain Greenhouse gas management	Talent cultivation Compensation and benefits Occupational safety and health	Business Performance Regulatory compliance

Material topics and changes

2023	2024	Changes in ranking and topics from 2023 to 2024
Regulatory compliance	Business performance	New addition
Information security	Regulatory compliance	↓1
Reduction of GHG emissions	Sustainable supply chain	New addition
Water resources management	Greenhouse gas management	↓1
Occupational safety and health	Talent cultivation	New addition
Air Pollution Control	Compensation and benefits	New addition
	Occupational safety and health	↓2



Aspect	Material topic	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	4.8 Sustainable supply chain
Environment	Greenhouse gas management	•	•		•		305 Emissions	4.3 GHG Emissions and Reduction
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
Corporate Governance	Business Performance	•	•	•	•		201 Economic Performance	3.4 Business performance
Corporate Governance	Regulatory compliance	•	•			•	2- 27 Regulatory compliance	3.3 Regulatory compliance 4.7 Compliance with the environmental laws and regulations

2. About Lucky Cement Corporation

2.1 Company profile

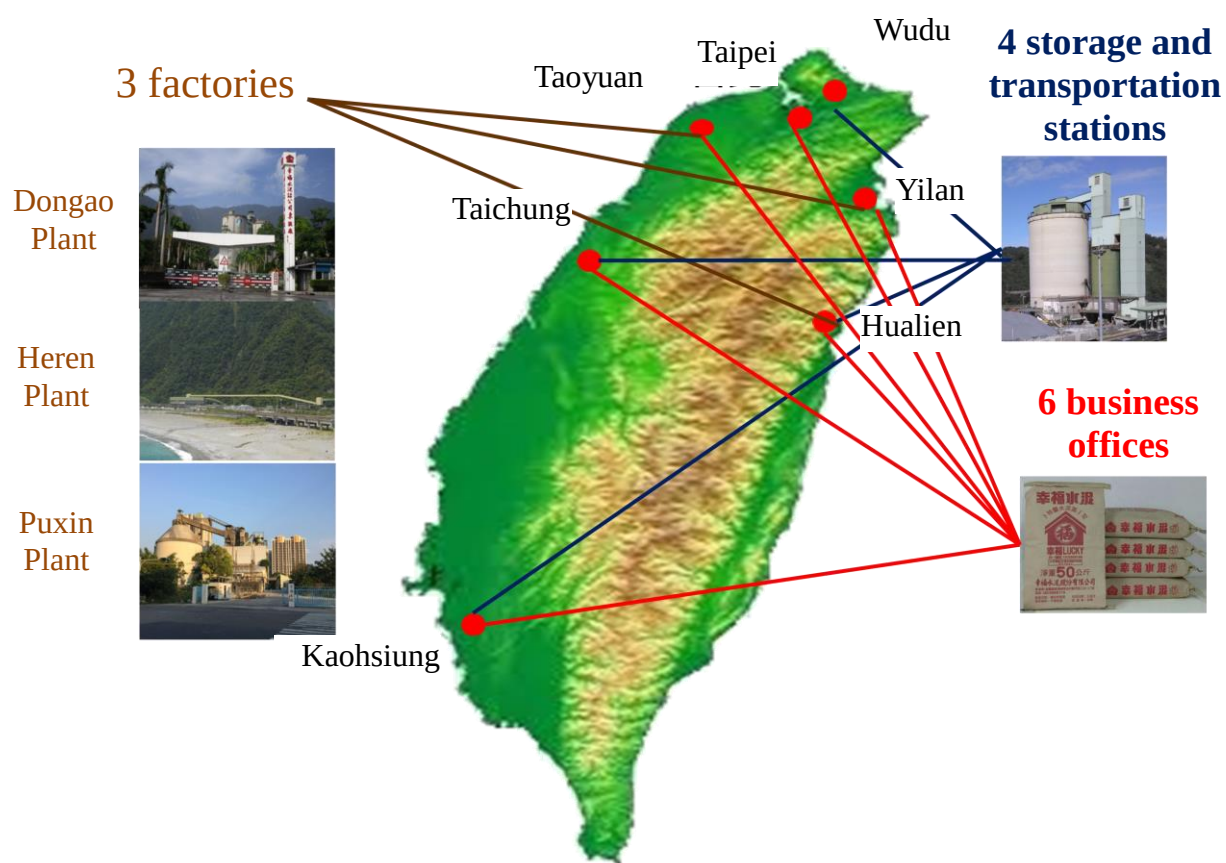
The Company's General Management Office is located on the 15th floor, No. 237, Songjiang Road, Taipei City. The Company mainly operates in Taiwan. It is engaged in the production and sales of cement, blast furnace slag, limestone, dimension stones and sand and gravel. In recent years, it has promoted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

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	0.04%
	Other legal entities	51.78%
	Domestic natural persons	45.21%
	Foreign institutions and individuals	2.97%
Capital at Year-End (Unit: NTD thousand)	NTD 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	Cement, slag powder, stone materials, ready-mixed concrete	
Major product output	In 2024, the company produced 741 thousand tonnes of cement and slag powder, and 1,534 thousand tonnes of stone materials.	
Annual revenue	NTD 4,867,094 thousand	

(Unit: NT\$ thousands):	
Sales ratio of major products	Cement and blast furnace slag 45% Stone materials 9% Concrete 35%
Proportion of operating revenue in each region	Taiwan 100.00%

Lucky Cement Operating Locations



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 2024, no customer complaints or grievances were received.

To ensure the effective implementation of its customer service policies, Lucky Cement employs an objective monitoring system to regularly assess customer satisfaction with its products and services. This helps the Company understand customer needs and expectations, serving as a foundation for operational management. By conducting regular customer satisfaction surveys, Lucky Cement gains insight into market trends and customer demands, allowing it to stay attuned to market dynamics.

By utilizing an objective monitoring system, we comprehensively evaluate customer satisfaction with our products and services to identify gaps between customer needs and expectations. This allows us to understand market dynamics and adjust transaction terms when necessary, creating win-win outcomes for both customers and the Company while enhancing profitability. In 2024, the overall customer satisfaction score reached 93.67. 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	2022	2023	2024
Customer satisfaction score	93.69	93.62	93.67

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.



2.3 Business philosophy



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)

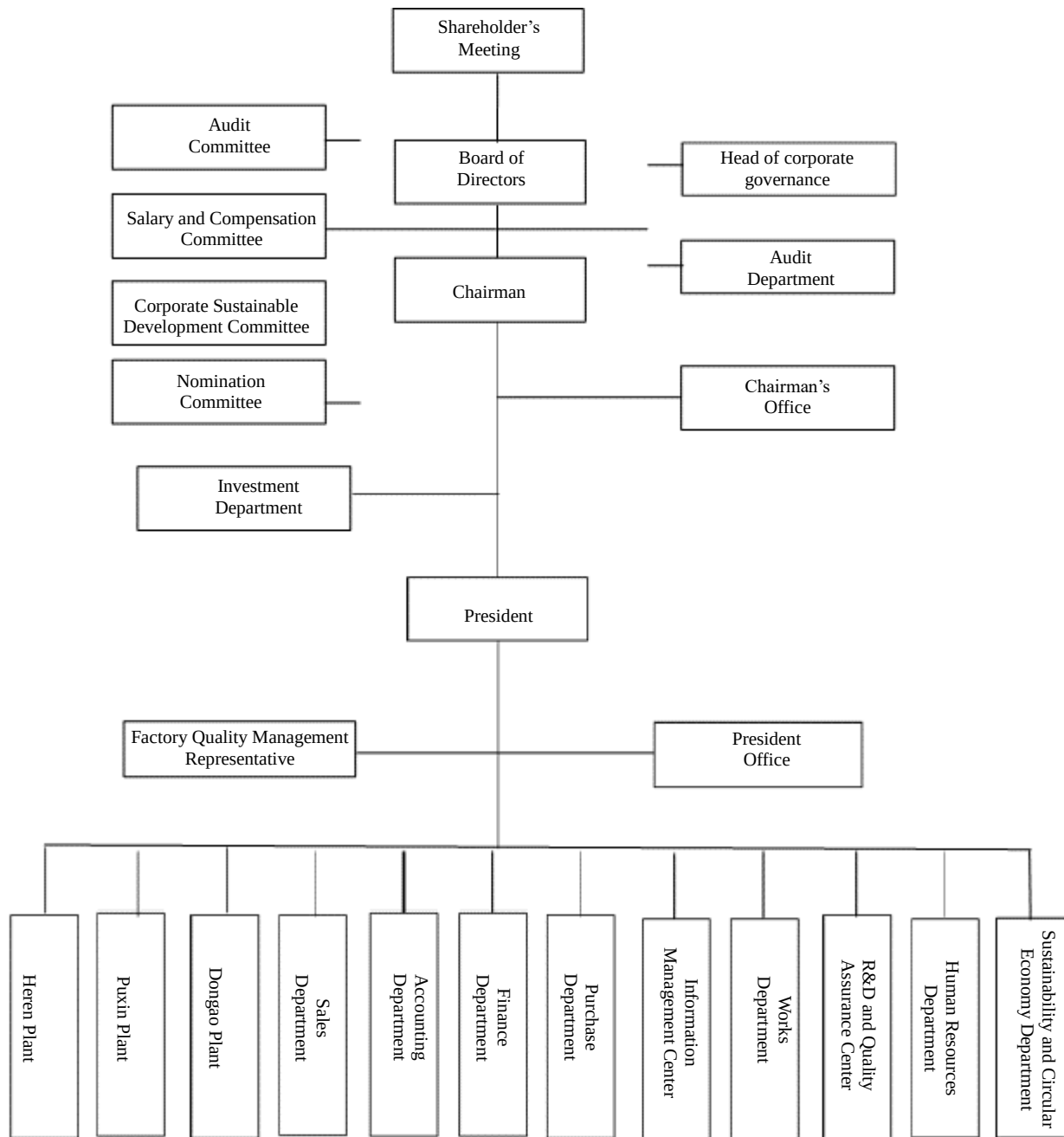
The logo of Lucky Cement Corporation (the “Company”) is a red house. The founder Chairman Mr. Liang-Chuan Chen started his nascent career in construction, hoping that every young person who wanted to start a family could own a house and feel warm and happy in life. He became acquainted with the field 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



Note: Mr. Chen Liang-Chuan originally served as both Chairman and General Manager of the company. However, to implement corporate governance and promote corporate sustainability, Chairman Chen resigned from the General Manager position effective December 29, 2023. The General Manager role is now held by Mr. Chen Ming-Hsien.

2.4 Participation in external organizations

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

3. 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 2024, 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 18 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.

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, in accordance with its meeting regulations, holds meetings at least once per quarter on average. In 2024, a total of seven board meetings were held, with an average director attendance rate of 100%.

Diversity statistics / year			2022		2023		2024	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Director	Gender	Male	5	5	5	5	5	5
		Female	2	2	2	2	2	2
	Age	Under 60 years old	5	5	5	5	5	5
		60–69	1	1	1	1	1	1
		69 or above	1	1	1	1	1	1
	Education level	Graduate school	4	4	4	4	4	4
		College	1	1	1	1	1	1
		Others	2	2	2	2	2	2

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.

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 pursue relevant professional training courses. In 2024, all directors completed a total of 72 hours of training. In response to global sustainability trends, the company has also actively arranged for directors to attend courses related to sustainable development. With a board composed of directors who possess both governance expertise and industry experience, the Company is confident that its operations will continue to grow and thrive.

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 Company's quality in executing accounting, auditing, financial reporting processes, and financial controls. The committee submits its evaluation results to the Board for discussion. The Audit Committee is composed of three independent directors, one of whom serves as the convener, and at least one member possesses expertise in accounting or finance. The committee holds meetings at least once per quarter, and in the reported year, it convened five times with a full attendance rate of 100%.

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 sustainability development trends, Lucky Cement has established a Corporate Sustainability Development Committee. This committee is responsible for formulating corporate sustainability policies, reviewing annual sustainability plans, approving sustainability reports, and handling other related matters concerning sustainability and corporate social responsibility. The committee is composed of three board members and held two meetings during the year, with 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 1 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. In the reporting year, the Internal Audit Office conducted a total of 411 audit tasks, achieving a compliance rate of 96.84%. There were no major non-conformities, and all identified issues were rectified and closed within the specified deadlines.

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.

2024 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	17	16.5	0.50

2024 Ethics Commitment Letter signing status

Ethic commitment letter statistics / category	Director	New employees	Suppliers
Total number of individuals (entities)	7	17	392
Number of signatories (entities)	7	17	385
Signing rate	100.00%	100.00%	98.21%

3.2 Risk management

Lucky Cement established its Risk Management Policy in 2020. To meet the needs of risk management, a cross-departmental task force was formed under the President's Office, with department heads serving as the main members of the Risk Management Committee. The scope of risk management includes managing strategic risks, operational risks, financial risks, information security risks, and risks of climate change and failure to comply with environmental protection, climate-related regulations and other international regulations and agreements. The Risk Management Task Force reports to the Audit Committee at least once a year on the Company's risk environment, risk management priorities, risk assessment 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 and a decline in competitiveness.	1. Assign dedicated personnel to each project, hold regular meetings for discussion, conduct reasonable evaluations, and choose the appropriate course of action. 2. Expand cement and aggregate distribution channels, such as establishing additional ready-mixed concrete plants and increasing the volume of cement used in grouting projects.
	Talent gap	Impact on on-site operations	Current salary and benefits policies at the plant are insufficient to attract and retain suitable personnel, resulting in a talent gap. This has led to a shortage of workers and disrupted knowledge transfer within operations. Response measures 1. The starting monthly salary for new entry-level employees is NT\$31,000, increasing to above NT\$32,000 after the probation period. 2. Increase the salaries of existing employees to NT\$32,000 or above. 3. Raise salaries for frontline and mid-level supervisors. 4. Fill vacant frontline supervisor positions. 5. Increase year-end bonuses (fixed 1 to 2 months plus performance-based bonuses) and provide Dragon Boat Festival and Mid-Autumn Festival bonuses. 6. Implement regular salary adjustments within a fixed period (Adjustment is made once every 1 to 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	Inability to control delivery capacity and market share loss due to imported cement competition.	Customer attrition and loss of competitiveness may eventually lead to loss of market share.	1. The Taichung storage and distribution site should maintain independent control over material sources and strengthen external procurement capabilities to ensure stable supply. 2. The supply and operational capacities of the Dongao and Puxin plants should be maintained at a stable level. 3. Effectively manage the scheduling and dispatching of railway wagons to maximize transportation capacity.
	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 workplace safety and hygiene; improve the working environment to enhance operational 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 assignments and enhance job training and skill development for foreign workers. 6. Identify appropriate outsourcing partners to alleviate manpower shortages.
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 operational expenses.	1. Maximize the use of operating revenue to cover working capital needs, thereby reducing financing and lowering interest expenses. 2. Address ineffective investments to minimize losses. 3. Invest prudently, assess investment risks, and reduce financial pressure. 4. Closely monitor financial market trends and exchange 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. Management measures for personnel account, authorization management, and system operation behavior 2. Control measures for	1. Management, review and regular inventory of personnel account authorization. 2. Internal/external access control measures, control measures for channels of data leakage and track record analysis of operational behaviors. 3. Server/computer vulnerability detection and update measures, virus

		personnel access to internal and external systems and data transmission 3. Potential vulnerability in internal systems, hacked channels and protective measures. 4. System availability status and response measures in case of service interruption.	protection and detection of malware. 4. 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.
Risks related to climate change and non-compliance with environmental, climate-related, and other international regulatory agreements	1. According to the carbon fee three sub-laws, the Company is subject to carbon fee collection. 2. A fee of NT\$ 300 is charged per ton of carbon dioxide emissions. 3. Proposing a voluntary reduction plan will qualify for a discounted rate.	1. The Dongao Plant's average greenhouse gas emissions over the past 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.	On August 29, 2024, the Ministry of Environment announced three sub-laws on carbon fees, marking the official start of the carbon pricing era in Taiwan. According to the regulations, the Dongao Plant must submit a voluntary reduction plan in order to qualify for preferential carbon fee rates. Based on the Company's own estimation, if the Company does not submit a voluntary reduction plan approved by the Ministry of Environment, the carbon fee payable for the year 2025 is approximately NT\$186 million. However, if a voluntary reduction plan is submitted and approved, the carbon fee would be reduced to NT\$12.4 million, representing a significant difference. Therefore, the focus for this year will be on applying for and obtaining approval of the voluntary reduction plan. The Company plans to apply for the following voluntary carbon reduction measures: (1) Use of alternative fuels (to replace coal) to reduce carbon emissions. (2) Improve production processes by using alternative raw materials

