chapter 1

Governance

Infinite Cycle of Universal Peace

Created by Chairman Nelson An-ping Chang, it arches like a rainbow on a high platform, overlooking all life. Firm yet supple, flawless within and without, it is a rare feat of craft. Made from TCC's UHPC, it bears the Buddhist lotus, the Islamic star and crescent, the Christian cross, and the symbol of peace. In sunlight, the shifting shadows speak of seeking common ground amid difference, as if all the world's lives and cultures had merged into one family longing for peace.

Alignment with SDGs

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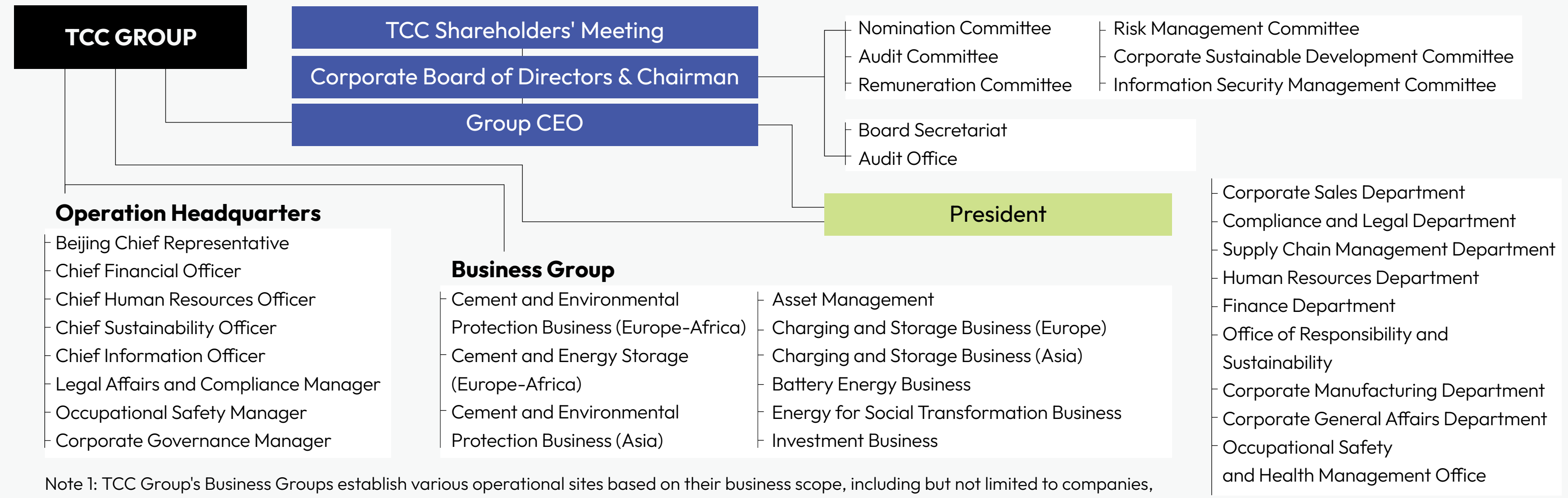
1.1 Governance Structure

TCC is committed to establishing a sound Governance system that is innovative, diverse, and fair, ensuring the Company's operational resilience, growth, and transparency.

TCC Group Holdings Organization Structure



Note 1: TCC Group's Business Groups establish various operational sites based on their business scope, including but not limited to companies, R&D centers, manufacturing plants, sales offices, and distribution stations.

The 25th Board of Directors

TCC's Board of Directors serves a three-year term and is eligible for re-election. The 25th Board was elected on May 21, 2024, with an average tenure of 10.41 years. Female directors and independent directors each account for 33% of the Board, exceeding the FSC's Listed Companies Sustainable Development Action Plan.

Directors possess diverse industry experience in energy, environmental protection, cement, M&A, and IT, with professional expertise spanning management, international markets, risk management, accounting, finance, law, and ESG.

All director candidates, including independent directors, are nominated through a rigorous process by the Nomination Committee, which assesses their qualifications, industry expertise, technical skills, experience, gender, and independence, aligning with the Company's short, medium, and long-term development strategies, with priority given to female candidates.

Independent director qualifications adhere to the Securities and Exchange Act, TWSE independence criteria, and relevant TWSE regulations. All candidates are approved by the Board and elected at the Shareholders' Meeting.

The liability of TCC and its subsidiaries' directors and supervisors for their duties is handled in accordance with Taiwan's laws. TCC maintains Directors and Officers Liability Insurance, reviewed annually to mitigate risks for directors, supervisors, key officers, and the Company.

Most directors of TCC's subsidiaries in Mainland China and overseas are natural persons.

Board Operations

TCC's Board of Directors convenes at least quarterly. Relevant departments report to the Board on operational status, key work progress, and improvements. Significant resolutions are promptly disclosed on the Market Observation Post System (MOPS) and concurrently on Investor Relation Section of TCC's Official Website.

By the end of 2025, 10 board meetings were held, with an average director attendance rate (including proxies) of 100%. Directors recuse themselves from discussions and voting on matters involving potential conflicts of interest, either personal or for the legal entities they represent, by proactively disclosing such interests during the meeting as required.

TCC KEY FACTS

First cement company selected 2026 Corporate Knights Global 100

Global 100 Most Sustainable Corporations

CORPORATE KNIGHTS INC.

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Table of the 25th Board of Directors

Name			Age[2] 31-50	51-70	>71	Average Term of Corporate Directors	External Independence[3]	Industry Experience[4]	Professional Expertise
Nelson An-ping Chang	♂	Representatives of corporate director			✓	7.53	Executive Director	Raw Materials	Business Management, International Markets, Risk Management, ESG
Kenneth C.M. Lo	♂	Representatives of corporate director			✓	23.54	Director with Independence	Banking and Investment	Business Management, International Markets, Risk Management, ESG
Yu-Cheng Chiao	♂	Representatives of corporate director		✓		1.62	Director with Independence	Information Technology	Business Management, International Markets, Risk Management, ESG
Eric Chen Sun Te	♂	Representatives of corporate director		✓		9.53	Director with Independence	Banking and Investment	Business Management, International Markets, Risk Management, ESG
Kang-Lung (Jason) Chang	♂	Representatives of corporate director		✓		13.53	Director with Independence	Raw Materials	Business Management, International Markets, Risk Management, ESG
Liz Wang	♀	Representatives of corporate director		✓		13.53	Director with Independence	Raw Materials	Business Management, International Markets, Risk Management, ESG
Roman Cheng	♂	Representatives of corporate director		✓		7.53	Executive director	Banking and Investment	Business Management, International Markets, Risk Management, ESG
Kung-Yi Koo	♂	Representatives of corporate director	✓			7.53	Executive director	Raw Materials	Business Management, International Markets, Risk Management, ESG
Por-Yuan Wang	♂	Representatives of corporate director			✓	22.52	Director with Independence	Information Technology	Business Management, International Markets, Risk Management, ESG
Chien Wen	♂	Representatives of corporate director			✓	22.52	Director with Independence	Raw Materials	Business Management, Accounting and Financial Analysis, ESG
Victor Wang	♂	Independent Director			✓	12.53	Director with Independence	Industrial - Professional Services	Business Management, International Markets, Risk Management, ESG
Lynette Ling-Tai Chou	♀	Independent Director		✓		7.53	Director with Independence	Public Utilities - Educational Services	Business Management, International Markets, Risk Management, ESG
Sherry S. L. Lin	♀	Independent Directors			✓	4.45	Director with Independence	Industrials - Professional Services	Business Management, International Markets, Risk Management, Accounting and Financial Analysis, Law, ESG
Ruu-Tian Chang	♀	Independent Directors			✓	1.62	Director with Independence	Information Technology	Business Management, International Markets, ESG
Man-Jung Chan[5]	♀	Independent Directors		✓		0.6	Director with Independence	Public Services - Education	Business Management, International Markets, Risk Management, Law

Business Management · International Markets · Risk Management · Accounting and Financial Analysis · Law · ESG

Note 2: Board member age distribution: 47% are over 71, 47% are between 51 and 70, and 6% are between 31 and 50. Note 3: Director external independence is assessed based on the following criteria. Non-executive directors must meet at least four of these, including at least two of the first three: (1) The director was not an executive officer of the Company in the past year. (2) In the current year, the director and their family members have not received more than US$60,000 from the Company or any subsidiary, except as permitted under SEC Rule 4200. (3) No family member of the director is an executive officer of the Company or any subsidiary in the current year. (4) The director is not a consultant to the Company or management and has no material interest in any consulting firm. (5) The director has no material interest in any significant customer or supplier. (6) The director has no personal services contract with the Company or its management. (7) The director has no material interest in any non-profit organization receiving significant contributions from the Company. (8) In the past year, the director was not a partner or employee of the Company's external auditor. (9) The director has no conflicts of interest that would interfere with independent judgment. Note 4: Director industry experience is identified based on the GICS Level 1 classification. Note 5: Elected at the 2025 Annual Shareholders' Meeting (replacing one independent director who resigned for personal reasons on October 9, 2024). Note 6: All Board members (representatives of institutional directors and independent directors) are citizens of the Republic of China. Note 7: Board information as of December 31, 2025.

TCC's Remuneration Committee Charter mandates the regular evaluation of director performance to determine remuneration based on results. For information on individual director remuneration, please refer to 2025 Annual Report.

Outstanding External Board Performance Evaluation

TCC has established the Rules for Performance Evaluation of Board of Directors to regularly evaluate the performance of the Board and its functional committees. Internal evaluations are conducted annually, and external evaluations by independent experts are conducted at least every three years.

The evaluation covers five aspects: Directors' participation in company operations, enhancement of Board decision-making quality, Board composition and structure, Director selection and continuing education, and Internal Control.

The 2025 external evaluation results were excellent, and the report was submitted to the Board on March 11, 2026. For details, please refer to TCC's official website.

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Functional Committees

To enhance Board governance, TCC has established functional committees under the Board, each with distinct responsibilities and functions. These committees assist in reviewing proposals and strengthen the quality of Board decision-making.

Audit Committee
▲ 96% ■ 100%

Established and revised Internal Control systems and operational guidelines for significant financial and business matters, reviewed securities-related issues, financial statements, and matters involving directors' conflicts of interest.