			(e.g., mineral fines) and producing limestone cement to reduce clinker usage and lower carbon emissions. (3) Enhance energy efficiency, such as through cement mill upgrades and replacing the coal mill with a vertical mill.
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3.3 Regulatory compliance

Material topic	Regulatory compliance
Significance to the Company	Regulatory Compliance 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:	Regulatory compliance is fundamental to sustainable business development.
Objectives:	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 2024, a total of 17 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. The Company designated internal audit and finance managers to participate in relevant training as required by law. The internal audit manager completed 12 hours of training, and the finance manager received 9 hours of training 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/achievement	Three illegal acts occurred in 2024.

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 ethics policies and regular audits: The Company's professional ethics and regulatory compliance are centered on the core values of integrity and honesty. This foundation is established through a series of regulatory formulations, thorough implementation, self-assessments, and accessible whistleblowing channels with protections for whistleblowers. Management leads by example and requires every employee to ensure that their business conduct complies with relevant laws, company policies, and regulations. Compliance is reviewed annually through internal control self-assessments and audited by the internal audit department.

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 2024, 33 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 managers and finance supervisors assigned to attend relevant sessions. Audit managers completed a total of 24 training hours, while finance supervisors received 9 hours of training on professional ethics and legal responsibilities.

Lucky Cement regularly reviews the Company's compliance with applicable laws and regulations. Through a sound system, the Company aims to continuously improve its legal compliance. In 2024, Lucky Cement recorded three violation incidents. The company has reviewed the related issues and established corrective measures accordingly.

Cases	Violation reason	Penalty details	Follow-up improvement measures description
1	Failure to provide workers	A fine of NT\$20,000	Adjusted duty

	with statutory rest days	was imposed	schedules to ensure rest days are arranged in accordance with regulations.
2	1. Failure to provide legally required overtime pay for extended working hours 2. Extension of working hours without completing required legal procedures 3. Allowing employees to work continuously beyond the statutory limit 4. Failure to pay double wages for holiday work	A fine of NT\$200,000 was imposed	1. Strengthen awareness campaigns for relevant departments. 2. Actively recruit and retain personnel to prevent foreign migrant workers from working excessive overtime.
3	After the replacement of the wheel rails on the transfer machine, the safety facilities, such as protective guards and barriers around the hazardous parts of the transfer machine, were not restored. The transfer machine was put into trial operation without these safety measures, resulting in a fueling operator sustaining a finger injury.	A fine of NT\$100,000 was imposed.	Strengthen employee health and safety education. Plan designated safe operation zones during fueling. Modify the protective barriers and add safer fueling access ports.

3.4 Business performance

Material topic	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 environment 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. We continued construction of the Taoyuan Haihu and New Taipei Shulin ready-mixed concrete plants, with a total investment (including land) exceeding NT\$1.5 billion. 2. Upgrading of packaging machines at the Dongao Cement Plant and Wudu Storage and Transportation Station, with a total investment of approximately NT\$25 million.
Responsible department / grievance mechanism	Responsible Departments: The Operations Management Department is responsible for formulating and implementing operational strategies, while the Finance Department oversees cost and revenue monitoring. Complaint mechanism: We establish complaint channels for employees and customers, regularly collect feedback, and continuously improve operational processes.
Evaluation mechanism/achievement	In 2024, due to the impact of the Hualien earthquake and typhoon-related disasters, the production and sales of cement and aggregates declined. Although this affected the Company's revenue, the EPS remained above 1 NT dollar.

Lucky Cement's consolidated revenue for 2024 was NT\$4,867 million, down NT\$228 million from the previous year. This decline was primarily due to global high inflation and high interest rates, compounded by housing market cooling policies and labor shortages, which led to decreased private sector demand for cement and affected the Company's revenue. With Taiwan classified as a developed country, the cement industry has entered a mature phase, making significant growth in market demand unlikely. Lucky Cement continues to optimize logistics and enhance product distribution capabilities to meet customer needs. Through the expansion of ready-mixed concrete plant channels, the Company maintains its market share. Additionally, it actively invests in capital expenditures to upgrade equipment and improve production efficiency, thereby reducing production costs and strengthening overall competitiveness.

Item (\$ thousand)	2022	2023	2024
Revenue	4,149,253	5,094,743	4,867,094
Operating cost	3,158,473	4,211,831	3,939,390
Employee wages and benefits	424,263	430,261	429,701
Payments to providers of capital	242,843	323,790	404,738
Payments to government	15,567	96,058	207,142
Community investment	1,440	1,540	1,701

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 rights	Effectively manage user accounts to ensure that only authorized users
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management	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	Implementing mandatory complex password requirements, enforcing regular password changes to reduce the risk of password compromise, disabling unauthorized USB devices to prevent the spread of malicious software through portable media, conducting vulnerability scans of information devices to timely discover and patch system vulnerabilities, and conducting social engineering drills to strengthen user awareness and vigilance against 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.
- Upgraded information equipment and software.
- Conducted one cybersecurity training session in 2024, with 68 participants attending a 37-minute class.

Concrete Outcomes

In 2024, both internal audits and external audits (by certified public accountants) reported no major non-conformities or corrective recommendations.

4. Sustainable Green Environment

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

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

The role of the cement industry in economic development

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

The role of cement industry in circular economy

With the rise of environmental awareness and the adjustment of industry structure, the cement industry has also begun to adjust and integrate the concept of the circular economy. The continuous operation of cement kilns enables processing of domestic and business waste at a high temperature of 1,450°C, which resolves the problems of waste incineration and burial at the same time. The

related waste can also replace raw materials or fuels in the production process, assisting in waste disposal is the advantage of cement kilns.

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

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

4.1 Circular Economy

Description of management policy

Circular economy is an economic and industrial system utilizing renewable resources, which converts waste into resources and the end of a product's life into an alternative raw (fuel) materials for companies' products, energy conservation and solutions for the problem of landfills.

The impact of a circular economy

The promotion of a circular economy needs to rely on the active actions of the government. Although the government currently lists circular economy as its future policy, the aspects of technology, economy, society, politics, and related laws and regulations are incomplete, leading to information asymmetry between the central government, local governments, academia, and the general public. In the future, the government still needs to formulate relevant laws and regulations for the development of circular economy, and strengthen the concepts of energy and resource recycling, source reduction, and green design and production.

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.

Recycling of raw materials and packaging materials

Lucky Cement tracks the use of various resources throughout the production process, aiming to precisely monitor material consumption and cost distribution. This provides a scientific basis for business operations and production decisions. At the same time, the Company actively seeks feasible ways to promote environmental protection within its existing production model, striving to strike a balance between resource use and environmental preservation.

Due to the nature of the cement industry, Xingfu Cement primarily uses non-renewable mineral raw materials. However, the company continues to actively seek ways to promote environmental protection. Xingfu Cement recycles cement packaging materials, including paper bags and nylon bags. The estimated recycling method is: total product weight * 0.45 = cement product weight * 0.2 (products requiring paper bags and nylon bags) * 0.425% (paper bag weight as a percentage of bagged cement weight). In 2024, the company is expected to recycle approximately 833 tons of cement packaging materials, including paper bags and nylon bags.

During the raw material procurement process, we also focus on the selection and management of suppliers, incorporating market trends and environmental requirements to ensure materials meet corporate standards. We are committed to achieving transparency and efficiency in resource usage, thereby supporting the Company's long-term sustainability goals.

Recycling and reuse of waste materials

The upper reaches of Gaoping River, the water source of the greater Kaohsiung area, was polluted by malicious dumping of suspected waste organic solvents, which caused the Kaohsiung area to shut down the water supply. The random dumping of inorganic wastes into the valleys also greatly harmed the environment. Environmental protection issues have become the focus of national attention in Taiwan. The use of cement kilns in the cement industry process to treat part of the industrial waste can immediately reduce the domestic pressure of waste disposal. At the same time, the Company uses this approach to save supplies and fuel costs, which brings positive economic benefits for the Company. In the 2000s, the Company began to use waste from the photovoltaic industry as alternative fuels and raw materials. The renewable resources that have been integrated and utilized over the years include:

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

Cement kilns are currently the best and final destination for resource recovery and disposal of industrial waste. Lucky Cement leverages its core environmental capabilities in handling industrial waste materials and garbage, continuously contributing to environmental protection efforts. The Dongao Plant, equipped with a cement rotary kiln, the general industrial waste collected and processed each year is reported in accordance with the law.

Year	Total weight of general industrial waste (required to be reported) processed (metric tons)
2022	167,727.21
2023	103,216.91
2024	112,648.06

Lucky Cement off-site waste statistics for the past three years							
Facility	Unit: Thousand tonnes	Waste category	2022	2023	2024	Disposal method	Off-site / on-site treatment
Dongao Plant	General industrial waste	Scrap iron (mixed scrap, decommissioned equipment)	725.18	280.68	169.48	Recycling	Off-site
		Subtotal	725.18	280.68	169.48	-	-
Puxin Plant	General industrial waste	Waste paper	0.005	0.005	0.005	Recycling	Off-site
		Waste cement paper bags	0.021	0.018	0.019	Recycling	Off-site
		Waste tin cans, waste aluminum cans and waste PET bottles	0.200	0.180	0.180	Recycling	Off-site
		Scrap iron (mixed scrap, iron sand ,decommissioned equipment)	186.254	187.211	185.356	Recycling	Off-site
		Waste copper wire	0.040	0.059	0.047	Recycling	Off-site
		Waste fluorescent tubes	0.001	0.001	0.001	Recycling	Off-site
		Food waste	0.220	0.200	0.220	-	Off-site
		Waste wood	0.660	0.5.16	7.95	Reuse	Off-site
		Liquid fertilizer 水肥	5.913	5.847	6.361	-	Off-site
		Household waste 生活	4.960	4.210	2.860	Incineration	Off-site
		Waste fiber	4.180	1.150	3.500	Incineration	Off-site
		Subtotal	202.454	199.592	199.260	-	-
Heren Plant	General industrial waste	Household waste	12.80	13.20	18.90	Incineration	Off-site
		Subtotal	12.80	13.20	18.90	-	-
Total			940.434	493.472	387.64		

Note: Since the Dongao Plant has a cement rotary kiln, all general industrial waste that can be incinerated is handled by the plant itself..

4.2 Implement energy management

Description of management policy

Cement plants are an energy-intensive industry, and the main energy consumption is 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 various waste energy and resources recycling processes in accordance with the Waste Disposal Act.
Goals and targets	Meet the requirement of a 1% reduction in electricity usage every year.
Concrete energy-saving measures	Incorporate the Company's specific requirements for energy conservation and environmental protection into the basic training courses for new hires. Coordinate various conferences and in-factory activities to promote employees' concepts and awareness of environmental protection and energy conservation. Specific measures for energy conservation and environmental protection are as follow: 1. 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. Lights in spaces or conference rooms are turned off when not in use. 5. Turn off the computer and the power switch before getting off work 6. Joined the government electronic document exchange system starting 2018 to save document delivery time and reduce paper consumption.

Energy consumption statistics

At Lucky Cement, electricity used for company operations constitutes the largest portion of overall energy consumption, with the remainder comprising diesel, gasoline, and coal use. In 2024, Lucky Cement included the Puxin and Heren plant areas in its ongoing comprehensive energy consumption inventory. Regular reviews of energy consumption enable a better understanding of annual energy usage patterns and serve as a crucial reference for planning subsequent energy-saving projects.

Energy usage status at the Dongao Plant			
Item/year	2022	2023	2024
Electricity usage (kWh)	75,892,800.00	76,051,200.00	75,312,000.00
GJ	273,214.08	273,784.32	271,123.20
Diesel usage (liters)	234,434.00	233,338.00	197,918.00
GJ	8,243.26	8,204.72	6,959.27
Diesel usage (liters)	4,600.00	4,400.00	2,253.00
GJ	150.19	143.66	73.56
Coal (metric tons)	82,928.00	87,670.00	86,749.15
GJ	2,110,590.58	2,231,278.65	2,207,842.21
Liquefied petroleum gas (liters)	2,617.90	1,545.30	2,636.10
GJ	72.710	42.919	73.215
Total (GJ)	2,392,270.82	2,513,454.28	2,486,071.46
Revenue (in NTD million)	4,149	5,095	4,867
Energy intensity	576.5897	493.3178	510.8016

Energy usage status of Puxin Plant		Energy usage status of Heren Plant	
Item	2024	Item	2024
Electricity usage (kWh)	9,142,077.00	Electricity usage (kWh)	4,372,729.00
GJ	32,911.48	GJ	15,741.82
Diesel usage (liters)	28,444.00	Diesel usage (liters)	197,625.00
GJ	1,000.16	GJ	6,948.97
Diesel usage (liters)	187.10	Diesel usage (liters)	10,105.60
GJ	6.11	GJ	329.96
Heavy oil (liters)	765.00	Total (GJ)	23,020.75
GJ	30.74	Revenue (in NTD million)	4,867
Total (GJ)	33,948.49	Energy intensity	4.7299
Revenue (in NTD million)	4,867		
Energy intensity	6.9752		

Note: 1 kilowatt-hour (kWh) = 3.6 million joules, 1 kcal = 4,186 joules, 1 GJ = 109 joules; Heating values refer to Taiwan EPA Greenhouse Gas Emission Factors Management Table version 6.0.4: diesel: 8,400 kcal per liter; gasoline: 7,800 kcal per liter; bituminous coal: 6,080 kcal per kilogram; liquefied petroleum gas: 6,635 kcal per liter; residual oil: 9,600 kcal per liter

Energy conservation measures and implementation plans

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.