Remuneration Committee
▲ 100% ■ 100%

Reviewed and established the remuneration system and performance evaluation for directors and managers, and approved their salaries and compensation.

Risk Management Committee
▲ 100% ■ 100%

Overseeing and establishing the Risk Management Framework, and supervising overall risk management and coordination.

Information Security Management Committee
▲ 100% ■ 100%

Formulates and reviews cybersecurity management policies and frameworks, assesses cybersecurity management performance, and plans the future cybersecurity, privacy, AI Governance frameworks, and quantum computing cryptography protection enhancements for the group.

Corporate Sustainable Development Committee
▲ 100% ■ 100%

The Company promotes and oversees sustainable development goals and initiatives across governance (G), environmental (E), and social (S) dimensions to safeguard the interests of the Company, its employees, shareholders, and other stakeholders.

Nomination Committee
▲ 91% ■ 100%

TCC has established selection processes for directors (including independent directors) and senior executives. TCC also implements ongoing training programs for directors and regularly review director performance, board member evaluations, and senior executive succession plans.

Committee Charter ▲ Actual Attendance ■ Including Attendance by Proxy

Director ESG Training Program

TCC actively enhances board members' sustainability knowledge to support effective oversight and ensure regulatory compliance, focusing on sustainable development issues and risk trends.

In 2025, ESG training averaged 10 hours per director, totaling 156 hours, with courses including Sustainability-Driven Global Transformation and Deepening Risk Management and Building Corporate Resilience. For details on directors' training, please refer to 2025 Annual Report.

Tax Governance

TCC has established the Global Tax Policy and Management Guidelines, applicable across the entire group, to align with international tax governance trends.

TCC rigorously complies with all relevant tax laws and regulations, adapt to new accounting standards as required by authorities, and provide necessary supporting documents per tax authority audit requirements, maintaining a robust tax compliance mechanism and governance transparency.

TCC carefully assesses the tax implications and associated risks of significant transactions and decisions and consult external professional tax and legal advisors as needed.

Board of Directors	The ultimate decision-making and oversight body for tax governance, responsible for approving tax governance policies and ensuring their effective implementation.
Finance Department of Corporate Headquarters	The tax management unit is responsible for overall tax planning and management. It reports the execution of tax management to the Board of Directors annually after the income tax filing is completed.
Accounting Departments of Subsidiaries	Responsible for tax filing and execution.

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1.2 Sustainability Management Framework

Decision-making and Supervision Process for Sustainable Development

TCC's Board of Directors oversees our sustainable development, monitoring its progress and governance structure. The Corporate Sustainable Development (CSD) Committee, reporting to the Board, meets at least twice yearly to drive, approve, and supervise sustainability initiatives.

The CSD Committee comprises six members, including the Chairman (Committee Convener), the President (also a TCC Director), and four other directors, with independent directors accounting for 50%. All members possess ESG expertise. Seven functional groups operate under the Committee, each composed of senior executives and personnel from relevant departments, assigned ESG-related tasks based on their departmental functions, extending to subsidiaries.

The Chief Sustainability Officer (CSO) coordinates and manages the sustainability projects of these functional groups, reporting regularly to the management team during the bi-weekly operational meetings chaired by the Chairman. Progress is consolidated and presented by the CSO or relevant business unit heads to the CSD Committee for review.

The Board of Directors confirms the Company's sustainable development and ESG management policies based on the resolutions of the CSD Committee, presented by the CSO or relevant business executives. The Board also oversees and tracks the management team's annual sustainable development implementation and the achievement of Sustainability Goals to strengthen the corporate structure. Furthermore, the Board evaluates the effectiveness of related strategies or reviews their progress through quarterly reports from the management team, which include sustainable development matters, and urges the management team to adjust when necessary.

Organizational Chart of the Corporate Sustainable Development Committee

BOARD OF DIRECTORS

The highest decision-making body in TCC's sustainable development

CORPORATE SUSTAINABLE DEVELOPMENT COMMITTEE

Responsible for the approval and supervision of sustainable development promotion

SUBCOMMITTEES

Responsible for sustainable projects and proposing key indicators and goals

OFFICE OF RESPONSIBILITY AND SUSTAINABILITY — CSO

FUNCTIONAL GROUPS

2025 Board Supervision of Sustainability Project Implementation Results

Related to material topics: Stakeholder Engagement & Just Transition | Disaster Risk Control | Biodiversity | Green Energy and Energy Storage Business | Low-Carbon Products and Services (Construction Methods) | AI Process & Information Management | Corporate Governance

Corporate Governance
- Updated internal regulations to incorporate the Climate Policy Communication Mechanism and Just Transition Principles.
- Battery plants adopted the Responsible Business Alliance (RBA) external audits.

Sustainable Environment
- Completed GHG inventories for 205 parent and subsidiary companies.
- Opened the Renewable Resource Recycling Center (RRRC), integrating circular economy, plant conservation, and the Nautilus Bibliotheca.

Biodiversity
- Ho-Ping EcoPort and Power Plant partnered with stakeholders to establish a patrol team for Little Tern conservation.
- Integrated AI satellite imagery and drone technology into mine rehabilitation planning.
- Yingde Plant launched the Solar Grazing project, creating a triple-win model for environment, economy, and society.

Sustainable Products and Manufacturing
- TCC's cement and concrete products obtained Type III Environmental Product Declaration (EPD) certifications.
- Guigang plant engaged major logistics providers to transition to electric heavy-duty trucks.
- CIMPOR implemented IoT sensors and AI monitoring.
- CIMPOR will commercialize 3D-printed building models in 2026.

Comprehensive Care (including Social Welfare)
- Published the inaugural Net-Zero Just Transition Report.
- Launched TCC's occupational incident reporting platform, integrating AI and drone identification, and linking safety performance to executive bonuses.

Green Energy
- Ho-Ping Power plans coal-fired unit retirement no later than 2040 to support Taiwan's grid stability.
- TCC Green Energy Corporation pioneers TAP certification support for all farmers within its fishery-solar hybrid project.

Sustainable Information Disclosure
- Aligned with IFRS S1 & S2 to build a risk and opportunity matrix; OYAK Cement proactively aligned with local regulations.
- Established a global ESG data platform integrating GHG, energy, and water resource metrics for all subsidiaries.

Sustainable Development Best Practice Principles For meeting minutes and other information, please visit the Investor Relation Section of TCC's Official Website.

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Management Succession Plan

In addition to professional skills, key management personnel must possess organizational leadership, communication and collaboration, business operation, innovative logic, and problem-solving capabilities. TCC plans training courses annually for management personnel, including the Chairman, President, managers, and mid-level supervisors, to enhance their professional knowledge and leadership skills.

Through project assignments, evaluations of mid-to-high-level executives, cross-business unit rotations, and expatriate experience, TCC gradually cultivates and establishes a complete talent pipeline. With a dual focus on long-term training in professional abilities and core competencies, TCC fosters strategic thinking, which, combined with annual performance evaluations, serves as the basis for the succession of key management personnel. TCC has also formulated a CEO succession plan to ensure the continuity of the company's strategy and operations. For more information, please visit the [TCC's official website](#).

Management Team Remuneration Policy

The remuneration policy for TCC's management team and managers is determined by the Board of Directors following review by the Remuneration Committee. The policy considers the Company's business strategy, operational and financial performance, individual performance, and market salary levels. Variable remuneration includes short-term incentives (quarterly and annual performance bonuses) and a long-term incentive through a treasury stock plan to support long-term business development. The CEO's variable remuneration is entirely granted in stock, vested in installments over a three-year period to the individual's stock account, strengthening the link to the Company's long-term performance.

Starting in 2025, TCC integrated Sustainable Development strategies and targets into the short- and long-term incentive compensation of senior executives to encourage a focus on long-term comprehensive performance and realize our vision of sustainable operations. Sustainable Development performance indicators will account for 40% of the overall performance assessment, directly impacting annual performance bonuses and long-term incentive awards. This aims to guide the management team to proactively fulfill ESG commitments while pursuing financial growth. Furthermore, the Chief Financial Officer, the head of procurement, and the procurement department will have a specific indicator, Control and Transformation of High Carbon Emission Purchased Goods and Services, accounting for 5% of their variable compensation, to reinforce requirements for suppliers to comply with climate-related regulations and gradually reduce the Scope 3 Emissions intensity of raw materials.

Remuneration Indicators and Material Sustainability Topics

	Performance Indicators	Corresponding to Material Sustainability Topics
CEO	**Financial Performance: 30%**	
	Return on Assets (ROA)	Operating Performance
	Return on Equity (ROE)	Disaster Risk Control
	Net profit after tax	
	Growth rate	
Management Team (including the CEO)	**Individual Performance: 30%**	
	Task performance and achievement rate	-
	Innovative AI Applications and Benefits Realized	AI Process & Information Management
	Regulatory compliance and risk prevention, assessing long-term risks	Corporate Governance
	Fostering talent, enhancing employee capabilities and qualities, and cultivating a global perspective.	Talent Cultivation & Development
	Sustainable Development: 40%	
	Green Product Innovation (10%) : Focusing on eco-friendly R&D to boost green revenue share.	Low-Carbon Products & Services (Construction Methods)
	Low-Carbon Manufacturing (10%) : Driving process energy efficiency and carbon reduction.	Climate Action and Net Zero Emissions
	Circular Economy (10%) : Enhancing resource recycling and circular utilization.	Resource Co-processing & Circular Economy
	Sustainable Procurement (5%) : Strengthening supply chain assessment and local sourcing.	-
	Occupational Health and Safety (OHS) & Strategic Initiatives: Targeting a zero-accident goal, and strategic projects covering Corporate Governance and Community Engagement. (5%)	Disaster Risk Control, Workplace Health & Safety, Corporate Governance, and Stakeholder Engagement & Just Transition

Related to risk management

Alignment with SDGs

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1.3 Risk Management Framework

Risk Management Organizational Structure

To enhance corporate governance and establish a robust risk management system, ensuring the sustainable operation of the Company and its subsidiaries, the Board of Directors serves as the highest decision-making body for risk management at TCC. The Board directly participates in and systematically manages risks. A functional Risk Management Committee has been established to assess the potential impact of various business operations on the Company's operations using qualitative or quantitative methods, and to mitigate potential risks to an acceptable level. International standard frameworks have been introduced to raise risk awareness among all employees, building an effective risk management mechanism and response capability.

TCC has established a three-lines-of-defense Risk Management system. The first line involves each department identifying and assessing risks that could impact business objectives. The second line is the cross-departmental Risk Management Working Group, which regularly discusses and coordinates risk management activities. The third line comprises the Board's Risk Management Committee, along with the Audit Office and the Legal Affairs and Compliance Manager, who provide regular oversight and improvement recommendations. The Risk Management Policy was be further revised in 2025 to require departments to integrate risk management measures into new product/service development and investment project evaluations.

For more information on risk management, including ISO 31000 and ISO 22301, please refer to the [Risk Governance Enhancing Operational Resilience]

Risk Management Committee

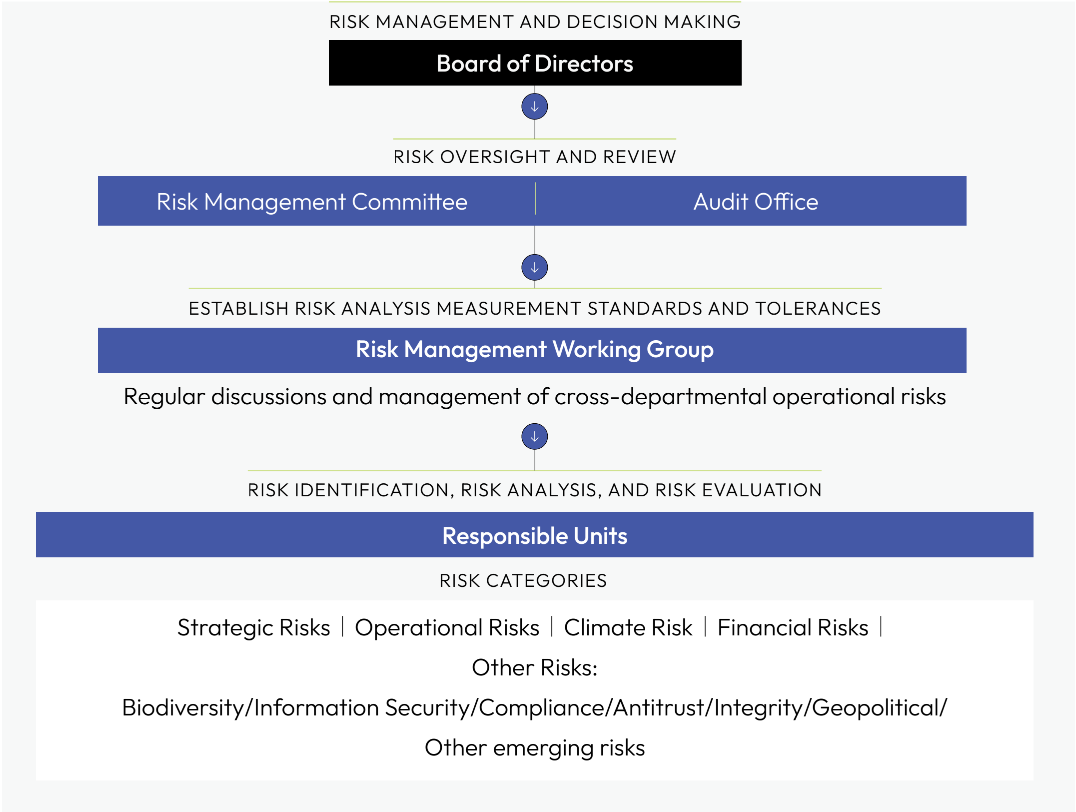
The Risk Management Committee reviews risk management implementation and response measures, regularly identifying operational risks, including approving risk appetite and levels, reviewing risk identification and analysis reports, and identifying physical and transition risks related to climate change. The Committee meets at least once annually (twice in 2025). Each department reports on status, reviews, and response strategies based on risk identification results, submitting these to the Board for oversight and tracking of the management team's risk management execution. To ensure operational effectiveness, internal risk management audits are carried out by the Risk Management Working Group, which regularly reviews risks aligned with ISO 31000 principles, frameworks, and processes.

TCC KEY FACTS

Employee risk awareness training

12,677.7 hours
13,431 person-times

| Global Operations



Risk Assessment Method

TCC identifies potential risks across its 11 industries, 20 core markets, and value chain that could impede objectives or cause losses. This process considers global risk trends, peer risk information, TCC's risk management policy, and SASB standards. Utilizing methods like process analysis, scenario analysis, and surveys, we integrate internal and external risk factors and stakeholder concerns through top-down and bottom-up approaches. Identified risks are analyzed for probability and impact, quantified, and modeled statistically to determine risk levels, rankings, and corresponding response strategies, forming the basis for subsequent risk assessment and mitigation.

Risk Management Policy

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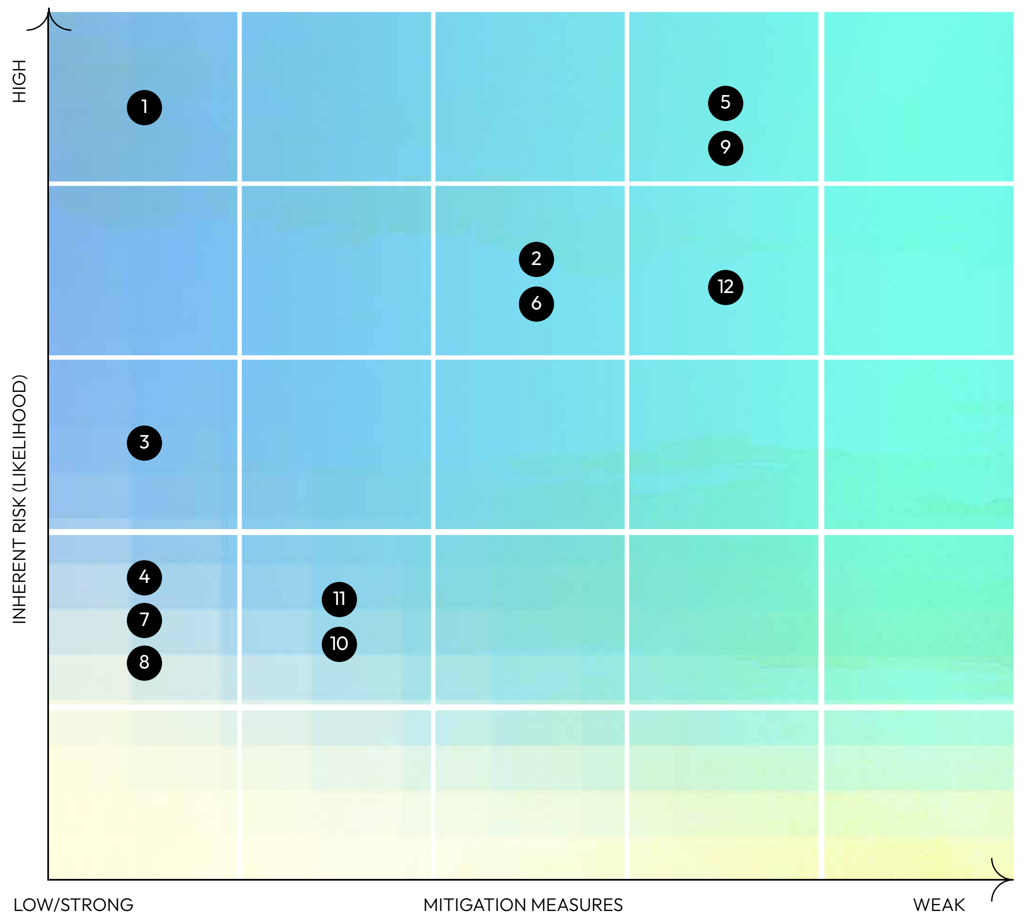
Establish a Scientific Risk Database Model
TCC has leveraged data analysis to enhance Risk Management. By integrating historical financial data with existing risk mitigation measures, we assess Residual Risk and prioritize risks based on their impact and likelihood. The assessment results are submitted to senior management for review to ensure alignment with operational decision-making and inform strategy development. To further strengthen Risk Management, executive compensation includes metrics for risk prevention, Long-Term Risk Assessment, and Occupational Health and Safety (OHS), as detailed in CH 1.2. Additionally, during the materiality assessment process, management analyzes the operational impact and risk implications of various sustainability topics, incorporating Stakeholder engagement feedback. The materiality matrix and its correlation with Risk Management are available on the ESG section of Investor Relation Section of TCC's Official Website.

2025 Risk Matrix



- 9 Fire Risk
- 5 Natural Disaster (Earthquake)
- 12 Geopolitical Risk
- 6 Fluctuation in Product and Raw Material (Energy) Prices
- 2 Poor Occupational Health and Safety Management
- 1 Industry Development and Competition - Mainland China Cement Market
- 11 Interest Rate/Exchange Rate Fluctuations
- 3 Insufficient Information Security Management
- 10 Support Intensity from Insurance and Financial Institutions for Investment and Financing
- 7 Integrity and Ethics-related Penalties
- 4 Losses Due to Ineffective Strategic Management
- 8 Carbon Trading/Carbon Fees/Carbon Tax for Total Carbon Emissions Control

Related to Material Sustainability Topics | by Materiality

TCC prioritizes the prevention and management of Fire Risk and Natural Disaster (Earthquake). We build a robust resilience management system through risk transfer, technical backup, and system upgrades.

Financial Risk Transfer |
Risk transfer through commercial insurance.

Business Continuity |
Implemented backup energy storage systems to ensure uninterrupted critical operations.

Strengthening Risk Management |
TCC aims to adopt ISO 31000 and ISO 22301 by 2026.

External Audit Standards |
Actively aligning with RBA to enhance supply chain and site safety inspections.

Dedicated Firefighting Capability |
Established an in-house fire brigade with professional firefighters.

For more information, please refer to TCC's IFRS Sustainability and Task Force on Climate-related Financial Disclosures (TCFD) S1 and S2 pilot versions (expected to be released in Q3 2026).