Energy conservation measures in administrative units

- | |
|---|
| <ol style="list-style-type: none">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. Lights in general spaces and conference rooms are turned off when not in use.5. Computers and power switches are to be turned off before getting off work6. Joined the government electronic document exchange system starting in 2018 to save document delivery time and reduce paper consumption. |
|---|

Energy conservation measures in plants

- | |
|--|
| <ol style="list-style-type: none">1. Use high-efficiency energy conservation equipment2. Improve efficiency of energy utilization |
|--|

The circular economy model of using waste as alternative fuel has become a key development direction for sustainable manufacturing in the cement industry. At the same time, we follow the "Principles for Recognizing the Use of Waste Solvents as Auxiliary Fuel in Cement or Rotary Kilns" announced by the Environmental Protection Administration in 2000, which serves as the management policy for using waste lubricating oil as auxiliary fuel during kiln startup operations. The specific implementation result for 2024 is the use of 14.4 metric tons of waste lubricating oil, which reduced diesel consumption by 16.46 metric tons.

Statistics on the use of waste lubricating oil as auxiliary fuel over the past three years		
Unit: kilolitre		
Year	Waste lubricating oil usage (heating value: 9,600 Kcal/L)	Corresponding reduction in diesel consumption (heating value: 8,400 Kcal/L)
2022	2.27	2.59
2023	2.04	2.34
2024	14.40	16.46

4.3 GHG Emissions and Reduction

Material topic: greenhouse gas management		
Significance to the Company		We are deeply aware of the impact of climate change on global ecosystems and economic systems, and we recognize the critical role that businesses play in mitigating greenhouse gas emissions. As a responsible corporate citizen, we commit to continuous carbon reduction efforts and innovative technologies to improve the production environment and fulfill our sustainable responsibilities to society and the planet.
Policy/commitment		- Committed to the Company's GHG inventory and registration. - Accurately grasp the Company's GHG emissions status. - Propose feasible solutions for GHG emissions reduction. - Carry out GHG emissions reduction work plan. - Fulfill sustainable development of circular economy. - Green growth and sustainable development
Objectives	Short-term	- Purchase energy-saving equipment and replace old energy-consuming facilities - Initiate incentives to encourage each business group to improve energy conservation technology. - Electricity saving by 1% per year. - Dongao Plant's 2024 annual GHG emissions are reduced by more than 10% compared with 2023 (baseline year).
	Long-term and mid-term	- In accordance with the Ministry of Environment's "Regulations for the Management of Voluntary Greenhouse Gas Reduction Plans," relevant mitigation measures shall be formulated to achieve a reduction of more than 5% in greenhouse gas emissions by 2030, compared to the baseline year (defined as the average emissions from 2018 to 2022). The cumulative annual greenhouse gas emissions reduction exceeded 100,000 metric tons. - By utilizing low-carbon raw materials and fuels, improving energy efficiency, enhancing process optimization, and applying renewable energy. - 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. - Implement regular inventories and continuous optimization of the full-process emissions management system.
Responsible department Complaint mechanism		- Headquarters in Taipei Name: Chen Tsun Jen, Senior Manager Phone: 02-2509-2188 Email: rain@luckygrp.com.tw - Dongao Plant Name: Chu Shih Hsiung 信箱：L02144@luckygrp.com.tw Phone: 03-9986110

Resources invested during the year	- Continuing the solar photovoltaic system installation project from 2023. - The raw material EP powder dust collection system was changed from an electrostatic precipitator to a baghouse dust collector. - The wind turbine motor was changed from a high-voltage motor to a variable frequency motor. - Plant-wide lighting improvements.
Evaluation mechanism / outcomes	- Aligned with the national 2050 net-zero policy, the company integrates the Ministry of Environment's voluntary carbon reduction plan as the basis for its carbon emissions reduction strategy over the next six years. - The process challenges encountered in incorporating alternative raw materials (such as mineral fines) are continuously analyzed, and optimization mechanisms are developed to enhance production stability and product quality consistency. - We continuously advance the process design and optimization research of the cement grinding process to ensure that low-carbon cement effectively achieves energy-saving and carbon reduction benefits.

Description of management policy

We are well aware that the Earth's climate and environment are being affected by the multiplication of greenhouse gases and are gradually deteriorating. As a global citizen, we strive for leaving a beautiful living environment for future generations and fulfilling the corporate responsibility to the environment.

Impact of greenhouse gas emissions and reductions

(I) Risks of companies subject to greenhouse gas regulations

1. The Company's Dong-Ao plant is in the cement manufacturing industry, which is an energy-intensive and major energy-consuming industry. It is the first batch of public and private places with stationary sources according to the announcement of the "Public and Private Places Reporting Stationary Sources of Greenhouse Gas Emissions" issued by the Environmental Protection Administration of the Executive Yuan, and the Company must bear the risk of compliance with regulations.

2. Greenhouse Gas Reduction and Management Act: Under the future cap control, carbon emission quotas will have to be purchased through the carbon trading market for carbon rights, which will increase business operating costs.

3. Air Pollution Control Act: Air pollution standards are becoming stricter, which will increase the business operating costs.

4. Energy tax regulations: The levy of fuel or energy taxes will increase business operating costs.
5. Products' GHG emissions intensity standards: Products' carbon emission standards are becoming more and more stringent, which will increase business operating costs.

(II) Enterprises' substantial risks being exposed to GHG:

1. Greenhouse gases can have a major adverse impact on the climate and the environment. Under the influence of the greenhouse effect, natural disasters caused by various climate changes, floods, droughts and wind disasters will increase in frequency, and the intensity and scale of disasters will also increase. In the event of a disaster, the Company's operation may be affected.
2. Extreme climate: The frequency and scale of extreme rainfall, strong winds, and droughts increase, causing production interruptions.
3. The Intergovernmental Panel on Climate Change (IPCC) released an assessment report on climate change pointing out that adopting active greenhouse gas reduction policies can slow down climate warming. In response, our Dong-Ao plant has implemented a number of energy conservation and carbon-reduction programs to work hard on mitigating climate change. It also actively strengthens the Company's ability to adjust to the risks that may occur in extreme climates, specifically risk control measures for water resources, responding to power shortages in summer, typhoon seasonal and rainy seasons, in addition to regularly dredging the mud in the drainage ditch in the factory to prevent flooding that may be caused by heavy rains. For other detailed policies and specific implementation conditions please refer to the other issues mentioned in this report.

(1) Greenhouse gas inventory of the Dongao Plant

In 2013, the Dongao Plant obtained a greenhouse gas verification statement issued by SGS in accordance with ISO 14064 standards. In 2014, the plant completed its first GHG inventory. Since then, external verification has been conducted annually starting in May. To align with the Environmental Protection Administration's greenhouse gas reporting requirements, the plant's inventory boundary is now based on the designated control number, and the baseline year has been revised to 2013, the year of the first official GHG report. Through annual GHG inventories, Lucky Cement continues to track and improve its major emission sources. These results serve as a basis for the design and implementation of future energy-saving and carbon reduction projects.

In accordance with the relevant inspection guidelines and regulations announced by the Environmental Protection Agency, the Company conducts an annual greenhouse gas inventory that is verified and registered by a third-party certification company. The total greenhouse gas emissions in 2024 was 584,346 tonnes of CO₂e/year, less greenhouse gas emissions than 23.04% in 2013 (baseline year), thus achieving the target.

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

Carbon reduction results

In 2024, the Dongao Plant reduced greenhouse gas emissions by 664.6288 metric tons through energy-saving improvements to equipment, air-conditioning replacement, lighting improvements, and coal-saving improvement programs.

Dongao Plant greenhouse gas reduction management policy

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:

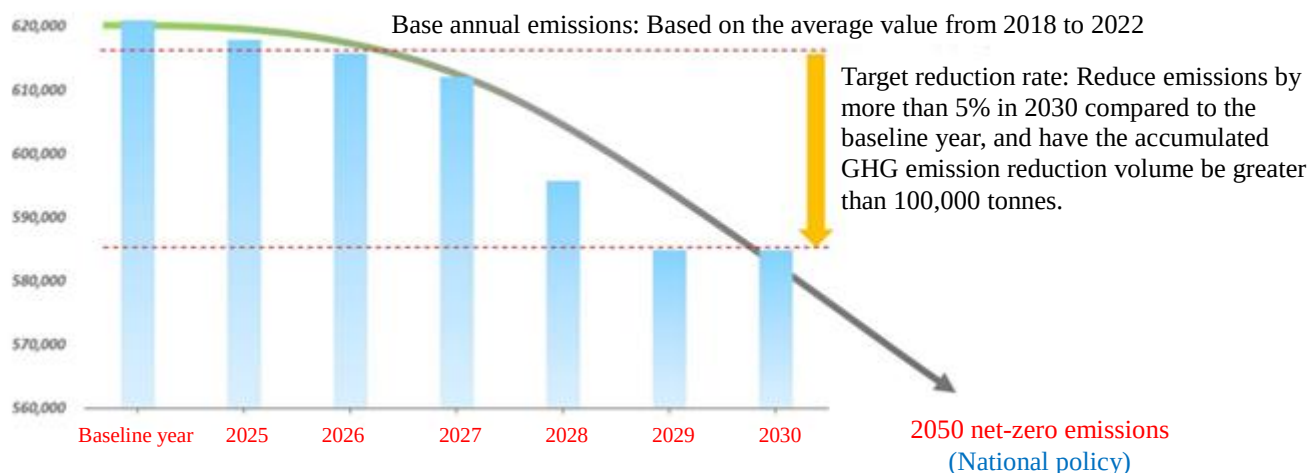
2025 - 2030

- Action adopted: 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% in 2030 compared to the baseline year, and the accumulated GHG emission reduction volume is greater than 100,000 tons.
- Key promotion measures: Alternative fuels, alternative raw materials, low-carbon cement, coal grinding modification.

Key initiatives



Carbon reduction roadmap timeline



Long-term carbon reduction strategy

★Commitment and Vision

We adhere to the central philosophy of “carbon sustainability and innovative development”, emphasizing our commitment to the environment, society, and governance (ESG). Through robust management and technological innovation, we strive to move towards low-carbon transformation, creating long-term value.

★Low Carbon Targets and Strategies

Focus on carbon reduction pathways - using low-carbon fuels, increasing energy efficiency, improving processes, and using renewable energy.

★National Policy Synergy and Net-Zero Commitment

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.

★Continuous Innovation and Responsibility

Emphasize the central purpose of technological innovation in low-carbon transformation and regularly inventory and optimize the management of the whole process of emissions. Combine social responsibility and strengthen collaboration with stakeholders to create a sustainable ecosystem in a low-carbon economy.

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.

Greenhouse gas inventory certificate

Please refer to page 132 of Appendix 5 for the Greenhouse Gas Inventory Certificate.

GHG emissions of Lucky Cement for the most recent three years						
Year/Scope			Emissions (tCO2)	Revenue NT\$ million	Emission intensity (tCO2/million revenue)	Inventory locations
2022	Dongao Plant	Scope 1	547,480.59	4,149	131.9548	Dongao Plant (Inspected by a third party)
		Scope 2	37,566.94		9.0545	
		Total	584,057.53		140.7707	
2023	Parent company	Scope 1	572,909.78	5,095	112.4455	Headquarters, Dongao Plant, Business offices, Storage and transportation station, Heren Plant, Puxin Plant (Inspected by a third party)
		Scope 2	46,704.20		9.1667	
		Scope 3	48,070.87		9.4349	
		Total	667,685.07		131.0471	
2024	Parent company	Scope 1	552,149.50	4,859	113.6344	Headquarters, Dongao Plant, Business offices, Storage and transportation station, Heren Plant, Puxin Plant (Inspected by a third party)
		Scope 2	43,194.74		8.8896	
		Scope 3	37,121.59		7.6397	
		Total a	632,465.83		130.1638	
	Consolidated financial reporting subsidiaries	Scope 1	2853.54		0.5873	Consolidated Subsidiaries Xingfu Ready-Mixed Concrete Plant, Dasheng Development, Xinfu Shipping, Fuyu Development (Self-evaluation)
		Scope 2	536.58		0.1104	
		Total b	3390.12		0.6977	

Note: 1. In accordance with ISO 14064-1:2018.

2. Parent companies have disclosed confirmed information on an individual basis since 2014.

3. Consolidated subsidiaries have disclosed confirmed information since 2017.

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

Greenhouse Gas Inventory Details for 2024 – Lucky Cement Group Companies(Criteria ISO14064-1:2018)

Location	CAT1 – Direct emission sources (tonnes CO ₂ e)	CAT2 – Energy indirect emission sources (tonnes CO ₂ e)	CAT4 – Indirect ghg emissions from use products (tonnes CO ₂ e)	Total (tonnes-CO ₂ e)	Remarks (data type) ▣ Third party verification ● Self-evaluation
Headquarters	17.54	108.42	37,121.59	632,465.83	▣ Third party verification
Business office	1.08	22.03			
Storage and transportation station	271.72	939.06			
Heren Plant	564.34	2,094.00			
Puxin Plant	2,625.39	4,333.34			
Dongao Plant	548,669.43	35,697.89			
Subtotal	552,149.50	43,194.74	37,121.59	632,465.83	
Consolidated financial reporting subsidiaries	2,853.54	536.58	---	3,390.12	● Self-evaluation

Note (Subsidiaries): Luckicon Ready Mixed Concrete Factory (Keelung Plant, Sanxia Plant and Pushin Plant), Dai Shen Development, Luckyship Marine Agency and Fu Yu Development

4.4 Air pollution control

Description of 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.

Impact of air pollution control:

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

Our approach

Policy	In order to make economic development and environmental protection co-exist, the Company has been committed to reducing air pollutants for a long time, and has mastered key technologies and used the best available technologies to control air pollutant emissions. We abide by the following principles to continuously improve the environment: 1. Pollution control technology: In addition to terminal control, we are committed to reducing pollution production. 2. Reduce the greenhouse effect: Improve production technology, use high-efficiency equipment and use mineral admixtures to save energy and raw materials consumption, and reduce greenhouse gas emissions.
Management system or practices:	1. Continue to implement an environmental management system to systematically manage the emissions. 2. Establish monitoring and testing equipment and estimation methods to check the emission concentration and volume of the plants, control the emissions situation and eliminate abnormalities immediately.
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.