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Emerging Risks

TCC has identified two emerging risks: Global Economic Volatility Risk Due To Geopolitical Conflicts and AI Technology Advancement-Related Risks. These risks could significantly impact the Company's long-term development and stability. Early identification allows for proactive monitoring and mitigation measures to reduce potential impacts.

TCC 2025 Emerging Risks

	Global Economic Volatility Risk Due To Geopolitical Conflicts	AI Technology Advancement-Related Risks
Category	**Geopolitics**	**Technology**
Risk Factor Description	Rising geopolitical tensions exacerbate macroeconomic uncertainties. Factors such as volatile energy prices, constrained supply of critical raw materials, and supply chain adjustments may persistently impact corporate cost structures and operational stability.	The rapid evolution of AI technology presents both opportunities and challenges. McKinsey & Company research indicates that only 20-30% of companies effectively scale AI deployments, highlighting the urgent need for robust AI Governance and organizational readiness. Without proper model governance and cybersecurity controls, generative AI can become a target for malicious actors. Furthermore, inconsistent data quality can lead to biased outputs, impacting decision-making, operational processes, and introducing new risks to business operations.
Impact	1. Geopolitical conflicts can trigger international financial market volatility, leading to significant exchange rate fluctuations. For a group operating in multiple countries, including Türkiye, Portugal, and Africa, exchange rate volatility impacts foreign exchange gains and losses and the efficiency of capital allocation. Furthermore, high inflation and currency depreciation may increase local operating costs, affecting overall profitability. 2. Inflation driven by volatile international crude oil prices and transmitted through energy markets, indirectly impacts fuel costs for cement production, pressuring the Group's overall cost structure. 3. Disruption to key global shipping routes due to geopolitical conflicts could impact energy and raw material transport stability, increasing supply chain disruption risks.	1. Inadequate access control or insecure generation environments for AI systems handling large volumes of internal and external data can lead to data breaches, model manipulation, or hacking incidents. 2. Data bias or algorithm limitations may lead to incorrect information, affecting operational judgment. 3. The introduction of AI technology is transforming existing processes and job skill requirements. Failure to promptly upskill employees or adapt organizational workflows may lead to challenges in talent adaptation. 4. Rapid development of global AI regulatory frameworks (e.g., EU AI Act) may lead to additional compliance costs.
Mitigation Measures	1. TCC leverages cross-regional fund allocation and natural hedging mechanisms, aligning local income and expenditure currency configurations to mitigate exchange rate volatility and continuously optimize our financial Risk Management strategies. 2. Continuously increasing the proportion of alternative fuels and expanding the use of renewable energy to reduce reliance on fossil fuels, while optimizing procurement and cost control mechanisms to mitigate the impact of raw material price fluctuations. 3. Diversifying sources of key raw materials, assessing and establishing secondary suppliers, strengthening cross-regional supply chain coordination, and planning alternative transportation routes and diversified logistics to enhance overall supply chain resilience.	1. Issued an AI policy to guide the information security team. 2. TCC is developing a proprietary, closed-loop AI system for TCC by integrating mainstream AI models. This approach ensures data security while allowing us to train our own models to minimize bias in generated content. 3. TCC Lyceum introduced MIT AI lectures on demand, empowering employees to alleviate anxiety. 4. Launched All-Staff AI Action Year: AI Pilot Program, an internal AI application proposal competition, marking the start of a company-wide AI action year.

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Risk Education and Training

The Risk Management Committee conducts annual risk education and training for directors, mid-to-high-level management, and all employees. The 2025 curriculum, themed Deepening Risk Management - Building Corporate Operational Resilience, aims to enhance corporate resilience based on international standards, build market trust, and improve governance maturity.

The core of risk management has shifted from passive defense to strategic resilience building. We plan to require 100% of non-executive directors to undergo annual training. All employee courses include tests to ensure comprehension, and a 10% All-Employee Sustainability Action indicator, which includes managing or reducing corporate risks, is incorporated into annual performance evaluations to reinforce employee implementation of risk control.

ACTION SPOTLIGHT

CIMPOR & OYAK Cement Implement Sanction Trace to Manage Global Sanctions Risks

From 2017 to March 2025, the number of global sanctions targets surged by 445%, with over 82,000 individuals and entities sanctioned, making sanctions compliance a key governance issue for multinationals. CIMPOR & OYAK Cement operate across emerging markets in Europe and Africa, navigating diverse legal and regulatory landscapes. This necessitates diligent management of Client, supplier, and employee compliance, as well as adherence to port entry bans and international vessel sanctions lists. CIMPOR & OYAK Cement have established a Global International Sanctions Policy and implemented screening and due diligence procedures. In November 2025, We deployed the AI-powered Sanction Trace platform for real-time monitoring and systematic risk management.

Sanction Trace provides dashboards visualizing the number of entities and their risk profiles. It offers real-time detection and translation of news, equity and organizational changes, and sanction list updates, supporting multinational operations. Online questionnaires can be configured based on entity risk attributes for direct responses, accelerating sanction risk investigations. 225 cases were completed in November-December 2025. Integration with the SAP Ariba procurement system and the addition of personnel background and vessel check functions are planned for 2026 to enhance operational efficiency.

CIMPOR & OYAK Cement Awarded 2025 European Risk Management Association Innovation Prize

Risk Integration and Business Continuity Management Plan:

- **Top-down Supervision** | Establishment of a dedicated committee
- **FIZIX Tech Monitoring** | Integrating thousands of sensors for early anomaly detection and automated alerts
- **Learning from Experience** | Adopting ADIS Digital Alert System and Family Emergency Plan based on Türkiye Earthquake Response
- **Global Expansion** | Full implementation in Türkiye, ongoing optimization in Portugal, and expansion to African sites

CIMPOR's Risk Integration and Business Continuity Management Plan in Portugal and Türkiye has been recognized for innovation, strengthening internal controls and corporate resilience. In addition to the FERMA Award, CIMPOR and OYAK Cement prioritize transparency and trust in its operations, aligning its internal audit mechanisms with international standards, and has been honored with the Corporate Awareness Award by the Institute of Internal Auditing - Türkiye (TIDE).

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1.4 TCFD

2025 TCFD Report

Governance

Regarding the climate governance framework, the Board of Directors serves as the highest supervisory and decision-making body, integrating climate change-related risks and opportunities into environmental and operational decisions. The Board members possess diverse backgrounds in energy, environmental protection, the cement industry, mergers and acquisitions, and information technology. Their expertise covers business management, risk management, financial accounting, law, and ESG. Through continuous training, they strengthen their understanding of climate science, low-carbon transition pathways, and their financial impacts to enhance the quality of climate governance decisions.

Under the Board, TCC establishes the Corporate Sustainable Development (CSD) Committee and the Risk Management Committee as the core governance and execution framework for climate-related issues. The CSD Committee approves and supervises climate and low-carbon transition strategies, performance targets, and related implementation plans. It convenes at least twice a year and reports to the Board (convening four times in 2025), assisting the Board in grasping sustainable development directions and performance achievements to ensure alignment with the overall corporate strategy. The Risk Management Committee identifies, assesses, and manages various operational risks, including climate change, covering physical risks and transition risks, and leads the planning and promotion of related response measures. Through a systematized risk management mechanism and a tiered reporting framework, the Committee regularly reviews risk control effectiveness and reports to the Board at least once a year (averaging twice a year, convening twice in 2025) to ensure the effective execution and continuous optimization of risk management decisions.

TCC appoints the President as the highest executive responsible for climate-related risk management to promote related response strategies. Since 2023, TCC has established climate-related performance indicators and targets, continuously tracking their execution after Board approval and regularly reporting to the Board to strengthen the supervisory mechanism and performance management of climate governance. In addition, the Audit Committee oversees the effectiveness of internal controls for sustainability information, regularly reviews climate-related audit results, and adjusts systems as needed. The Remuneration Committee formulates and evaluates managers' sustainability and climate performance to determine compensation, ensuring alignment with corporate strategy. Facing rapid policy and market changes and high climate uncertainty, TCC systematically identifies and assesses climate-related risks and opportunities to grasp potential impacts, and accordingly plans six major climate action plans to continuously strengthen corporate resilience and low-carbon transition capabilities.

Climate-Related Risks and Opportunities Main Governance and Management Framework Responsibilities

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Risk Management | Climate-Related Risks and Opportunities Management Process

TCC has passed the Risk Management Policy and the Risk Management Committee Charter to construct a systematized risk governance framework. Through regular meetings, it reviews the implementation and effectiveness of climate actions to continuously grasp potential risk changes. Simultaneously, it integrates climate-related risks involved in operational activities into overall assessment and control to ensure they remain within an acceptable range, and refines related operational mechanisms to strengthen its response capabilities to climate change and external environmental uncertainties.

STEP 1 Risk and Opportunity Identification	STEP 2 Risk and Opportunity Analysis	STEP 3 Response and Adaptation	STEP 4 Management and Supervision
Building on previous climate risk and opportunity identification results, international scientific and technical reports, and industry trends in local operational regulations, TCC updates climate-related risk and opportunity issues. Based on the SASB standards applicable to individual industries involved in key operations and their disclosure topics, TCC is gradually identifying and incorporating climate-related risks and opportunities across various industries.	Hold cross-departmental workshops to understand the substantial impacts, timing, sources, and expected financial impacts of various risks and opportunities on TCC. Analyzed and evaluated questionnaire results, incorporating perspectives from external experts and senior executives to identify key risks and opportunities.	By linking climate policies, operational production, products and services, and external communications to existing climate mitigation and adaptation strategies, TCC developed and implemented six major climate action plans.	Regularly convenes meetings to track the progress of the six major climate actions addressing risks and opportunities, utilizing the carbon reduction management platform to track and manage cement plant carbon reduction performance. Finally, the Risk Management Committee submits climate-related risk metrics and targets tracking reports to the Board.
RESULT TCC listed 5 key climate-related risks and 5 climate-related opportunities based on TCFD classification.	RESULT TCC identified three major risks and three key opportunities based on IFRS S2 Climate Disclosure.	RESULT Six Major Climate Actions	RESULT Management Metrics of the Six Major Climate Actions and Performance of Various Non-Financial Metrics.