Actively promote air pollution prevention and control

The cement manufacturing process is mainly based on dust handling. The escape of dust will not only cause air pollution, but also the loss of raw materials and finished products. Therefore, the Company highly values the performance of dust collection equipment, and the construction of all plants has installed the best dust collection equipment at the time.

Lucky Cement has installed 2 electrostatic precipitators and 20 baghouse dust collectors at the Dongao plant. In order to improve the efficiency of dust collection, the Dongao Plant comprehensively inspected the collection efficiency of electrostatic precipitators and prepared a budget for overhauling equipment with poor dust collection efficiency. In 2022, we completed the conversion of one of the electrostatic precipitators to the bag-type dust collector. No pollution complaints from communities in 2024.

Emissions from stationary sources

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

air pollution emissions in the past three years (unit: kilograms)									
Facility	Dongao Plant			Puxin Plant			Heren Plant		
Year/item	2022	2023	2024	2022	2023	2024	2022	2023	2024
SOx	31,389.19	33,281.67	20,459.82	486.48	583.43	740.68	0	0	0
NOx	63,148.98	692,989.14	668,678.60	383.27	272.23	503.17	0	0	0
Particulate matter pollution	60,986.39	24,571.68	6,332.75	1,944.29	2,381.99	2541.38	90,728.19	203,090.30	76,996.56

Note 1: All company factories have no VOC emissions; the Heren Plant mainly conducts crushing operations, with no SOx or NOx emissions.

Note 2: In January 2023, the Dongao Plant replaced the electrostatic precipitator with a baghouse dust collector, reducing annual particulate matter emissions from about 60,000 kg to 24,500 kg. The Dongao Plant's NOx emissions for 2021 and 2023 are higher because of major equipment changes; monthly reported values for these years are significantly higher than the quarterly reported values for 2022.

4.5 Water Resources Management

Description of management policy

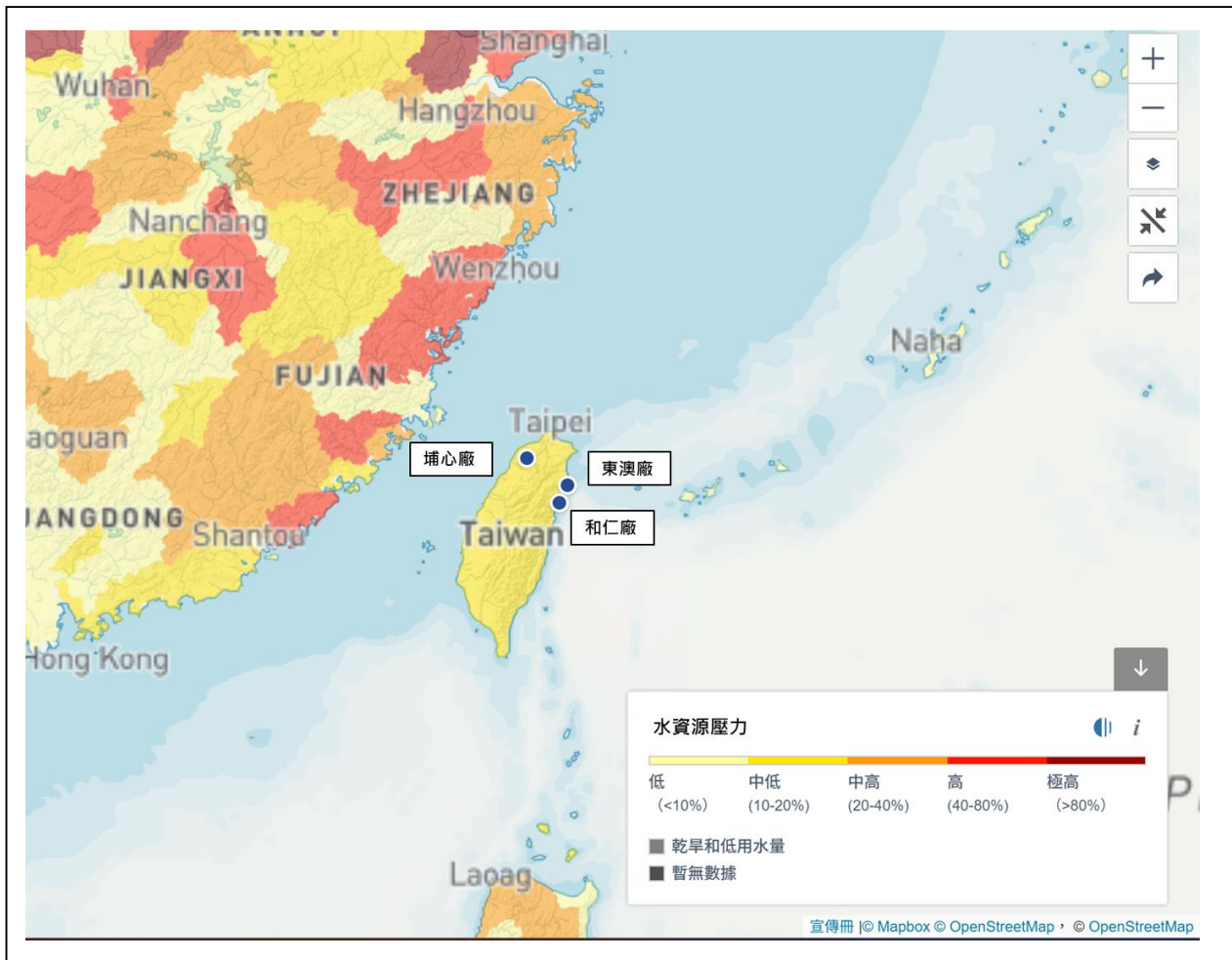
Water plays an extremely important role in the production process. Effective water conservation and water resource recycling are important objectives for the Company to promote sustainable development.

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 better understand the water usage at each of its operational sites and to assess potential water-related risks, Lucky Cement conducted a scenario analysis using the Aqueduct tool developed by the World Resources Institute (WRI). The results indicated that all plant locations fall within low to medium risk areas, categorized as non-water-stressed regions.



272台灣宜蘭縣南澳鄉蘇花路三...

Input address: 272台灣宜蘭縣南澳鄉蘇花路三段101號

Match address: -

Latitude: 24.516755

Longitude: 121.829478

Country: Taiwan

Province: Taiwan

Major Basin: Taiwan

Minor Basin: Lanyang / Hualien Basin

Aquifer: -

Stress: Low - Medium (10-20%)

[Delete point](#)

326台灣桃園市楊梅區梅獅路一段

Input address: 326台灣桃園市楊梅區梅獅路一段492巷

Match address: -

Latitude: 24.516755

Longitude: 121.829478

Country: Taiwan

Province: Taiwan

Major Basin: Taiwan

Minor Basin: Lanyang / Hualien Basin

Aquifer: -

Stress: Low - Medium (10-20%)

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972台灣花蓮縣秀林鄉和仁

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Latitude: 24.248483

Longitude: 121.714717

Country: Taiwan

Province: Taiwan

Major Basin: Taiwan

Minor Basin: Lanyang / Hualien Basin

Aquifer: -

Stress: Low - Medium (10-20%)

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Water usage and impact

The water sources at the Dongao site include rivers, lakes, seawater, and groundwater. The total water usage mainly comes from surface water and groundwater approved by application, with surface water as the primary source. Groundwater is only extracted when necessary. The actual water usage is reported annually to the county government's water resources department for real-time monitoring and recording. Water is primarily used for process cooling, production equipment, and domestic purposes. Although the Company's operating locations are not in water-stressed areas and do not cause significant environmental impact on water resources or watershed ecosystems, the Company actively implements water resource management measures. These include regular leak detection in return water pipelines and water recycling on vehicle washing platforms, effectively enhancing water resource control.

Water pollution control

Lucky Cement has designated responsible personnel to conduct wastewater pipeline monitoring. The Dongao and Heren plants regularly test wastewater parameters and perform wastewater quality analysis, reporting the results in accordance with regulations to ensure compliance with discharge standards. Regular cleaning is conducted, and cleaning and transportation frequency is increased based on test results. In addition, the Company continuously optimizes wastewater treatment technologies and equipment, ensuring stricter management processes to maintain wastewater quality standards and minimize potential environmental impacts.

Lucky Cement water withdrawal statistics by category for the past three years				
Facility	Water source category / year	2022	2023	2024
Dongao Plant	Surface water	955.525	852.532	705.913
Puxin Plant		1.563	1.738	1.963
Heren Plant		Not recorded	733.109 (partial)	2,593.128
Subtotal (million liters)		957.088	1,587.379	3,301.004
Dongao Plant	Groundwater	48.039	15.402	109.46
Puxin Plant		7.957	9.514	9.688
Heren Plant		Not recorded	Not used	Not used
Subtotal (million liters)		55.996	24.916	119.148
Total (million liters)		1,013.084	1,612.295	3,420.152

Note 1: Heren Plant began statistical reporting in 2023.

Dongao Plant wastewater monitoring				
Unit: mg/L	Total suspended solids (TSS)	Discharge standard	Chemical oxygen demand (COD)	Discharge standard
Q1 2024	N.D.	10.00	<1.25	20.00
Q2 2024	<1.25	10.00	12.40	20.00
Q3 2024	25.3*	10.00	8.90	20.00
Q4 2024	<1.25	10.00	16.90	20.00

Heren Plant wastewater monitoring				
Unit: mg/L	Total suspended solids (TSS)	Discharge standard	Chemical oxygen demand (COD)	Discharge standard
Q2 2024	3.60	10.00	15.30	20.00
Q4 2024	6.50	10.00	13.60	20.00

Lucky Cement water usage statistics			
Unit: million liters	Total water withdrawal	Total discharge volume	Total water consumption
2022	1,013.08	487.12	525.97
2023	1,612.30	481.97	397.22
2024	3,420.15	290.37	536.65

Note 1: Water usage statistics include Dongao Plant, Puxin Plant, and Heren Plant.

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 resource recovery

Car wash platform

The Dongao plant has made good use of water resources over the years, and the water recovery rate of the car wash platform has been maintained at a high recovery rate. In 2024, the recovery rate of the car wash platform reached 100% (Recycled water 12,032 m³/Total water consumption 12,032 m³. Total water consumption = Recycled water 12,032 m³ + Inflow 0 m³) to make good use of water resources.

T02 car wash platform original wastewater	R01 car wash platform recycled water
	

4.6 Biodiversity

Lucky Cement Co., Ltd. adheres to an environmentally friendly philosophy in its mining operations and implements various measures to reduce impacts on the ecological environment and biodiversity. The Company intends to follow recommended environmental management practices for mining operations within the cement industry:

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, we develop mine environmental maintenance plans and mine closure plans to ensure effective protection and restoration of the environment during and after mining operations.
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.

Through these measures, cement enterprises can effectively reduce their environmental and biodiversity impacts in mining operations and move toward sustainable development.

2024 implementation status

On April 3, 2024, a strong earthquake struck Hualien, causing surface damage and slope sliding in some of our company's facilities. We have initiated a post-disaster recovery plan and are proceeding with terrain restoration, replanting, and soil and water conservation projects in phases. Additionally, we are 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 2024, the reforestation and greening rate reached 33%, covering an area of 55 hectares.

Terrain restoration after slope sliding



Plantation and greening



4.7 Compliance with the environmental laws and regulations

Description of management policy

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

Impact of compliance with environmental laws and regulations

Regarding the amendment of environmental protection laws and regulations, the Company pays attention to all amendments, that is, the announcement on when said amendment becomes effective, so that relevant personnel can be informed to assess whether it is necessary to implement corresponding measures to ensure compliance with regulatory requirements. Violation of environmental protection laws and regulations will not only result in fines, but also intangible results to the Company's image, which may undermine investors' willingness to invest. Therefore, the Company prioritizes compliance with all relevant environmental protection laws and regulations.

Our approach

Policy and system	1. The Company's environmental management policy includes "Compliance with environmental protection regulations and commitments. We continue to try our best to achieve pollution reduction and prevention, manage environmental risks, and continue to improve." 2. Formulate the "Regulations Management Operating Procedures". Review the compliance of the factory with the newly amended regulations and corresponding measures based on the operating procedures, comprehensively review the compliance with the current applicable regulations, and improve non-compliant items. 3. Through regular and irregular on-site inspections, the factory's compliance with environmental protection laws and regulations is checked, and operating units that do not conform to the requirements need to propose improvement measures.
Goals and targets	Require each unit to achieve its annual environmental performance objectives and provide bonuses for reporting non-compliances. Each unit is encouraged to report items with which the unit or other units do not comply.

Complaint mechanism	1. Internal complaints can be made through regulatory compliance checks, employee discussion forums, opinion sheets or letters, meetings, announcements, etc. 2. External complaints can be made by means of opinion sheets, service and communication reports or letters, telephone calls, visits, meetings, etc.
Effectiveness of evaluation methods	Formulate plans in accordance with the Regulations Management Operating Procedures and regularly review compliance with environmental protection laws and regulations. Use on-site inspection to find out whether the on-site operation complies with environmental protection laws and regulations. The review and improvement of the non-conforming items are recorded and sent to the factory manager for approval. The annual management review meeting of the environmental management system also reviews the non-conformities from the previous year, and the factory manager will design and implement improvement measures.

Environmental-related litigation

In 2024, Lucky Cement was subject to the following environmental-related penalties:

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
Dongao Plant, Lucky Cement Corporation 2024/2/27	2023.07.08	Failure to perform zero-span and full-span drift tests in accordance with Article 14, Paragraph 1 of the Paragraph 1, Article 14 of the Measures for the Administration of Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources constitutes a violation of the Air Pollution Control Act.	Article 22, Paragraph 3 of the Air Pollution Control Act Article 23, Paragraph 2 of the Air Pollution Control Act Article 14, Paragraph 1 of the Measures for the Administration of Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources	A fine of NT\$800,000 was imposed. Required to attend a 2-hour environmental education session.	Due to the failure of the CEMS system calibration that went unnoticed by personnel, a fine was imposed in accordance with Article 14, Paragraph 1 of the Measures for the Administration of Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources for not performing zero-span and full-span drift tests. An SOP for daily calibration checks has since been established. Both the Electrical & Instrumentation Department and the Environmental Protection Department are now responsible for daily verification and documentation on designated forms to prevent recurrence of similar incidents.
Dong'ao Plant, Lucky Cement Corporation	2023.04.17	For the cement manufacturing process of the Plant, the continuous automatic monitoring system for the cement rotary kiln cooling	which has exceeded the discharge standard of air pollution for cement industry issued on May 31, 2016 for Fu-Mi-Fa-Zi No.	A fine of NT\$240,000 was imposed. Required to attend a 2-hour	Due to the burnout of the #3 coal mill screw conveyor motor, insufficient coal consumption occurred. Although production was reduced by lowering kiln

September 11, 2024		discharge pipeline (No. P004), which monitors particulate matter, recorded that from 19:18 on April 17, 2023 to 18:10 on April 18, 2023, the cumulative duration within 24 hours during which the 6-minute recorded opacity values exceeded 10% surpassed 2 hours,	1050088937B, and resulted in the violation of the Air Pollution Control Act.	environmental education session.	output and the cooler IDF speed was gradually decreased from 340 rpm to 80 rpm, and the kiln was shut down, emissions still exceeded limits. Corrective measures: Upon detecting abnormal CEP operation, in addition to shutting down the kiln for inspection, the dryer operation must also be stopped. Furthermore, CEP tapping and the CEP IDF fan should be turned off to prevent continuous exceedance of emission limits.
Dongao Plant, Lucky Cement Corporation 2024/10/15	2023.02.08	For the cement manufacturing process of the plant, the continuous automatic monitoring system for the cement rotary kiln exhaust duct (No. P004), which monitors particulate matter, oxygen, and flow rate, failed to perform zero-point and full-scale drift tests on February 8, 2023, as required by Article 14, Paragraph 1 of the Measures for the Administration of Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources, thereby violating the Air Pollution Control Act.	Article 23, Paragraph 2 of the Air Pollution Control Act, and Article 14, Paragraph 1 of the Measures for the Administration of Continuous Automatic Monitoring Facilities for Air Pollutants from Stationary Sources.	A fine of NT\$260,000 was imposed. Required to attend a 2-hour environmental education session.	Due to a slight flaw in the CEMS programming implemented by Atlas Software Systems, the drift tests were not conducted. After updating the software, the tests are now being completed as required.
Dongao Plant,	2023.06.02	Cause: For the cement dry-manufacturing process of the	Violation of Article 20, Paragraph 1 of the Air	A fine of NT\$960,000 was	We have requested the CEMS software developer (Atlas

Lucky Cement Corporation October 22, 2024		Plant, the cement rotary kiln dryer (No. E043) and discharge pipeline (No. P030), which monitors particulate matter, recorded that from 03:12 on June 2, 2023 to 11:00 on June 2, 2023, the cumulative duration within 24 hours during which the 6-minute recorded opacity values exceeded 20% surpassed 2 hours.	Pollution Control Act.	imposed. Required to attend a 2-hour environmental education session	Company) to enhance the software by integrating the exceedance alarm into the central control room's graphical interface. When an exceedance occurs, a flashing red alert is displayed on the control room's graphical interface, allowing operators to monitor it at all times.
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Note 1: The Company defines a "major violation" as an incident where a single penalty exceeds NT\$100,000 (including fines and penalties).

4.8 Sustainable supply chain

Material topic: sustainable supply chain		
Significance to the Company		The Company places great importance on corporate sustainability. In managing our supply chain, we aim to build a supply ecosystem based on strategies of "shared values, symbiosis, mutual prosperity, and localization," with specific strategic directions.
Policy/commitment:		- The Company conducts an annual evaluation of supplier (contractor) delivery services to identify and eliminate underperforming suppliers. - Since 2016, we have been promoting the "Supplier Code of Conduct Commitment", which mainly covers ESG issues such as compliance with relevant government laws and regulations, compliance with the basic principles of policies related to sustainable development of enterprises, environmental protection, labor rights and interests, and human rights and safety and health, honesty and integrity, and cleanliness commitments.
Goals	Short-term	- We conduct an annual supplier (contractor) assessment, depending on the type of supplier (contractor), to evaluate the degree of compliance with the quality of the goods delivered during the transaction, the delivery period, and the degree of cooperation of the supplier (contractor), and to select qualified suppliers. If there is any record of serious adverse impact on the environment or society during the transaction or cooperation, the delivery will be stopped immediately. - Suppliers are required to provide samples for the Company to check whether they contain hazardous substances, and the Company will also send them to a third party for inspection upon request, in order to ensure that 100% of the products comply with the standards under the double gate-keeping system. - The Company issues "Supplier Code of Conduct Commitment" documents every year and requires suppliers to sign them. We also conduct regular audits of our suppliers to review and optimize our internal procedures in response to valuable suggestions.
	Long-term and mid-term	- Maintain a supplier (contractor) qualification rate of over 95% in annual evaluations. - Strengthen suppliers' ESG awareness and performance. - Promote local procurement to support regional development and reduce transportation risks and carbon emissions (suppliers whose products have not been processed in Taiwan are not considered local suppliers).
Responsible department Complaint mechanism		- Person in charge of supplier relationship - Name: Manager Chang Lung-Hsiung - Phone: 02-2509-2188

	Email: lhchang@luckygrp.com.tw
Resources invested during the year	- A total of 385 suppliers have signed the "Supplier Code of Conduct Commitment." - In 2024, 20 suppliers underwent a special audit based on the "Supplier Code of Conduct Commitment," with audit checklists used for all 20 suppliers. - A total of 7 new suppliers signed the "Supplier Code of Conduct Commitment."
Evaluation mechanism/achievement	- In 2024, no suppliers were assessed as non-compliant. - The local procurement rate in 2024 was 71.35%.

Procurement philosophy and culture of the supply chain

The Company adheres to the business philosophy by following the quality policy, keeping commitments and controlling production costs in order to implement the procurement policies of finding supplies with reasonable prices, efficiency, appropriate quantity and quality. Appropriate suppliers are selected to provide equipment, raw materials, semi-finished products and finished products, and fully meet the needs of various departments in the Company for production or expansion. We actively communicate the importance of environmental protection issues with suppliers in order to create local employment opportunities and economic prosperity. As global citizens, we are committed to energy conservation and carbon emissions reduction, improving production equipment, and creating employees' awareness. Through procurement and outsourcing opportunities, we disseminate information to suppliers, work together with them to complement each other in the fulfillment of the Company's responsibility to the country and society.

Purchasing regulations and self-expectations

We have established procurement operations management, construction contracting operations, supplier evaluation and audit, transportation outsourcing operations management and other related operational measures. The Company conducts procurement and outsourcing in a fair, just, and transparent manner.

We highly value the work ethic, loyalty and faithfulness, positive attitude and professional capabilities of the procurement personnel, and require them to be honest, honorable and prudent, and not to accept gifts, gratuity and improper benefits from vendors in their works, and take the proactive approach to work actively to create opportunities; investigate root causes of issues with a keen attitude to handle issues in a timely manner; and be ready to ask questions and take preventive measures to control risks to improve the efficiency and performance of procurement.

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

In order to pursue sustainable operation and fulfill the social responsibility of corporate citizenship, we have promoted the Supplier Code of Conduct since 2016 based on the mutually beneficial partnership with cooperating manufacturers or suppliers to jointly commit to fulfilling corporate sustainable development, promoting sustainable development of the environment, prioritizing labor rights, safety and health, and safeguarding basic human rights to abide by integrity management and ethics standard, and follow relevant regulations on

integrity and ethics commitments, and we will continue to promote them 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	1. Labor work and wages and benefits 2. Labor health, safety, and hygiene regulations 3. Environmental regulations 4. 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 management policy

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 filed by suppliers in 2024.

In 2024, Lucky Cement screened new suppliers based on various ESG themes.		
New suppliers	Number of new suppliers	7
	ESG screening rate	57.41%

Supplier evaluation and audit

We have established the Supplier Evaluation and Audit Measures, which regularly assesses the quality, delivery, price and service of qualified suppliers to ensure that they comply with relevant regulations, and establishes a list of qualified suppliers as a basis for supplier selection and to effectively implement supplier management. At the same time, we help suppliers improve their management and maintain smooth communication channels with them, so as to enhance the collaboration and interaction and establish normal supplier partnerships to achieve the goal of creating a win-win situation.

In the procurement process, "Quality standard certification" (such as ISO, CNS, JIS, etc.) is listed as one of the criteria for the selection of suppliers. In terms of contract formulation, contracts with the supplier clearly require that suppliers abide by the relevant provisions of the Labor Standards Act, and, in terms of environmental aspect, suppliers should abide by the Air Pollution Control Act and other relevant environmental protection laws and regulations and take appropriate preventive measures. In terms of labor safety, vendors shall abide by the provisions of the Occupational Safety and Health Act and take necessary protective measures in advance against

various disasters or incidents that may occur. Vendors must also purchase labor or accident insurance policies for employees. In terms of information security, it is prohibited to infringe on the intellectual property rights of others or harm the rights or interests of others.

ESG audits of existing suppliers by Lucky Cement in the past three years			
Item	2022	2023	2024
Number of suppliers	325	360	385
Number of suppliers with ESG self-assessments	88	59	60
Number of suppliers with on-site ESG audits	25	20	20
Supplier ESG audit rate	34.77%	21.94%	20.78%

Supplier audit, training, communication and coaching.

In accordance with the Company's relevant regulations for suppliers and the main issues of the Supplier Code of Conduct and commitment to ethics and integrity, starting 2021, on-site inspections, coaching, tracking, and improvements began to be implemented. The concepts and practices of environmental protection, safety and health, labor and human rights, employee health, regulatory compliance, integrity management, information security, and ethical commitments are effectively incorporated into the review, training, communication and coaching of suppliers, and we ask them for full cooperation and implementation.

Operational method.

- (I) Perform supplier development, application, investigation, evaluation, and registration in accordance with the evaluation classification specified in the Company's Supplier Evaluation and Audit Measures.
- (II) In the third quarter of each year, the procurement department conducts annual evaluations on the delivery and actual performance of each supplier from the third quarter of the previous year to the second quarter of the current year, as well as the delivery and construction quality records, and the number of abnormal deliveries.
- (III) We communicate with, guide, train, promote and discuss with the main materials suppliers and construction contractors through occasional training or coordination meetings for the start-up of annual repairs.

- (IV) The procurement department forms a task force to conduct self-assessment and inspection of suppliers in accordance with the relevant regulations of Lucky Cement suppliers and major issues such as environmental protection, occupational safety and health, labor rights, etc., and provide coaching, follow-up and improvement. Suppliers whose results do not meet the standards are rigorously audited each year. For those who still have not achieved improvement three years after the initial audit, transactions are suspended or rejected.
- (V) Report the implementation to the board at least once a year.

5. Social philanthropy

Employees are our most important asset. Harmonious labor relations are an important cornerstone of corporate development. The Company is committed to improving employee compensation, benefits, employee training and development in order to retain outstanding talents, fulfill corporate sustainable development, and build the Company into a happy and outstanding enterprise in Taiwan. We are a stable and mature company, the average service tenure of employees is relatively long, and the loyalty and cohesion to the Company are high. Our challenge is in attracting outstanding talents to join the Company's work team, providing a high-quality workplace and challenging work, cultivating outstanding talents who understand the Company's mission and vision, and working together towards the goal of success. Furthermore, Lucky Cement has implemented the ISO 45001 Occupational Health and Safety Management System to strengthen the Company's performance in occupational safety and health management, effectively safeguarding the physical and mental well-being of employees.

5.1 Human rights protection

Lucky Cement complies with the Labor Standards Act and relevant government regulations, and recognizes and supports internationally accepted human rights standards such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. To implement these commitments, Lucky Cement has established a human rights policy covering workplace human rights protection, support for freedom of association, health and safety in the workplace, information security, and promotion of the human rights policy. The Company treats all employees fairly, and its compensation policy does not discriminate or provide differential treatment based on gender, sexual orientation, race, social class, age, marital status, language, ideology, religion, political affiliation, place of origin, birthplace, appearance, facial features, or physical and mental disabilities. Lucky Cement is committed to creating a dignified, safe, equal, and harassment-free work environment. The Company also provides diverse and secure channels for complaints to protect employees' legal rights from infringement.

Employee complaint practices

The Company constructs various channels of communication with employees to ensure that employees' needs and suggestions can be appropriately responded to. Employees can participate

in the labor union to express relevant opinions, or may communicate directly through the Company website, e-mail and telephone, etc., to immediately report or respond to the Company for any unreasonable treatment encountered in the workplace or illegal incidents, and the company will prudently and actively respond to and deal with relevant opinions. No labor complaint (forced and compulsory labor or sexual harassment) cases in 2024.

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

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

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

Designated Email Address for Complaints: yu@luckygrp.com.tw; kevinlee@luckygrp.com.tw

5.2 Employee profile

Lucky Cement is a stable and mature company with a steady workforce structure in recent years. As of the end of 2024, the Company employed 298 people with an average tenure of 12.25 years. Operating in the cement industry, most employees hold indefinite-term contracts (i.e., full-time positions). The Company provides long-term and stable employment, allowing employees to fully dedicate themselves to their work without worries, thereby helping to secure their economic well-being. 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		2022		2023		2024	
Total number of employees (note)		347		337		298	
Employment contract		Indefinite-term	Fixed-term	Indefinite-term	Fixed-term	Indefinite-term	Fixed-term
Gender	Male	287	2	273	2	240	2
	Female	58	0	62	0	56	0
Region	Taiwan	345	2	335	2	296	2
	Overseas	0	0	0	0	0	0

Employment type		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	287	2	273	2	240	2
	Female	58	0	62	0	56	0
Region	Taiwan	345	2	335	2	296	2
	Overseas	0	0	0	0	0	0

Note

Based on the total number of employees as of the end of the year (December 31).

Diversity statistics / year				2022		2023		2024	
				Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Employees	Direct	Gender	Male	93	26.80%	83	24.63%	65	21.96%
			Female	4	1.15%	4	1.19%	4	1.35%
		Age	Under 30 years old	10	2.90%	11	3.28%	5	1.69%
			30 to under 50 years old	44	12.75%	32	9.55%	25	8.45%
			50 or above	41	11.88%	42	12.54%	39	13.18%
		Education	Graduate school	0	0.00%	0	0.00%	0	0.00%
			Colleges and universities	10	2.90%	10	2.99%	10	3.38%
			Others	85	24.64%	75	22.39%	59	19.93%
		Gender	Male	193	55.62%	189	56.08%	173	58.45%
			Female	57	16.43%	61	18.10%	54	18.24%
	Indirect	Age	Under 30 years old	18	5.22%	23	6.87%	15	5.07%
			30 to under 50 years old	94	27.25%	106	31.64%	80	27.03%
			50 or above	138	40.00%	121	36.12%	132	44.59%
		Education	Graduate school	15	4.35%	16	4.78%	12	4.05%
			Colleges and universities	138	40.00%	148	44.18%	121	40.88%
			Others	97	28.12%	86	25.67%	94	31.76%

5.3 Compensation and benefits

A sound human resources system is key to Lucky Cement's sustainable operation. To attract top talent, the company offers competitive salaries and benefits. Through open, fair and impartial recruitment channels or selection methods, we assign works or give remuneration based on their personality characteristics, academic qualifications, professional licenses, work experience, and work attitudes. There is no discrimination in treatment due to gender, age, marriage, facial features, race religion, etc. The Company complies with the relevant regulations of the government's labor laws and regulations, and carefully screens and recruits the candidates that best meet the requirements of the position based on the job descriptions and conditions of each position. We have established an internal job rotation model, extensively cultivated employees' diverse talents, and strengthened employee training, such as new employee training, on-the-job training, professional knowledge training, etc., to meet the needs of the Company's future development and improve work efficiency and performance.