Definition of Time Horizons for Risks and Opportunities

Through identification and assessment, TCC deeply understands the climate-related risks and opportunities it faces, and identifies the time horizons over which each risk and opportunity is expected to impact TCC's outlook:

Period | Definition	Linkage to Strategic Decision-Making	Description
Short-Term **Within 2 years** (2026 to 2027)	Annual review and rolling adjustment of strategic initiatives planned for the upcoming 1–2 years.	TCC implements a rolling biennial review of key strategic items to ensure operational and sustainable transitions align with the rapidly changing environment. Facing intensifying environmental risks and policy challenges, we systematically review potential risks and opportunities by integrating expert advice, global research reports, and market observations to guide corporate strategy adjustments.
Medium-Term **Over 2 years to under 4 years** (2028 to 2029)	Aligned with the typical 4-year cycle for major strategic decisions; periodic reassessment and recalibration.	TCC's major decision-planning cycle averages 2 to 4 years, featuring regular reviews and rolling adjustments to align long-term strategies with external conditions. Facing climate risks and transition opportunities, we integrate expert opinions, research data, and international market trends to continuously evaluate the impacts of environmental changes on operations and the industry.
Long-Term **Over 5 years** (after 2030)	Strategies are expected to yield tangible results post-2030, while TCC's cement and concrete businesses are mapped toward net-zero by 2050 in alignment with policies across our operating locations.	TCC targets net-zero emissions for its cement and concrete businesses by 2050, formulating action plans aligned with Taiwan and Mainland China's net-zero pathways. These strategies are expected to show synergies post-2030, laying the foundation for long-term transition.

Alignment with SDGs

Identification and Assessment Methods for Climate-Related Risks and Opportunities

The Board of Directors is the highest risk decision-making body, identifying and analyzing risks across four dimensions—strategy, operations, climate, and finance—based on departmental scopes. Climate-related risks are integrated into the Enterprise Risk Management (ERM) framework. For risk assessment, the working group defines the risk appetite and formulates risk management strategies to ensure financial resilience. Climate-related risk assessments cover current and emerging regulations, legal, technology, market, and reputation risks, as well as acute and chronic physical risks, evaluated over short, medium, and long-term timeframes.

When identifying and assessing climate-related risks and opportunities, TCC uses differentiated climate scenarios to enhance analytical completeness and foresight. For physical risks, the SSP5-8.5 high emissions scenario is adopted to evaluate potential impacts of extreme weather on operations and assets under intensifying climate change. For transition risks and climate-related opportunities, the Net Zero Emissions by 2050 (NZE) scenario by the International Energy Agency (IEA) is used to reflect challenges and opportunities from rapid policy tightening and accelerated market and technology transitions. These representative scenarios enable TCC to systematically identify and quantitatively assess risks and opportunities, grasping the potential impacts of different climate pathways on corporate strategy, operational models, and financial performance as a key basis for strengthening climate resilience and strategic planning.

Business Scope Identified and Assessed	Cement and Environmental Protection Business (Europe-Africa), Cement and Energy Storage (Europe-Africa), Cement and Environmental Protection Business (Asia), Asset Management Business, Charging and Storage Business (Europe), Charging and Storage Business (Asia), Battery Energy Business, Energy for Social Transformation Business, Investment Business

Scenario Setting	
Climate-Related Physical Risk	SSP5-8.5
Climate-Related Transition Risk	NZE 2050
Climate-Related Opportunity	NZE 2050

Analysis of Climate-Related Risks and Opportunities

Short, Medium, and Long Term Climate-Related Risks and Opportunities

Facing climate change and net-zero transition impacts, TCC integrated climate risks into its overall Risk Management Policy and systematically assessed climate-related risks and opportunities in 2025 based on international frameworks. The scope covers nine major business groups—including Cement and Environmental Protection, Charging and Storage Energy, Battery Energy, and Asset Management—extending across Türkiye, Europe, West Africa, the United States, and Australia. Adhering to SASB standards and international norms, the analysis accounted for cross-regional and cross-industry operational characteristics, focusing on compliance, product resilience, and competitiveness. The assessment identified three major risks—financial institutions' ESG support intensity (R1), extreme precipitation events (R2), and carbon pricing/taxes (R3)—and three key opportunities: low-carbon products/services (O1), smart low-carbon production/waste co-processing (O2), and attracting long-term investments (O3). For more information, please refer to TCC 2025 TCFD REPORT.

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The Climate-related Risks and Opportunities Identified by TCC in Accordance with TCFD and IFRS S2 Climate Disclosure

Climate-Related Risk

Transition Risk		Physical Risk	
R1	Support Intensity from Financial Institutions in Investment, Financing, and Insurance	R2	Frequency and intensity of extreme precipitation events
R3	Carbon trading/carbon fees/carbon tax for total carbon emissions control	R5	Water Scarcity
R4	Low-carbon technologies, equipment, and management performance being ineffective		

Climate-Related Opportunity

O1	Expand Markets for Low-Carbon Products and Services	O4	Construction and Development of New Energy Projects
O2	Smart Low-Carbon Production and Co-Processing of Waste	O5	Participate in Power Trading Markets
O3	Attract Long-Term Investor Interest		

Strategy

TCC identifies climate-related risks and opportunities with high impact and likelihood, evaluates whether current measures and strategies are sufficient to respond, and reviews TCC's resilience under different climate-related risks and opportunities. Through this process, TCC simultaneously analyzes the impact of the aforementioned risks and opportunities on its current financial position, serving as a decision-making basis for strengthening risk management and resource allocation.

Climate-Related Risk

	R1 Support Intensity of Financial Institutions' Investment, Financing, and Insurance	R2 Frequency and Intensity of Extreme Precipitation Events	R3 Carbon Trading/Carbon Fees/ Carbon Tax for Total Carbon Emissions Control
Risk Type	Transition Risk | Market Risk	Physical Risk | Acute	Transition Risk | Policy and Legal Risk
Risk Description	**Cement and Environmental Protection Business** As a high-carbon sector, failing to plan a low-carbon transition will severely lower financial institutions' engagement, decreasing investor interest and creating financing/insurance difficulties. Additionally, since TCC issues green financial products linked to carbon reduction, missing decarbonization targets will increase financing costs. **Energy for Social Transformation Business** Under the global coal phase-out trend, financial institutions ceasing coal-fired plant financing, insurers refusing coal project coverage, and declining investor interest will significantly impact organizational operations.	**Cement and Environmental Protection Business** Business interruptions or damage to owned equipment at cement and concrete operating sites cause decreased revenue or increased operating costs. The occurrence of heavy rain and wind disasters may cause fluctuations in raw material quality and interruptions in raw material supply, and may also affect product transportation, causing delivery delays or inability to ship, leading to operational impacts.	**Cement and Environmental Protection Business** Failing to reduce greenhouse gases under carbon fee mechanisms will increase operating costs. Furthermore, unfair competition arises if a country lacks carbon border taxes while imports bypass carbon costs. Conversely, the EU's Carbon Border Adjustment Mechanism (CBAM) increases import carbon costs, while the EU Emissions Trading System (EU ETS) reduces annual free allowances, exposing EU-based plants to rising carbon cost risks. **Energy for Social Transformation Business** Without strategic greenhouse gas reduction, TCC will face carbon control regulations like carbon fees, raising operating costs. Failure to fully pass on these costs will trigger profit decline risks.

Climate-Related Risk	R1 Support Intensity of Financial Institutions' Investment, Financing, and Insurance	R2 Frequency and Intensity of Extreme Precipitation Events	R3 Carbon Trading/Carbon Fees/ Carbon Tax for Total Carbon Emissions Control
Reasonably Expected Timeframes of Occurrence	Short- to medium- and long-term	Short- to medium- and long-term	Short- to medium- and long-term
Impacted Business Models and Value Chains	**Business Models** Financing activities and insurance	**Business Models** Cement production and power generation **Value Chains** Upstream raw material supply; downstream product transportation	**Business Models** Cement production and power generation **Value Chains** Downstream construction industry, ready-mixed concrete operators, and other clients; downstream power clients
Strategies and Decision-Making	▪ Continues to engage with financial institutions and respond to international sustainability ratings ▪ Aligns with IFRS Sustainability Disclosure Standards ▪ Issues green finance instruments to attract investors ▪ Plans the decommissioning of Ho-Ping Power Plant by 2040	▪ Constructed detention basins and installed 2-meter earth berms on quarry slopes to mitigate flood impacts. ▪ All RMC plants have emergency response procedures; cement plants have formulated typhoon and flood response plans. ▪ Established flood control teams at plants for regular drills and enhanced inspections. ▪ Insured all critical high-risk equipment against natural disasters.	▪ Execution strategies include alternative clinker, alternative raw materials, alternative fuels, process improvements, waste heat recovery (WHR) power generation, renewable energy, carbon capture, and carbon sinks. ▪ Promotes internal carbon pricing within the cement business.
Corresponding to Six Major Climate Action Plans	Low-Carbon Circular Production Industry-Leading Low-Carbon Construction Materials Low-Carbon and Negative Carbon Technology Innovation Smart New Energy Business	Climate and Natural Disaster Adaptation	Low-Carbon Circular Production Low-Carbon and Negative Carbon Technology Innovation Low-Carbon Supply Chain
Response Cost Estimation	Approximately NT$5.38 billion	Approximately NT$91 million	Approximately NT$10.246 billion