New hires and outgoing employees

Item/year		2022		2023		2024	
Total number of employees for the year		347		337		298	
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	16	4.61%	13	3.86%	4	1.34%
	30 to under 50 years old	40	11.53%	33	9.79%	9	3.02%
	50 or above	19	5.48%	10	2.97%	4	1.34%
Gender	Male	49	14.12%	38	11.28%	13	4.36%
	Female	26	7.49%	18	5.34%	4	1.34%
Education	Graduate school	0	0.00%	0	0.00%	0	0.00%
	Colleges and universities	35	10.09%	27	8.01%	9	3.02%
	Others	40	11.53%	29	8.61%	8	2.68%
Region	Taiwan	75	21.61%	56	16.62%	17	5.70%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Outgoing employees							
Age	Under 30 years old	11	3.17%	9	2.67%	13	4.36%
	30 to under 50 years old	38	10.95%	32	9.50%	33	11.07%
	50 or above	15	4.32%	17	5.04%	28	9.40%
Gender	Male	44	12.68%	53	15.73%	59	19.80%
	Female	20	5.76%	15	4.45%	15	5.03%
Education	Graduate school	1	0.29%	0	0.00%	0	0.00%
	Colleges and universities	29	8.36%	31	9.20%	31	10.40%
	Others	34	9.80%	37	10.98%	43	14.43%
Region	Taiwan	64	18.44%	68	20.18%	74	24.83%
	Overseas	0	0.00%	0	0.00%	0	0.00%

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

Material topic	Compensation and benefits
Significance to the Company	Lucky Cement is committed to offering competitive compensation and benefits to attract and retain top talent, while ensuring employee job satisfaction and loyalty. We firmly believe that a fair and reasonable salary system helps enhance employee motivation and productivity, thereby promoting the Company's long-term development and innovation capabilities.

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 cultivation: 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/achievement	1. Compensation competitiveness evaluation: We regularly review market salary levels to ensure the compensation system remains competitive. 2. We conduct third-party salary surveys to review and improve the salary structure. 3. We propose improvement measures based on survey results and supervise their implementation progress.

Lucky Cement adjusts salaries timely each year based on labor market targets and economic changes to enhance overall compensation competitiveness. To ensure employee work performance is properly reflected in their individual pay, all employees undergo regular performance evaluations. Through the performance appraisal system, outstanding employees receive additional bonuses and promotion opportunities, strengthening motivation and fostering a healthy atmosphere of fair competition among employees. This encourages employees to invest more effort beyond basic job performance and further shapes Lucky Cement's corporate culture that attracts and retains talent.

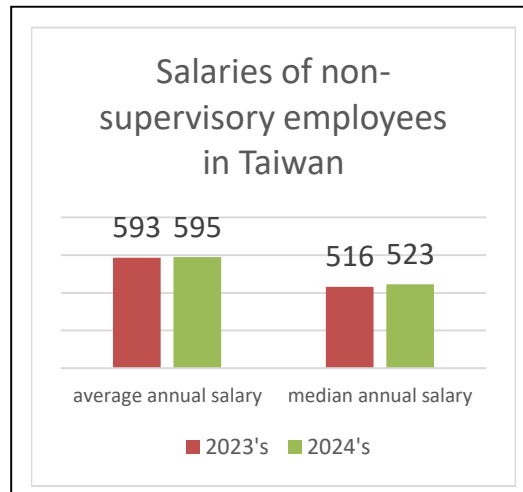
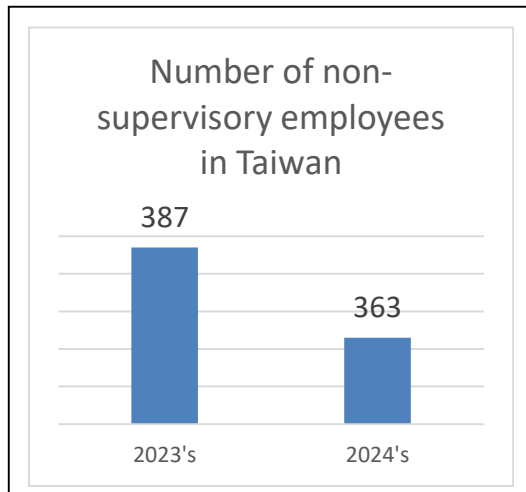
Overall, employee compensation at Lucky Cement is primarily based on individual years of service, educational background, and professional skills, without discrimination based on personal physiological or psychological differences. As employees gain more seniority, industry knowledge, and experience, the Company happily shares its profits with its staff.

Performance evaluation implementation

2024 statistics		evaluation	Number of employees actually evaluated	Number of employees	Percentage
Gender	Male		186	242	76.86%
	Female		55	56	98.21%
Employee categories	Direct		60	71	84.51%
	Indirect		181	227	79.74%

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

Unpaid parental leave of absence/year	Gender	Statistics		
		2022	2023	2024
Number of employees eligible for unpaid parental leave	Male	0	0	1
	Female	1	0	2
Number of employees who applied for unpaid parental leave	Male	0	0	1
	Female	1	0	2
Number of employees scheduled to return to work after completing unpaid parental leave	Male	0	0	1
	Female	1	0	2
Number of employees who actually returned to work after completing unpaid parental leave	Male	0	0	1
	Female	1	0	2
Return-to-work rate	Male	-	-	100%
	Female	100%	-	100%
Number of employees who completed unpaid parental leave the previous year and remained employed 12 months after returning to work	Male	0	0	-
	Female	0	0	-
Retention rate	Male	-	-	-
	Female	-	0%	-

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 2024, there were 11 retirements, with total retirement benefits amounting to NT\$ 22,550 thousand. (NT\$22,549,824).

5.4 Talent cultivation

Material topic		Talent cultivation
Significance to the Company		The sustainable operation and growth of Lucky Cement rely on employees fully utilizing their professional expertise and management talents. Through training and development programs at various levels, the Company strengthens professional skills and management capabilities, enhancing overall competitiveness to ensure its position as a global leader in cement industry technology and operations.
Policy		1. Dedicated talent cultivation 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 cultivation focuses on expertise in cement production processes, energy conservation, and carbon reduction to support the company's low-carbon transformation.
Objectives:	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 and	To increase the average training hours per employee to meet international standards, ensuring both depth and breadth of learning.

	mid-term	To strengthen the digital learning environment by utilizing online courses and internal knowledge management systems to enhance learning efficiency. To establish a talent cultivation mechanism focused on future technologies and innovation to ensure cement production processes align with environmental protection and energy-saving trends.
Annual resources invested		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/achievement		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. In 2024, employee external training expenses reached NT\$462,300. 2. Sharing learning experiences and outcomes: Employees are encouraged to share their learning insights, and departments organize internal training sessions to enhance professional competence.

The Company has always been actively hiring local people, and highly values employee training and talent development. We have established employee training measures, stipulating

employee training and implementation methods. The Company's on-the-job training includes organizing various workshops, training courses, and collaboration with other training institutions or schools to outsource the training, etc., or holding short-term work drills based on work needs. For Lucky Cement, the key to sustainable business operation lies in employees' continuous learning and growth. Education and training are essential means to ensure the ongoing value enhancement of human resources. To continuously optimize the company's talent cultivation system, the Company has improved the digital learning platform to enhance usability and interactivity. At the same time, internal mentorship and trainer programs have been established to help employees adapt to the workplace and improve their competencies. Finally, to stay abreast of the latest industry trends, Lucky Cement encourages employees to participate in domestic and international technical conferences and promotes collaborations with academic institutions both locally and abroad to enhance professional expertise and continuously strengthen the Company's competitiveness.

Upon onboarding, new employees at Lucky Cement receive orientation conducted by dedicated personnel, covering the Company's internal regulations. They also undergo training related to human rights education, occupational safety, ISO 9001 systems, business integrity, and the prevention of workplace sexual harassment and bullying. This ensures new hires understand the Company's overview and philosophy. Subsequent specialized training required for their roles is provided by their respective departments. Focusing on continuous employee growth, Lucky Cement provides diverse learning channels. Each department implements education and training based on their specific needs, including on-the-job professional training and external certification courses required for the job. Employees who participate in training are encouraged to share their learning experiences with colleagues, ensuring that relevant personnel can apply what they have learned. Through continuous training, the Company ensures that employees possess professional skills and managerial capabilities aligned with market demands. In recent years, Lucky Cement has actively cultivated professional talent in cement production processes and energy conservation and carbon reduction, in support of the Company's low-carbon transition policy. In 2024, Lucky Cement invested NT\$462.3 thousand in education and training expenses, an increase of NT\$284.3 thousand compared to 2023, demonstrating the Company's strong commitment to employee development.

Statistics of employee training hours

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

Note:

Average training hours per employee: Total training hours of all employees during the year divided by the total number of employees during the same year.

5.5 Occupational health and safety

Material topic: occupational safety and health		
Significance to the Company		Employee safety and health are the foundation of the Company's sustainable operation. We are committed to creating a zero-accident work environment by fully implementing safety management systems to protect employees from harm, while enhancing operational resilience and employee satisfaction.
Policy/commitment		- We shall comply with all applicable national and governmental environmental, safety, and health regulations. - We shall promote environmental, safety, and health education and training activities to enhance employees' awareness and encourage their active participation in implementation. - We shall continuously improve our environmental, safety, and health performance through pollution prevention, accident prevention, energy conservation, and responsible care. - We shall focus on pollution source control, process waste reduction, and improvements to safety and health facilities to achieve pollution prevention and risk reduction. - We shall establish effective communication channels to consistently convey our environmental, safety, and health policies to employees, suppliers, relevant organizations, and the public.
Goals	Short-term	- In 2025, we will successfully renew our ISO 45001:2018 certification. - We will have comprehensively upgraded safety protection facilities in high-risk areas such as fire and gas leak zones. - We are committed to fostering a "Zero Occupational Accident" culture by regularly conducting safety education and training, achieving an annual training participation rate of 100%.
	Long-term and mid-term	- Continuously improve the work environment to create a workplace with zero occupational accidents. - Prevent hazards and reduce risks to minimize workplace incidents, maintaining zero cases of major occupational accidents.
Responsible department Complaint mechanism		- Occupational safety and health team, Dongao plant - Email : 102276@luckygrp.com.tw - Phone: 03-9986110
Resources invested during the year		- Workplace environmental monitoring - Employee health services - Obtained ISO 45001 certification
Evaluation mechanism/achievement		The occupational safety and health committee is convened quarterly to review and report on occupational accident cases both domestically and internationally.

- Any safety deficiencies identified within the plant are reviewed, corrected, and tracked in a timely manner.
- Following updates to the Occupational Safety and Health Act and fire safety regulations, the Company promptly reassesses the regulatory compliance of its Dongao Plant.

Description of management policy

The cement manufacturing industry has a high-risk workplace, so safety and health management must be implemented rigorously. The Company has complete safety and health management practices, including safety and health education and training for new hires, the establishment of Occupational Safety and Health Committees, on-site safety inspection and maintenance of machinery and equipment, provision of personal safety protection equipment, and regular firefighting training, labor health inspections, and various other forms of training and re-training, etc., so that the Company's employees have a safe work environment and receive due respect and remuneration.

5.5. 1 Occupational health management system and mechanisms

In accordance with Article 23 of the Occupational Safety and Health Act, the Company has established an Occupational Safety and Health Management System. Through planning, implementation, inspection, and improvement measures, we aim to achieve our safety and health management objectives and enhance overall safety and health management. We have hired a consulting company to conduct the ISO 45001:2018 Occupational safety and health management systems guidance in December 2018. In July 2019, the TÜ V Nord was commissioned to conduct the system certification. As of 2024, Lucky Cement has continued to oversee the operation of its occupational safety and health management system to ensure its effectiveness is maintained.



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

Date of issuance: August 26, 2023

Coverage period: August 26, 2023 to August 25, 2025

Workers covered by the occupational health and safety management system in 2024

Facility	Management systems / regulations	Type of inspection	Number of People	Ratio
Dongao Plant	Occupational Safety and Health Act	Internal inspection	188	100%
		Labor inspection	188	100%
Puxin Plant		Internal inspection	29	100%
		Labor inspection	29	100%
Heren Plant		Internal inspection	30	100%
		Labor inspection	30	100%
Dongao Plant	ISO 45001	Internal audit	188	100%
		External verification	188	100%

5.5. 2 Hazard identification, risk assessment and incident investigation

Hazard identification, risk assessment, and incident investigation are essential elements of corporate safety management. At the Dongao Plant of Lucky Cement, each department conducts scheduled or unscheduled hazard identification and risk assessments at the beginning of every year to identify unacceptable risks. These findings serve as the basis for setting annual safety objectives and management programs, with the aim of continuously improving the Occupational Safety and Health Management System and minimizing potential hazards. An emergency response management procedure is in place, and following the reporting of an occupational incident, the safety and health team carries out a preliminary assessment and proceeds with incident investigation and analysis according to the following procedures:

1. Data collection
2. Development timeline
3. Accident cause analysis
4. Identification of deficiencies in the existing management system
5. Formulation of corrective actions

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. - For health management and health promotion, hierarchical management is implemented in accordance with Article 15 of the Labor Health Protection Rules to protect the health of workers.
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. • Check and record the protective equipment of the on-site operating machinery and equipment, such as emergency pull ropes, protective nets, protective covers, deviation development, etc.
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 must often come into contact with high-heat materials. Therefore, we must prepare adequate fire protection gears and teach employees to wear and use them 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 Dongao 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 occupational safety and health management units and personnel in accordance with the law to promote occupational safety and health-related works, and formed the occupational safety and health committee. The number of workers is more than one-third of the total number of committee members. Regular meetings are held every quarter to review and suggest various safety and health management matters.

5.5. 5 Occupational safety 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	- Implement 3 hours of general safety and health education sessions for the new hires or operators who rotate between stations. 3-hour safety and health education and training sessions for in-service personnel every year. - Implement various safety education and training (first aid personnel, crane operators, forklift operators, etc., 3 hours every three years).
Firefighting training	Implemented every six months.

Disaster prevention and emergency response drills



5.5.6 Impact on occupational safety and health

To ensure that Lucky Cement can respond quickly and accurately to occupational safety and health incidents, effectively control disasters, and mitigate losses, the Company formulates corresponding contingency measures based on actual situations. In addition to providing timely guidance and emergency handling during incidents to reduce impact on the Company, we also conduct occupational accident case presentations and awareness sessions at monthly plant meetings. Through these meetings, we enhance employees' understanding of occupational safety and health, emphasize the importance of contingency measures, and ensure that every staff member clearly understands the steps to follow when responding to emergencies. In addition, with regard to the work environment, personnel from the plant's safety and health team conduct daily on-site inspections, including monitoring contractors' construction activities for potential safety issues. These proactive measures aim to prevent accidents in advance and reduce the risk of occupational injuries.