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Climate-Related Opportunity			
	O1 Low-Carbon Products and Services Expand Markets	O2 Smart Low-Carbon Production and Co-Processing of Waste	O3 Attract Investors' Long-Term Investment Willingness
Opportunity Type	**Products and Services**	**Resilience**	**Markets**
Opportunity Description	**Cement and Environmental Protection Business** Growing global demand for low-carbon materials drives TCC to develop low-carbon products via alternative raw materials/fuels, process improvements, and energy-saving technologies to boost competitiveness and profits. Promoting new products globally, including Ultra-High Performance Concrete (UHPC), combined with regulations and carbon pricing, heightens clients' carbon reduction awareness and stimulates market demand.	**Cement and Environmental Protection Business** Government climate regulations and carbon fee incentives reward early low-carbon transitions, granting competitive advantages to advanced operators. TCC Group leads in deploying alternative raw materials/fuels and AI smart manufacturing to enhance energy efficiency and reduce costs. Simultaneously, the Group cuts coal usage through waste co-processing, generating carbon reduction benefits and revenues while strengthening overall carbon competitiveness.	**Cement and Environmental Protection Business** TCC launches low-carbon products. As an industry leader in responsible production, TCC actively demonstrates its philosophy to institutional investors, media, and product capacity, conveying that TCC has transformed from a sales tonnage-oriented raw material supplier into a high-quality building materials brand.
Reasonably Expected Time Horizon of Occurrence	Short- to medium- and long-term	Short- to medium- and long-term	Short- to medium- and long-term
Affected Business Models and Value Chain	**Business Model** Sales of low-carbon products and services **Value Chain** Downstream construction industry, ready-mixed concrete operators, and charging service clients	**Business Model** Cement production	**Business Model** Cement production and sales of low-carbon products and services
Strategy and Decision-Making	▪ Actively develop low-carbon cement and concrete, and UHPC and other low-carbon products ▪ Low-Carbon Circular Production	▪ Introduce AI for efficient production ▪ Cement kiln co-processing of municipal solid waste and hazardous waste	▪ Develop Total Climate series low-carbon products and UHPC series products ▪ Raise funds through international capital markets and obtain diverse and flexible financing channels, such as international investment-grade credit ratings, to increase long-term investors
Corresponding to Six Major Climate Action Plans	Low-Carbon Circular Production Industry-Leading Low-Carbon Construction Materials Low-Carbon Supply Chain	Low-Carbon Circular Production	Low-Carbon Circular Production Industry-Leading Low-Carbon Construction Materials Low-Carbon and Negative Carbon Technology Innovation
Response Cost	Approximately NT$138 million	Approximately NT$12 million	Approximately NT$6 million

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Scenario Analysis

TCC identified transition risk and physical risk among its top three climate-related risks. To further analyze the financial impact and duration of these risks, TCC selected, "frequency and intensity of extreme precipitation events R2", and "carbon trading/carbon fees/carbon tax for total carbon emissions control R3", for future scenario analysis. This process analyzes potential financial impacts on TCC under various global warming scenarios and policy environments, incorporating results into future resilience strategies to achieve net zero targets.

Risk Type	Scenario Description	Key Parameters	Impact Content	Estimated Temperature Rise	Scenario Source
TRANSITION RISKS	**STEPS** Existing climate change measures and specific policies formulated by governments	Changes in trading prices across different regions[8]	Additional expenses over 5–10 years caused by carbon fees or carbon trading	2.4˚C	**IEA**[9]
	APS Incorporates the latest climate commitments of various countries, including NDCs and long-term net zero targets			1.7˚C	
	NZE 2050 The global energy sector achieves net zero greenhouse gas emissions by 2050			1.5˚C	
PHYSICAL RISKS	**SSP1-2.6** The low emissions scenario refers to the world attempting to achieve sustainability targets but with slow progress	Precipitation changes caused by climate extremes	Business interruption and asset impairment caused by flooding	1.8˚C	**IPCC**
	SSP5-8.5 Extremely high emissions refer to ultra-high emissions caused by the massive use of fossil fuels globally without climate policies			4.4˚C	

Note 8: Referenced from IEA WEO 2025, Carbon Fee Regulations (2025), and Options for Carbon Pricing in Taiwan (2020).
Note 9: Cited from the IEA World Energy Outlook 2025 (WEO).

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Transition Risk | Analysis of Domestic and International Carbon-Related Regulations and Resulting Carbon Pricing Impact

The carbon-intensive cement industry requires close monitoring of greenhouse gas regulations across operating sites. Following Taiwan's 2024 Carbon Fee Charging Regulations, TCC will pay carbon fees in 2026 based on 2025 emissions. Currently, the Ho-Ping and Su'ao plants have secured "Preferential Rate A" and high carbon leakage risk status via approved voluntary reduction plans, achieving a first-year rate of NT$10 per ton to significantly lower costs. Concurrently, Mainland China included cement in its national carbon emissions trading market in 2025, deploying a phased approach: an initial implementation phase (2024–2026) focusing on data quality and free intensity-controlled allocations, followed by a deepening phase (from 2027) to tighten quotas and enhance market constraints.

In 2025, TCC expanded its global footprint and European low-carbon technology integration by increasing its shareholdings in Türkiye's OYAK Cement to 60% and Portugal's CIMPOR to 100%.

CIMPOR's African plants use over 90% biomass fuel and operate the world's first large-scale calcined clay cement base, reducing carbon emissions by at least 40%. These acquisitions strengthen carbon competitiveness against global carbon pricing and CBAM pressures, mitigating future financial impacts. To quantify these impacts, TCC simulated future emissions under BAU and company target scenarios, utilizing the IEA's STEPS, APS, and NZE 2050 scenarios to calculate the financial implications of carbon fees and trading across all operational sites.

Analysis of Sites	Main Consideration Parameters	Scenarios	Results
Taiwan, Mainland China, and CIMPOR Cement Production Sites Ho-Ping Power Plant	Production volume of cementitious materials Clinker production volume Taiwan Energy Transition Planning	IEA STEPS Carbon Price Under Stated Policies Scenario	Carbon Fee Carbon Trading Financial Impact Results[10]
	Energy Consumption Preferential Rate Taiwan Carbon Leakage Risk Coefficient	IEA APS Carbon Price Under Announced Pledges Scenario	
	Carbon Price in Taiwan and Mainland China EU ETS	IEA NZE 2050 Carbon Price Under Net Zero Emissions Scenario	

Note 10: Financial impact refers to the variance compared to a baseline scenario where no carbon reduction measures are taken.

Analysis shows that under any climate transition scenario, TCC's sites face higher carbon costs without transition actions than they would under the established emission reduction targets. The NZE scenario requires higher carbon costs compared to the STEPS and APS scenarios.

Following TCC's decarbonization pathway, achieving internal targets at domestic and international sites will reduce expenditures on carbon fees and the purchase of carbon credits. Detailed scenario analysis information will be disclosed in TCC's 2025 TCFD Report.

Regardless of the location, a lack of carbon reduction management will result in significant future financial impacts. Consequently, TCC has actively formulated decarbonization targets and continues to advance toward net zero emissions through its carbon reduction strategies, aiming to effectively mitigate the risk of rising operational costs driven by regulatory carbon pricing.

Physical Risk | Frequency and Intensity of Extreme Precipitation Events

TCC analyzes its operational sites in Taiwan and Mainland China by referencing physical risk databases—including national meteorological observations, IPCC SSP1-2.6 low emissions and SSP5-8.5 high emissions scenarios, and disaster risks—to quantify the likelihood and impact of physical risks. For CIMPOR and OYAK Cement sites, the World Resources Institute (WRI) Aqueduct Global Flood Analyzer is used to assess flood risks caused by extreme precipitation events under different scenarios in 2030 and 2050. The relevant physical risk analysis results will be disclosed in the Company's 2025 TCFD report. To mitigate potential disaster damage and operational risks, TCC will regularly conduct flood disaster simulations for the sites to enhance adaptation measures at its plants.

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Metrics and Targets

Climate-Related Management Metrics

TCC makes climate commitments based on the strictest scientific standards, formulating a comprehensive carbon reduction strategy with the net zero by 2050 target, concrete carbon neutrality target, and the 2025 Science Based Targets (SBT) as the decarbonization pathway. In addition, by expanding the development of the renewable energy business, TCC provides various renewable energy solutions for national energy, cities, enterprises, and electric vehicle consumers, serving as a driving force for the overall society towards the energy transition. Therefore, TCC regularly convenes meetings to track the progress of the six major climate actions for responding to climate-related risks and opportunities, and links decarbonization targets with the annual performance appraisal and remuneration system. For details, please refer to the description in Sustainability Goals and Tracking.

Internal Carbon Pricing and Internal Carbon Trading

In response to the official implementation of the EU Carbon Border Adjustment Mechanism (CBAM) and Taiwan's carbon fee collection starting in 2026, TCC introduced an internal carbon pricing (ICP) system within the Cement and Environmental Protection Business. Through cost-benefit analyses, this system proactively reflects the potential impacts of carbon costs on operations, investments, and financial performance. As a pivotal tool for TCC's low-carbon transition, ICP integrates carbon costs and reduction benefits into capital expenditure evaluations, process improvements, and operational decisions, thereby enhancing climate risk management and investment quality.

Beyond factoring ICP into capital expenditure analyses, TCC continues to refine its carbon management. Modeled after carbon trading markets, an internal carbon trading platform was launched in 2024 to trial emission allowance allocations and reduction metrics across cement plants in Taiwan and Mainland China. These results guide internal performance management and track carbon reduction progress, fostering carbon awareness and mitigation incentives at each site. Furthermore, TCC established the Global Carbon Trading Office in February 2026 to centralize the Group's carbon asset management and trading strategies, optimizing global asset allocation and accelerating the low-carbon transition. For more information, please refer to CH 4.2.

	Taiwan	Mainland China	Europe
Scope	Scope 1 + Scope 2 of 100% Cement and Environmental Protection Business (Asia) (including cement plants, RMC plants, and grinding stations)		Scope 1 of cement plants of Cement and Environmental Protection Business (Europe-Africa)
Pricing Type	Shadow Price		Implicit Price
Pricing Method	Based on the rate recommendation proposed by the 5th Carbon Fee Review Committee in 2024, assuming the carbon fee is adjusted every 2 years	Referencing the carbon price trend revealed in the Stated Policies Scenario for Mainland China in the "World Energy Outlook 2024"	Based on multiple forecasts from CEMBUREAU, IEA, and Bloomberg New Energy Finance (BNEF)
Carbon Pricing	2025 - 2026: NT$500/t$CO_2$e	2025: RMB 105/tCO_2e 2026: RMB 154/tCO_2e	2030: EUR 150/tCO_2e
	Adjusted biennially, gradually increasing to NT$1,800/t$CO_2$e by 2030	Gradually increasing to RMB 328/tCO_2e by 2040	

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1.5 Ethical Management

Zero Tolerance for Bribery and Corruption

TCC upholds business ethics, regulatory compliance, and integrity. TCC Operation Headquarters adopted the ISO 37001 Anti-Bribery Management System, integrating anti-corruption into Board oversight, with annual reporting to the Audit Committee and the Board. TCC established relevant responsible units across TCC Operation Headquarters and the Cement and Environmental Protection Business (Europe-Africa) following ISO 37001, led by local management to ensure top-down implementation of Ethical Management policies.