Occupational safety and health management plan

Environmental monitoring of high-risk workplaces	The Company draws up a work environment monitoring plan in accordance with the law, regularly implements work environment monitoring for noise and dust work sites, and commissions a work environment monitoring agency approved by the Ministry of Labor to perform various environmental testing tasks.
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.
Measures to reduce occupational accidents	• Disable the machinery that caused the incidents, make improvements to the unsafe equipment, and strengthen the safety awareness of employees through safety and health education and training sessions.

	• Request the responsible unit of the site to carry out hazard identification and risk assessment for the safety status of the relevant passages. • The Occupational Safety and Health Committee of the factory implemented safety promotion events for the incidents.
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5.5. 7 Occupational injury statistics

Lucky Cement has established relevant occupational accident management mechanisms and continuously implements the ISO 45001 Occupational Health and Safety Management System standards. Through the regular implementation of occupational health and safety education and training, the Company conducts early warning and correction of potential hazards and risky behaviors among employees. In the event of a workplace accident, the Company has established emergency response plans and emergency contact networks for each type of work to promptly notify the corresponding supervisors. This includes subsequent accident investigations, cause analysis, and the formulation of improvement measures and plans to prevent recurrence of the same incidents. These efforts aim to reduce risks for both internal staff and external contractors working together at the workplace. In the past three years, no occupational injuries have occurred at the Puxin and Heren plants.

Occupational injury statistics for the past three years										
Facility		Dongao Plant			Puxin Plant			Heren Plant		
Year		2022	2023	2024	2022	2023	2024	2022	2023	2024
Total hours worked		388,824	398,144	359,306	83,486	82,553	89,779	181,248	181,248	178,620
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	5	1	1	0	0	0	0	0	0
	Ratio	12.86	2.51	2.78	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 occupational injury	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 injury or illness: Refers to any work-related injury or illness that results in any of the following: death, days away from work, restricted work or job transfer, 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, job restriction or transfer, medical treatment beyond first aid, or loss of consciousness). Data should include fatalities. Commuting accidents are excluded from the statistics.

Main type / year		2022	2023	2024	Hazards and improvement description
Types of occupational injuries	Fall injury	5	1	1	For areas within the plant with risks of slips, trips, or falls, additional railings and anti-slip measures have been installed.
	Falls from height	0	0	0	
	Burns/scalds	0	0	0	
	Cuts	0	0	0	
	Others	0	0	0	

5.5.8 Supplier occupational safety requirements

Lucky Cement Co., Ltd. is committed to promoting labor rights and occupational safety and health within its supply chain. The Company requires suppliers to comply with relevant laws and regulations and to ensure a safe and healthy working environment. Lucky Cement has established a “Supplier Code of Conduct” to effectively enhance suppliers’ compliance and execution capabilities through audits, training, communication, and guidance, instilling relevant principles to ensure concrete implementation. In addition, Lucky Cement has formed a project team within the procurement department to regularly conduct supplier self-assessments and audits, providing guidance, follow-up, and improvement measures. For suppliers whose performance fails to meet the standards, audits are reinforced annually. For those who still

have not achieved improvement three years after the initial audit, transactions are suspended or rejected.

5.5.9 Occupational safety and health-related penalty cases

Hsingfu Cement's occupational safety and health-related penalty cases in 2024 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
Dongao Plant, Lucky Cement Corporation 2024/2/27	2024.08.23	After the replacement of the wheel rails on the transfer machine, the safety facilities such as protective guards and barriers around the hazardous parts of the transfer machine were not restored. The transfer machine was put into trial operation without these safety measures, resulting in a fueling operator sustaining a finger injury.	Article 6, paragraph 1, the Occupational Safety and Health Act,	A fine of NT\$100,000 was imposed.	1. Strengthen employee health and safety education. 2. Plan designated safe operation zones during fueling. 3. Modify the protective barriers and add safer fueling access ports.

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. At the same time, it enables the management to timely grasp employees' working conditions and build a friendly workplace based on employee needs. Lucky Cement strictly complies with laws and regulations. Its internal personnel and administrative management conform to local labor laws at each operating site. Besides the Dongao plant, which has formed a labor union to actively promote labor-management communication, all operating sites legally hold labor-management meetings at least once every three months. Management representatives include the president, corporate governance supervisors, and HR department heads. Labor representatives are elected by all employees to represent the entire workforce. Both labor and management representatives each hold 50% of the seats. Through these meetings, labor relations are coordinated, and regular communication between labor and management promotes cooperation. All employees have opportunities to express their opinions and negotiate with the Company for improved working conditions, effectively enhancing workers' status.

Meanwhile, Lucky Cement has multiple communication channels that enable effective two-way communication, allowing employees to fully express their views. The Company responds in a timely manner and transforms suggestions into policies for implementation. In recent years, labor-management relations at Lucky Cement have been harmonious, with no labor disputes occurring.

In the event that the Company closes a plant or establishes a new plant, which results in the dismissal of employees or a change in the workplace, the Company will notify the local labor bureau 60 days in advance and comply with the notice period in accordance with the Act for Worker Protection of Mass Redundancy.

Labor-related penalty cases

The labor-related penalty cases for Lucky Cement in 2024 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
Wudu Storage and Transportation Station, Lucky Cement Corporation 2024.06.21	2024.04.29	Failure to provide workers with statutory rest days	Article 36, Paragraph 1 of the Labor Standards Act	A fine of NT\$20,000 was imposed	Adjusted duty schedules to ensure rest days are arranged in accordance with regulations
Dongao Plant, Lucky Cement Corporation 2024.09.08	2024.07.11	Failure to provide legally required overtime pay for extended working hours	Article 24, Paragraph 2 of the Labor Standards Act	A fine of NT\$200,000 was imposed	Special inspection on working conditions of foreign workers
		Extension of working hours without completing required legal procedures	Article 32, Paragraph 2 of the Labor Standards Act		
		Allowing employees to work continuously beyond the statutory limit	Article 36, Paragraph 1 of the Labor Standards Act		
		Failure to pay double wages for holiday work	Article 39, the Labor Standards Act		

6. 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 operating locations and the surrounding communities.

Impact of Sustainable Social Care:

The Company is located at the junction of Su'ao Township and Nan'ao Township, and has spared no effort in establishing good neighborly relations and helping local development. Caring for and assisting in the growth of the community is one of the Company's business goals. Giving back to the society has become the center of the Company's business philosophy. With stable and practical operations, and appreciating the recognition and support by the community and the local residents, the Company is eager to find more peers who also commit to public welfare. We support local charities and public welfare organizations with the belief of "Giving back to the community and society", hoping to promote social harmony and let love and care bring more warmth to the world.

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 2024, specific projects on giving back to local communities for fulfilling social responsibilities

included:

Sponsored social activities, supporting traditional cultural inheritance/indigenous communities and community care (neighboring residents)	1. NTD 411,368 in humanities and art education activities (28 activities) 2. NTD 136,000 in health and sports activities (7 activities) 3. NTD 68,000 in religious activities (9 activities) 4. NTD 34,764 in cemetery repairing in Dongyue and Dongao communities (11 projects) 5. NTD 125,904 in assistance in community cleaning and affairs (2 projects) 6. NTD 500,000 for a local community senior cafeteria (1 event) 7. NTD 45,600 in the Respect for the Elderly activity on the Double Ninth Festival (2 events) 8. \$70,000 in elementary school education scholarships (1 case) 9. NTD 309,744 in other neighborhood services (4 events)
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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 2024, the Company sponsored a total of 65 cases of social activities, supporting traditional cultural inheritance/indigenous communities, and community care (neighboring residents), with a total expenditure of NTD 1,701 thousand for the year.

6.1 Care for the Indigenous Community

The Company's Dongao factory is located in Nanao, within the range of the "Back Mountains". The Dongao tribe is a gathering place for the indigenous people of the Atayal tribe. Back in the day, tribe development was relatively slow and the economic conditions were lagging. The Company established a plant here in 1980 to increase the employment of the indigenous people. As of the end of 2024, the Dongao plant has 24 local indigenous employees, accounting for 17.52% of the total number of 137 employees, while the Heren plant has 9 indigenous employees,

accounting for 34.62% of the plant's 26 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 all necessary help to create 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.

In terms of hiring local residents, as of the end of 2024, a total of 135 employees at Dongao Plant (Yilan County) were local residents, accounting for 98.54% of the total number of 137 employees at the plant; a total of 17 employees at Heren Plant (Hualian County) were local residents, accounting for 65.38% of the total number of 26 employees at the plant.



Appendix I: GRI Index

Usage statement	Lucky Cement Co., Ltd. has reported content for the period from January 1 to December 31, 2024, 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			
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	Regulatory compliance	3.3 Regulatory compliance 4.7 Compliance with the environmental laws and regulations		
	2-28	Membership qualification of cooperatives and associations	2.4 Participation in external organizations		
Stakeholder engagement	2-29	Stakeholder engagement policies	1.2.1 Stakeholder and material topic identification process		
	2-30	Group agreement			

GRI 3: material topic 2021					
Material topic	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			
	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 aspect					
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					
	303-1	Interactions with water as a shared resource	4.5 Water resources management		

GRI 303: Water and Effluents 2018 management policy	303-2	Management of water discharge-related impacts	4.5 Water resources management		
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	4.5 Water resources management		
	303-4	Water discharge	4.5 Water resources management		
	303-5	Water consumption	4.5 Water resources management		
Biodiversity					
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.6 Biodiversity		
	304-2	Activities, products and services and their significant impacts to biodiversity.	4.6 Biodiversity		
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		
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.4 Air pollution control		
Waste					

GRI 306: Waste 2020 – management approach	306-1	Waste generation and significant waste-related impacts	4.1 Circular economy		
	306-2	Management of significant waste-related impacts	4.1 Circular economy		
GRI 306: Waste 2020	306-3	Waste generated	4.1 Circular economy		
	306-4	Waste diverted from disposal	4.1 Circular economy		
	306-5	Waste directed to disposal	4.1 Circular economy		
Supplier environmental impact assessment					
GRI 3: material topic 2021	3-3	Material topic management	4.8 Sustainable supply chain		
GRI 308 Supplier environmental impact assessment 2016	308-1	Screen new suppliers with environmental standards	4.8 Sustainable supply chain		
	308-2	Negative impact of supply chain on the environment, and the actions taken	4.8 Sustainable supply chain		
Social aspect					
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 3: material topic 2021	3-3	Material topic management	5.5 Occupational health and safety		
GRI 403 Occupational Health and Safety 2018 Management Policy	403-1	Occupational safety and health management system	5.5 Occupational health and safety		
	403-2	Hazard identification, risk assessment and incident investigation	5.5 Occupational health and safety		
	403-3	Hazard identification, risk assessment and incident investigation	5.5 Occupational health and safety		
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational health and safety		
	403-5	Worker training on occupational health and safety	5.5 Occupational health and safety		
	403-6	Promotion of worker health	5.5 Occupational health and safety		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational health and safety		
GRI 403 Occupational safety and health 2018	403-8	Workers covered by an occupational health and safety management system	5.5 Occupational health and safety		
	403-9	Work-related injuries	5.5 Occupational health and safety		
	403-10	Work-related illness	5.5 Occupational health and safety		
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	4.8 Sustainable supply chain		
GRI 414: Supplier Social Assessment 2016	414-1	Screening of new suppliers using social criteria	4.8 Sustainable supply chain		
	414-2	Negative impact of supply chain on the environment, and the actions taken	4.8 Sustainable supply chain		

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

Disclosure topic	Indicator number	Disclosure indicator	Type	Corresponding chapter	Remarks
Reduction of GHG emissions	EM-CM-110a.1	(Scope 1) Total emissions from perfluorocarbons	Quantitative	4.2 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	4.2 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	M-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	4.3 Implement Energy Management	
Water resources 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	4.5 Water resources management	The Company's operating sites are located in northern Taiwan, which is not classified as a high water stress area.
Waste management	EM-CM-150a.1	Amount of waste generated, percentage of hazardous waste, percentage of waste recycled	Quantitative	4.1 Circular Economy	
Biodiversity impact management	EM-CM-160a.1	Description of environmental management policies and practices in the operational areas	Qualitative	4.6 Biodiversity	
	EM-CM-160a.2	Area of land affected, percentage of impacted areas restored	Quantitative		As of the end of 2024, the reforestation and greening rate reached 33%, covering an area of 55 hectares.
Employee health and 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 Occupational health and safety	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 Occupational	No cases of pneumoconiosis were reported in 2024.

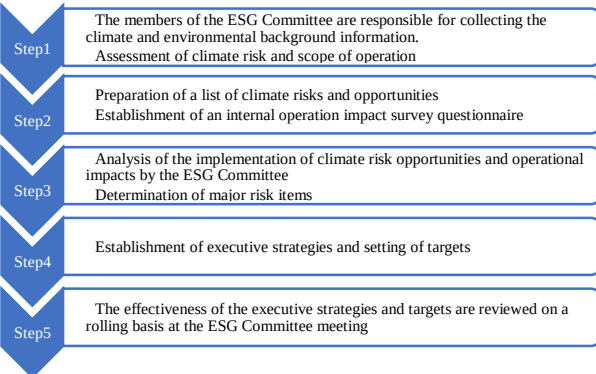
				health and safety	
Disclosure topic	Indicator number	Disclosure indicator	Type	Corresponding chapter	Remarks
Product innovation	EM-CM-410a.1	Percentage of products eligible for sustainable building design and construction certifications	Quantitative	--	The Company supplies cement products to customers; 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.
Integrity and transparency	EM-CM-520a.1	Total monetary losses resulting from legal actions related to cartel activities, price manipulation, and antitrust or anti-competitive practices.	Quantitative	In 2024, there were no lawsuits or monetary losses related to cartel activities, price-fixing, or anti-trust practices.	
Product manufacturing	EM-CM-000.A	Production volume of major product lines	Quantitative	In 2024, the cement production reached 666,201 metric tons, and the clinker production was 628,000 metric tons.	

Appendix III: ESG Information Disclosure of Taiwan Stock Exchange—Cement Industry

Number	Indicator	Type of indicator	Annual disclosure status
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	4.3 Implement Energy Management
2	Total water withdrawal and total water consumption	Quantitative	4.5 Water Resources Management
3	Weight of waste generated, percentage of hazardous waste, and percentage of waste recycled	Quantitative	4.1 Circular economy
4	Description of the number and rate of occupational injuries.	Quantitative	5.5 Occupational health and safety
5	Production volume by main product category	Quantitative	In 2024, the cement production reached 666,201 metric tons, and the clinker production was 628,000 metric tons.