The Legal and Compliance Department acts as executive secretary for headquarters' "Anti-Corruption and Anti-Bribery Promotion Team," coordinating across business groups while unit heads manage daily risks. To foster a compliance culture, TCC ties anti-bribery to performance appraisals.

Corruption and Bribery Risk Assessment and Due Diligence.
TCC conducts annual corruption risk assessments, gradually implementing electronic risk assessment procedures to enhance efficiency. In accordance with the “Business Partner Corruption Risk Assessment and Due Diligence Procedures”, due diligence is performed on suppliers, contractors, and clients. Response and management measures are established for those who fail to cooperate with assessments or due diligence, ensuring overall operations comply with anti-corruption and legal requirements. Considering the nature of daily operations at departments and plants, the scope of corruption risk assessment prioritizes the TCC Operation Headquarters, the parent plant of Taiwan's RMC plants, Cement and Environmental Protection Business (Europe-Africa)[11], and Charging and Storage Business (Europe).

TCC KEY FACTS

Obtained

ISO 37001
| TCC Operations Headquarters & Cement and Environmental Protection Business (Europe-Africa)

ISO 37301
| Cement and Environmental Protection Business (Europe-Africa)

Signing Rate 100%

Integrity Code (medium & high-risk personnel)
Statement of Integrity & Ethical Conduct (employees)

Global Operations (Fuzhou grinding station, Liaoning and Longshan Cement Plants in progress)

Ethical Corporate Management Best Practice Principles
Anti-corruption and Anti-bribery Policy
Reporting Mechanism for Violation of Code of Conduct
Personal Data Protection and Management Policy

Note 11: Cement and Environmental Protection Business (Europe-Africa) implements a global compliance program covering all subsidiaries of CIMPOR and OYAK Cement.

Corruption Risk Assessment Process

1. Identify Stakeholder Concerns to Ensure Responsive Management Mechanisms.
2. Identify risk scenarios involving potential corruption or undue benefits within each business process.
3. Conduct impact assessments based on the likelihood and potential impact of each risk event.
4. Review the effectiveness and implementation of existing control mechanisms.
5. Assess residual risk levels by integrating risk impact and control strength, providing a basis for subsequent Risk Management and improvement measures.
6. Measures are implemented based on residual risk levels. Upon completion of risk assessments and response plans, each department’s proposal is reviewed by its promotion team members, compiled by the Legal and Compliance Department, approved by the Chairman, and reported to the Audit Committee.

High-risk process	Develop improvement plans or strengthen existing controls immediately.
Medium-risk process	Relevant responsible units are required to review the completeness and appropriateness of current control mechanisms and propose specific review and improvement plans.
Low-risk process	Ongoing monitoring and management through established daily procedures.

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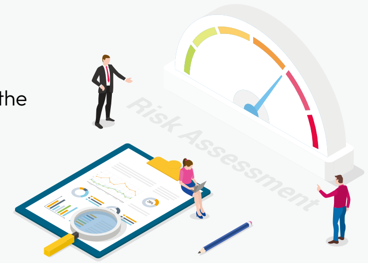
Corruption Risk Assessment Process

<table>
<tr><th></th><th>BUSINESS PARTNERS</th><th>EMPLOYEES</th></tr>
<tr><td>Execution Frequency</td><td>■ Qualified new supplier onboarding
■ Annual review after cooperation
(annual assessment for key suppliers in Taiwan)</td><td>At least annually</td></tr>
<tr><td>Risk Assessment Process</td><td>STEP 1
Conduct a corruption and bribery risk assessment based on six major aspects.
<table>
<tr><td>High-risk areas</td><td>High-risk partners</td></tr>
<tr><td>High-risk business arrangements</td><td>High-risk significant value activities</td></tr>
<tr><td>Reputational incidents</td><td>Policies and procedures</td></tr>
</table>
STEP 2
Due diligence on corruption and bribery risks is conducted based on assessment results.
<table>
<tr><th>Low-risk entities</th><th>High-risk entities</th></tr>
<tr><td>Basic due diligence procedures</td><td>Enhanced due diligence procedures</td></tr>
</table></td><td>STEP 1
Identify and analyze corruption and bribery risks based on departmental responsibilities and employee levels.
STEP 2
The overall risk level is determined by aggregating the results of departmental and job-level risk assessments.

</td></tr>
<tr><td>Risk Response and Treatment</td><td>■ Inclusion of an integrity commitment statement in standard contract terms for all suppliers.
■ No transactions with high-risk suppliers in principle; exceptions require justification of necessity.
■ Requirement for business partners to sign the "Supplier Code of Conduct," committing to anti-corruption and anti-bribery policies.</td><td>■ All employees must complete due diligence procedures before being hired or assuming their roles and sign the Statement of Integrity and Ethical Conduct.
■ Employees of departments assessed as medium-high risk sign the Statement of Integrity and Ethical Conduct and Integrity Code at least once a year.
■ Linking compliance with anti-corruption and anti-bribery systems to employee performance incorporating it into annual performance evaluations.</td></tr>
</table>

Note 12: The frequency of risk assessments is adjusted for certain sites based on their operational scale and business characteristics. For example, Cement and Environmental Protection Business (Europe-Africa) conducts assessments every three years. The assessment frequency is increased for high-risk business partners. New business partners are required to complete a Compliance Investigation Questionnaire to strengthen front-end review mechanisms.

Confirmed Corruption Incidents and Actions Taken

In 2025, TCC Green Energy Corporation experienced one corruption incident. An employee violated the Ethical Management Code and work rules during a solar project's development and procurement, committing a material breach that severely damaged the company's image. TCC has taken the following actions:

Internal Investigation:
TCC immediately reviewed operational processes to identify risks across requisition, specification review, and order placement stages. Relevant personnel were interviewed, and suspension measures were implemented to ensure an undisturbed investigation.

Dismissal and Legal Action:
Pursuant to integrity clauses, work rules, and Labor Standards Act Article 12-1-4, the employee was dismissed. TCC proactively filed lawsuits to pursue legal liability, while collaborating with legal teams to assess supplier breaches, safeguarding reputation and the basis for property damage claims.

Supply Chain Governance:
Based on investigation findings and legal proceedings, TCC reviewed its new energy business models and strengthened oversight. This covers procurement specification formulation, technical reviews, supplier management, and internal audits to prevent recurrence.

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Integrity and Ethics Training

TCC's ethical management training encompasses directors, employees, new hires, interns, and business partners across our global operations. TCC Operation Headquarters conducts online training for Taiwan and Mainland China locations (across Business Groups) based on the ISO 37001 framework, covering interactions with public officials, hospitality and gift guidelines, and corruption identification. In line with the CSRD and ESRS, Cement and Environmental Protection Business (Europe-Africa) promotes ethics and integrity training. CIMPOR offers additional courses for 100% of high-risk personnel to reinforce understanding and implementation of ethical principles, utilizing diverse materials like 5-minute learning videos, podcasts, and monthly reports to raise awareness among all colleagues. Furthermore, Cement and Environmental Protection Business (Asia) extended these efforts to suppliers and contractors in 2025, promoting anti-corruption and anti-bribery at industry chain conferences and gradually expanding training to various supplier categories.

TARGET AUDIENCE	**Current Employees** (Including Senior Management, Part-Time Staff, and Interns)
TRAINING CONTENT	All employees receive annual anti-corruption and anti-bribery training, with records maintained. Personnel involved in departmental risk assessment, receive advanced or specialized courses to enhance their professional judgment.

TARGET AUDIENCE	**Suppliers**
TRAINING CONTENT	TCC communicates its our ethical management principles through channels such as email notifications and supplier meetings. TCC requires all suppliers to sign the Supplier Code of Conduct to strengthen supply chain management.

Data Protection and Related Training

TCC prioritizes Data Protection and Privacy Management. The Personal Data Protection and Management Policy outlines mechanisms for data management, security, record-keeping, continuous improvement, and post-business termination data handling. It includes emergency response, notification, and preventive measures against data theft, alteration, damage, or leakage. We implement a data risk assessment mechanism and a zero-tolerance management principle. The policy applies to employees, clients, suppliers, and other third-party personnel. TCC conducts ongoing training to enhance employees' legal compliance awareness and practical skills in Data Protection.

TCC KEY FACTS

Ethical Management Training

Employee
2,025 person-times
1,221 hours

Supplier Engagement
213 person-times
812 hours

Global Operations

Data Protection and Related Training
1,058 person-times
712.85 hours

Global Operations

Significant Penalties

In 2025, TCC's global operations incurred a total of 18 major penalties, with fines totaling NT$35,395,563. TCC has implemented necessary corrective actions and enhanced training regarding these violations. For detailed information, please refer to the material information announcements and the Investor Relation Section of TCC's Official Website.

Penalty Type	Violations of environmental Regulations and Ethical Management Principles
Number of Case	18 (Taiwan: 3, Mainland China: 1, Türkiye: 11, Cameroon: 3)
Case Summary	1 violation of Occupational Health and Safety (OHS) regulations
	4 violations of tax regulations
	1 violation of administrative regulations
	12 violations of environmental regulations
Response Measure	Strengthen environmental and occupational safety inspections; enhance administrative and tax management, including preserving relevant tax documentation; and intensify environmental protection and safety training to mitigate pollution risks and ensure regulatory compliance.

Note 13: Significant penalties are defined as single penalties exceeding USD 10,000.

Alignment with SDGs

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Prohibition of Unfair Competition

TCC upholds fair market competition as a core ethical commitment, prohibiting any anti-competitive practices such as monopolies or market allocation that violate fair trade laws. For more details, please visit the Investor Relation Section of TCC's Official Website.

Dedicated Unit	Process		
The Legal and Compliance Department oversees the Company's adherence to competition laws and related procedures.	Investigations by competent authorities shall be promptly reported to the direct and highest-level supervisors of the involved unit, as well as the Legal and Compliance Department.	The Legal and Compliance Department reported the matter to management and sought legal counsel.	Any violations by suppliers or business partners shall be reported to the Legal and Compliance Department, and full cooperation shall be provided to the competent authorities during investigations.