Appendix IV: 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 growing impact of extreme weather caused by global warming, as well as the increasing importance of energy and climate change issues in recent years, Lucky Cement has taken steps to mitigate the effects of climate change on its operations. Starting in 2024, we have adopted the framework of the Task Force on Climate-related Financial Disclosures (TCFD), covering governance, strategy, risk management, and metrics and targets. Under the Sustainable Development Committee, each member is responsible for identifying climate-related risks and opportunities, formulating corresponding response strategies, and reporting to the Board of Directors on a regular basis. The Board oversees and monitors the effectiveness of implementation.

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. The Board is responsible for overseeing the effectiveness of implementation.	Please refer to the 2024 table of short-, medium-, and long-term climate risks and opportunities.	The risk identification, assessment and management process is as follows: 	The parent company's Scope 1 emissions for fiscal 2024 were 552,149.5 metric tons of CO₂e; Scope 2 emissions were 43,194.75 metric tons of CO₂e; and Scope 3 emissions were 37,121.59 metric tons of CO₂e. [Subsidiaries included in the consolidated financial statements are self-assessed and will disclose confirmed information starting in 2017.]

◆ 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		
	Set the reference scenarios and 1.5°C scenarios, identify and analyze the short, medium, and long-term climate risks and opportunities of the Company's scope of operations and the entire life cycle of assets. In terms of transformation risks, the baseline scenarios and the 1.5°C scenarios are based on the RCP8.5 and RCP 2.6 climate scenarios published by the IPCC, and the immediate and long-term physical risks are assessed.	The Company's risk management procedures have incorporated climate-related risks and opportunities into the operations of all units.	Aligned with the 2050 net-zero emission target and the Ministry of Environment's voluntary reduction plan The company aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 5% in 2030 compared to the baseline average from 2018 to 2022.

2024 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 long term	O9	Participating in carbon trading markets	Medium	Medium-term and long term
R10	Average temperature rise	High	Short-term,	O10	Transitioning to decentralized	Low	Medium-term, long-

			medium-term, and long term		energy		term
R11	Sea level rise	Assurance	Medium-term, 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 2023 emissions of 610,000 metric tonnes CO₂e at the Dongao Plant, and assuming an incremental cost of NT\$300 to NT\$1,200 per tonne annually over the short term (five years), the annual expense increase would range from NT\$12 million to NT\$82 million if the voluntary reduction plan of the Ministry of Environment is met. 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 patterns	In 2024, the Dongao area was struck by a severe typhoon with continuous heavy rainfall, causing localized landslides on the slopes of the mine managed by the Dongao Plant. Although there were no personnel injuries or deaths, partial slope movements caused the mining access road to be damaged and the mining operation to be temporarily suspended, affecting mine source allocation and short-term supply stability. After investigation and analysis, the primary cause was extreme rainfall and that the existing drainage capacity on the slopes was overloaded, plus the loosening of the local geological structure. After the incident, the Company initiated the emergency response mechanism. Although the incident caused a certain degree of impact on the Company's mining source supply and short-term operations, it has been restored and normal operations have resumed within a reasonable timeframe. In the future, the Company will continue to strengthen the resilience management under extreme weather to reduce the impact of risks on the stability of production.
Average temperature rise	(1) The continuous rise in average temperature leads to increased energy consumption and a slight increase in operating costs. By 2050, with a temperature rise of 1.9°C and a 5% increase in electricity usage, assuming electricity rates remain unchanged,

electricity expenses will increase by 5%. This represents a moderate impact. The countermeasures include renewing air-conditioning equipment and increasing the green power consumption ratio.

(2) The continuous rise of the average temperature will also increase the frequency of climate change (earthquake, typhoon), which will indirectly cause damage to the equipment in the factory area and the transportation system. In addition to railway transportation, the Company also considers sea transportation or land transportation for transporting gravel and cement.

Emission reduction target	Strategic actions and timeline
1. Short-term Goal: Dongao Plant - Annual GHG emissions will be reduced by more than 10% compared with 2013 (baseline year 1). 2. Mid-term Goal: Starting in Objectives: 2025, Dongao Plant will reduce emissions by more than 5% 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% 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, and modification of cement and coal mills. - Long-term goal: Product structure design of low-carbon cement products with kiln technology reform, surplus heat generation, and CCUS (carbon capture, carbon storage).

Appendix V: 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.	Supervision at the board level The Board of Directors is the ultimate decision-maker and supervisor for the Company's climate risks and opportunities. All significant climate-related strategies and risk response policies shall be reviewed and approved by the Board of Directors. In 2024, the Company reported to the Board of Directors on the current status and identification results of climate risk governance, for reference in decision-making. In addition, according to the Company's "Sustainable Development Best Practice Principles", the Board of Directors is responsible for reviewing and supervising the risk of material environmental, social and governance (ESG) issues, and ensuring that relevant management policies can be properly promoted in accordance with laws and corporate operational needs. Management execution To strengthen the horizontal integration and cross-departmental coordination of climate issues, the Company has established the "Sustainability Committee" as the platform for the coordination of climate risk management. Several functional groups were formed under the Committee to integrate the operations of the Sustainability Committee. The Committee is responsible for the implementation of GHG inventories, carbon reduction action planning, compliance, alternative fuels and materials, and decarbonization of products. In addition, the "Risk Management Team" performs annual comprehensive risk assessment and control, and the scope of management covers risks derived from climate change, non-compliance with environmental protection, and climate-related laws and regulations and international agreements. The Risk Management Team compiles the risks of each department annually to assess the impact and controllability, and reports to the Board of Directors at least once a year on the progress of risk control and response operations. By doing this, we are able to strengthen the Company's overall risk

	resilience and operational sustainability.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	Risk structure: Increase the pricing of GHG emissions The government has set the net zero target by 2050 in through Climate Change Response Act, and will start levying carbon fees on industries with high direct or indirect emissions from 2025 onwards. This policy will have the following impact on the Company's operations, strategies and finances: I. Financial impact (short-term to mid-term) As a high-carbon emission industry, the main source of carbon emissions is the production of clinkers and fuel. It is estimated that the carbon fee will significantly increase operating costs after the carbon fee is levied. The CO2e emissions of the Dongao Plant in 2024 was approximately 590,000 tons. According to the carbon fee plan of the Ministry of Environment: If the self-determined reduction plan is successfully implemented, the carbon expense will increase by approximately NTD 12 million to NTD 82 million each year. If the self-determined reduction plan is not approved, the annual expenses will increase from NTD 180 million to NTD 730 million, which is a major financial risk. II. Impact on strategy and operation (mid- to long-term) In the face of the carbon fee system's implementation and the net-zero pressure, the Company has planned to promote the following transformation strategies: Investment in the reform of the production process system (e.g., improvement of equipment technology for heat efficiency); Introduction of alternative materials and alternative fuels (e.g., use of by-product minerals, biomass fuels); Adjustment of product portfolio (e.g., development of low-carbon cement formula, increase of the proportion of mixed products) Set the goals for the self-determined reduction plan, actively strive for carbon reduction and

	transformation incentives. The total investment amount from 2025 to 2030 is planned to be NTD 1 billion. III. Long-term and mid-term opportunities If the low-carbon transformation can be completed earlier, it will not only reduce the impact of carbon fees, but also help: Strengthen brand image and customer green procurement competitiveness; Strive for green financing and carbon reduction subsidies.
3. Describe the financial impact of extreme climate events and transformation actions.	Changes in rainfall (water) patterns and extreme changes in climate patterns In 2024, due to the impact of a strong typhoon and continuous heavy rainfall, localized landslides occurred on the slopes of the mine in the Heren area (Heren Plant). Although there were no injuries or deaths to personnel, partial slope movements caused the mining access road to be damaged and the mining operation to be temporarily suspended, affecting mine source allocation and short-term supply stability. After investigation and analysis, the primary cause was extreme rainfall and that the existing drainage capacity in the slopes was overloaded, plus the loosening of the local geological structure. After the incident, the Company initiated the emergency response mechanism. Although the incident caused a certain degree of impact on the Company's mining source supply and short-term operations, it has been restored and normal operations have resumed within a reasonable timeframe. In the future, the Company will continue to strengthen the resilience management under extreme weather to reduce the impact of risks on the stability of production. Average temperature rise (1) The average temperature continues to rise, which increases energy consumption and operating costs slightly. If the temperature rises by 1.9°C by 2050, the electricity consumption increases by 5%, and under the circumstance that the electricity tariff is unchanged, the electricity tariff increases by 5%, which is a moderate impact. The countermeasures include renewing air-conditioning equipment and increasing the green power consumption ratio. (2) The continuous rise of the average temperature will also increase the frequency of climate change (earthquake, typhoon), which will indirectly cause damage to the equipment in the factory area and

	the transportation system. In addition to railway transportation, the Company also considers sea transportation or land transportation for transporting gravel and cement. However, the transportation expenses may rise. (3) The average temperature rise will increase the demand for air-conditioning and other power consumption, which will indirectly lead to an increase in the GHG emissions of the power system, and then increase the overall electricity cost, causing an increase in the risk of rising transportation prices.										
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has established a risk management policy and procedure (including climate risk management process), which are effectively operating. The results of the risk execution in 2024 will be reported to the Board of Directors. <table> <tr> <td>1</td><td> The members of the Sustainable Development Committee are responsible for collecting the climate and environmental background information. Assessment of climate risk and scope of operation </td></tr> <tr> <td>2</td><td> Preparation of a list of climate risks and opportunities Establishment of an internal operation impact survey questionnaire </td></tr> <tr> <td>3</td><td> Analysis of the implementation of climate risk opportunities and operational impacts by the Sustainable Development Committee Determination of major risk items </td></tr> <tr> <td>4</td><td> Establishment of executive strategies and setting of targets </td></tr> <tr> <td>5</td><td> The effectiveness of the executive strategies and targets are reviewed on a rolling basis at the Sustainability Committee meeting </td></tr> </table>	1	The members of the Sustainable Development Committee are responsible for collecting the climate and environmental background information. Assessment of climate risk and scope of operation	2	Preparation of a list of climate risks and opportunities Establishment of an internal operation impact survey questionnaire	3	Analysis of the implementation of climate risk opportunities and operational impacts by the Sustainable Development Committee Determination of major risk items	4	Establishment of executive strategies and setting of targets	5	The effectiveness of the executive strategies and targets are reviewed on a rolling basis at the Sustainability Committee meeting
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5	The effectiveness of the executive strategies and targets are reviewed on a rolling basis at the Sustainability Committee meeting										

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.	1. Set the reference scenarios and 1.5°C scenarios, identify and analyze the short, medium, and long-term climate risks and opportunities of the Company's scope of operations and the entire life cycle of assets. In terms of transformation risks, the baseline scenarios and the 1.5°C scenarios are based on the RCP8.5 and RCP 2.6 climate scenarios published by the IPCC, and the immediate and long-term physical risks are assessed. 2. The average temperature continues to rise, which increases energy consumption and operating costs. In response to the rise in temperature by 1 degree in Taiwan, the power consumption increases by 6%. If the electricity tariff remains unchanged, the power consumption will increase by 27% and the derived electricity fee will increase by 6% in the next three years. 3. In terms of regulatory scenarios, in response to the government's carbon reduction fee in 2025, the Company follows the voluntary reduction plan promoted by the Ministry of Environment. Based on the emission of 590,000 tons of CO_{2e} in 2024, if the self-determined reduction plan is passed by the Ministry of Environment each year, the Company's expenses will increase by NTD 12 million to NTD 82 million. If the self-determined reduction plan is not passed, the annual increase will be NTD 180 million to NTD 730 million, and this is considered a high impact.
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.	Planning stage
7. If internal carbon pricing is used as a planning tool, the basis for setting the pricing shall be stated.	Internal carbon pricing will be established in the following period
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	Emission reduction policy 1. Dongao Plant - Annual GHG emissions are reduced by more than 10% compared with 2013 (baseline year 1). 2. Starting in 2025, Dongao Plant will reduce emissions by more than 5% compared to the baseline

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 quantity of renewable energy certificates (RECs) shall be specified.	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. Green power wheeling (Hsing-Fu Golf Club)
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (see 1-1 and 1-2).	As shown in the table below:

1-1 GHG inventory and assurance 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 operation control approach, which includes the GHG emissions of the parent company. The details are as follows:

GHG emissions of Lucky Cement for the most recent two years				
Year/Scope		Emissions (tCO ₂ e)	Emission intensity (tCO ₂ e/million revenue)	Inventory locations
2023	Scope 1	552,149.50	113.6344	Headquarters, Dongao Plant, and business offices Storage and transportation station, Heren Plant, Puxin Plant
	Scope 2	43,194.74	8.8896	
	Scope 3	37,121.59	7.6397	
	Total	632,465.83	130.1638	
2024	Scope 1	572,909.78	112.4455	Headquarters, Dongao Plant, and business offices Storage and transportation station, Heren Plant, Puxin Plant
	Scope 2	46,704.20	9.1667	
	Scope 3	48,070.87	9.4349	
	Total	667,685.07	131.0471	

Note: 1. Parent companies have disclosed confirmed information since 2014.

2. Consolidated subsidiaries have disclosed confirmed information since 2017.

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)

GHG inventory and assurance for the most recent two years.

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 its assurance information since 2024.
2. The subsidiaries in the consolidated financial statements shall disclose the information on the inventory starting from 2027.

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

Item		2023		2024	
		Emissions (tCO ₂ e)	Density (tCO ₂ e/million revenue)	Emissions (tCO ₂ e)	Density (tCO ₂ e/million revenue)
Parent company	Scope 1	572,909.78	112.4455	552,149.50	113.6344
	Scope 2	46,704.20	9.1666	43,194.74	8.8896
	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		An unqualified opinion	

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

Emission reduction target	Strategic action	Project schedule
1. Dongao Plant - Annual GHG emissions are reduced by more than 10% compared with 2013 (baseline year 1). 2. Starting in 2025, Dongao Plant will reduce emissions by more than 5% 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 Net Zero by 2050 Policy, the Company has set GHG reduction targets by combining the "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.	1. 2025–2030 (1) Action adopted: Relevant reduction measures are established in accordance with the "Regulations Governing Self-determined Reduction Plans" of the Ministry of Environment. (2) Baseline emissions: Based on the average value from 2018 to 2022. (3) Target reduction rate: Reduce emissions by more than 5% 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 grinding modification. 2. 2030 - 2050 Product structure design of low-carbon cement products with kiln technology reform, surplus heat generation, and CCUS (carbon capture, carbon storage).

Greenhouse gas inventory certificate :

ISO14064-1 : 2018 Third-party verification certificate

Opinion TW25/00469GG

SGS

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of

Lucky Cement Corporation

No. 101, Section 3, Suhua Road, Nan'ao Township,
Yilan County

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

ISO 14064-1:2018

Opinion Type: Modified

Direct emissions

552,149.50 tonnes of CO₂e

Indirect emissions

80,316.34 tonnes of CO₂e

Direct emissions and indirect emissions

632,466 tonnes of CO₂e

Authorized by



Stephen Pao

Business Assurance Director

Date: 20 August 2025

Version 1

TGP56B-15-1 2501

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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.

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