Regulatory Framework

Employees shall adhere to the Ethical Management Code, Fair Trade, and Antitrust Compliance Guidelines.

Training and Education

Senior executives, managers, and relevant personnel are required to undergo regular fair trade training.

Remain Vigilant

In daily operations, avoid discussing sensitive information with competitors and decline invitations to social events where such information may be shared. Remain vigilant regarding competitors' discussions of such topics.

Whistleblower Protection and Reporting Mechanisms

TCC has established the Reporting Mechanism for Violation of Code of Conduct Reporting to encourage internal and external individuals to report misconduct via email, written submissions, or in-person reports. While anonymous reporting is permitted, complete information and supporting documents are required to prevent malicious accusations.

TCC keeps whistleblower identities and report contents confidential, promising protection from retaliation. Reports involving senior management can go directly to the Audit Committee. This mechanism is promoted through ethical management training, ensuring employees and external stakeholders are familiar with the system.

Upon receipt, the Audit Office registers the case within five working days to decide on acceptance. Once accepted, an investigation team is formed with appropriate personnel to ascertain facts. Findings and recommendations are then reported to the President and Chairman (directly to the Chairman if involving the President). If substantiated, the Audit Office reviews internal controls with relevant units, proposing corrective actions and reporting regularly to the Audit Committee to prevent recurrence.

Taiwan and Mainland China (Cross-Business Group)

Whistleblowing email:
mp.buster@taiwancement.com
Ethical management reporting channel for senior management issue email:
tccwhistle@taiwancement.com

Note 14: For overseas grievance channels, please refer to the Sustainability Report or official website of each subsidiary.

SpeakUp

Cement and Environmental Protection Business (Europe-Africa) fully implement a multilingual, 24/7, and andanonymous reporting service in 2025. Access to information received is controlled by the third party based on the need-to-know principle, ensuring whistleblower anonymity and data confidentiality. Information is de-identified before confirmation with the internal legal compliance department. In 2025, 273 reports were received. All cases were received and tracked by Group Director of Internal Audit, Risk, and Compliance and Investment Review, and overseen by the Compliance department to enforce the zero-retaliation policy, with an average case closure time of 2.5 days.

Alignment with SDGs

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Audit and Internal Control Management Systems

TCC has established a global internal audit mechanism across its business entities. Dedicated audit teams are in place at both the TCC Operation Headquarters and the European Operation Headquarters, responsible for auditing the business groups in Taiwan and Mainland China, and the Cement and Environmental Protection Business (Europe-Africa) and Charging and Storage Business (Europe), respectively. The Audit Office at the Operation Headquarters reports directly to TCC's Board of Directors, consolidating and reporting key audit events and findings from global locations to the Audit Committee quarterly.

TCC continuously provides training to enhance auditors' professional knowledge of ESG regulations and internal control mechanisms. In 2025, the total training hours for auditors reached 108, covering risk-oriented internal audit methodologies, interpreting operations from IFRS financial statements, internal audit practices for sustainability information management, and conducting audits in response to corporate governance trends. Future training will emphasize the use of AI to improve audit efficiency and will continue to include audit courses related to IFRS Sustainability Disclosure Standards.

Establish Audit Plan
- The annual audit plan is developed based on the results of risk assessments and is formally approved by the BOD.
- Data analytics and AI systems are utilized to support audit activities.

Submit Audit Reports
- Audit activities are conducted in accordance with the annual audit plan.
- Relevant reports on audit findings are completed and submitted to independent directors for review.

Follow-up on Audit Findings
- Audited units are required to implement corrective actions within a specified timeframe regarding audit findings.
- Follow-up reports on the improvement of audit findings are submitted to independent directors for review.

TCC KEY FACTS

TCC Audit Personnel

29.4% of hold CPA licenses

47.1% of personnel hold audit-related certifications, including Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Financial Services Auditor (CFSA), or Certified Information Systems Auditor (CISA)

| Global Operations

Integrating Sustainability Information into the Internal Control Cycle

TCC has established a robust Internal Control system, adhering to the FSC's Guidelines for the Establishment of Internal Control Systems by Public Companies. The Board of Directors approved the Internal Control Policy in December 2024, encompassing 9 operational cycles and 19 management control activities. Regular risk assessments and control mechanism design ensure operational compliance and enhance the reliability and transparency of information disclosure. To strengthen internal control over sustainability information, relevant management requirements have been added to the Internal Control Policy. The Cycle Control Operating Guidelines, to be promulgated in 2025, will integrate sustainability information into the circular control process, ensuring its handling and disclosure by relevant reporting units comply with IFRS standards.

In sustainability information management, the Internal Audit unit prepares an annual audit plan, submitted to the Board for review. TCC has established procedures for Sustainability Report preparation, defining processes and involved units, and engages third-party assurance to enhance disclosure transparency and credibility. In February 2025, TCC launched an Internal Control Automation Platform for quarterly compliance self-assessments covering operational cycles and management controls.

Environmental sustainability and fair trade issues will be gradually incorporated based on industry characteristics to strengthen the three lines of defense-self-assessment, compliance management, risk control, and Internal Audit-and Governance effectiveness.

ACTION SPOTLIGHT

OYAK Cement and CIMPOR Leverage Diligent's AI-Powered Solutions to Enhance Audit Efficiency

Cement and Environmental Protection Business (Europe-Africa) plans to launch the Diligent One platform in September 2026 as a one-stop tool for Internal Audit and Risk Management, integrating governance, risk, and compliance information. The platform uses AI to enhance real-time monitoring and management of risks and internal controls. It automates audit processes, detects anomalies, performs data analysis, and provides real-time, decision-relevant information to management and the Board. Risk scenarios can be configured for high-risk operations to improve audit efficiency.

1.6 Information Security

Information Security Management Committee

Independent directors with information security expertise serve on the Committee to oversee related matters

TCC has established an "Information Security Policy" to ensure the proper protection of all information, systems, and trade secrets. This policy applies to TCC, its domestic and overseas subsidiaries, and other affiliated enterprises under its substantial control, covering employees at all operating sites as well as outsourced vendors, contract vendors, and dispatched personnel who have access to the enterprise group's internal information.

TCC has established the Information Security Management Committee, a functional committee convened annually by the President with cross-departmental participation. This committee reviews significant Information Security resolutions, tracks the effectiveness of planning and execution, and coordinates the allocation of necessary Information Security resources. The committee currently comprises three independent directors, with Independent Director Ruu-Tian Chang, Senior Executive Vice President at Gartner and possessing expertise in information security and AI, serving as the convener. The overall Information Security framework of the enterprise group is overseen by the Chief Information Security Officer (CISO), who is responsible for promoting Information Security implementation, incident forensics and analysis, and tracking execution effectiveness.

The CISO, along with dedicated units, regularly reports Information Security progress and outlook to the Board of Directors and the Information Security Management Committee.

TCC has implemented ISO 27001 since 2020, establishing a group-wide Information Security management system based on the PDCA cycle. TCC conduct annual drills and tests for key risks like social engineering, vulnerabilities, and ransomware. AI technology is used for automated threat intelligence analysis, enhancing our overall Information Security and response efficiency. TCC monitor emerging issues, including the cryptographic risks posed by quantum computing, and strengthen cross-border Data Protection to comply with international requirements such as the EU General Data Protection Regulation (GDPR).TCC's subsidiaries CIMPOR and OYAK Cement, have established a GDPR and Information Security Committee.

TCC has a dedicated team of 17 cybersecurity professionals in Taiwan and overseas, all holding international cybersecurity certifications.[15] An additional 36-member support team further strengthens our cybersecurity defenses. TCC encourages cybersecurity personnel to obtain international certifications and provides subsidies for external training. By 2025, three more team members will acquire the ISA/IEC 62443 international industrial control cybersecurity certification.

TCC KEY FACTS

ZERO **critical information security incidents[16] occurred, and no client or employee data breaches were reported.**

Cement and Environmental Protection Business (Asia)	Group Operation Headquarters[17 18]
Cement and Environmental Protection Business (Europe-Africa)	CIMPOR and OYAK Cement
Energy for Social Transformation Business	Ho-Ping Power Company
Charging and Storage Business (Europe)	NHOA Energy and Atlante
Battery Energy Business	E One Moli Corporation
Investment Business	Hoping Industrial Port Corporation

ISO 27001 ISMS certification obtained.

Note 15: Cybersecurity certifications include Certified Information Systems Security Professional (CISSP), ISO 27001 Lead Auditor, EC-Council Certified Incident Handler (ECIH), ISA/IEC 62443, AWS Certified Security – Specialty, Microsoft certifications, CompTIA Security+, CompTIA Network+, and Payment Card Industry Professional (PCIP).
Note 16: A critical information security incidents is defined as the leakage of sensitive data or trade secrets, tampering of core business systems or critical infrastructure, or operational disruptions that cannot be restored within the scheduled timeframe.
Note 17: TCC Information Systems Corp. obtained certification for its management scope, covering sites in Taiwan and Mainland China (including subsidiaries).
Note 18: Sites in Taiwan and Mainland China adhere to the TCC Headquarters' ISO 27001 framework, with cybersecurity managed by the corporate cybersecurity team and subsidiary TCC Information Systems.

Information Security Policy

Alignment with SDGs

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Alignment with SDGs

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Information Security Incident Response Mechanism

TCC has established a cybersecurity incident reporting and handling process. Employees must immediately report suspected incidents to the cybersecurity team. A Malicious Connection Detection & Response (MxDR) system and PRTG network monitoring software are in place for real-time detection of internal and external threats or anomalies, enabling timely responses. Incidents are classified into four levels based on impact, with major incidents reported to the Chief Information Security Officer and the Cybersecurity Management Committee, activating emergency response mechanisms when necessary.
The cybersecurity unit, system owners, and vendors collaborate on recovery and digital forensics analysis as needed. Regular cybersecurity meetings are held to review incidents and enhance protective measures. In 2025, 40 weekly, 11 monthly, and 4 quarterly meetings were held, and 4 cybersecurity health checks were completed.

Business Continuity Plan for Information Systems

TCC has implemented Business Continuity Plans (BCPs) across all global sites to ensure critical IT system functions and swift recovery during major disasters or emergencies.[19] Sites in Taiwan and Mainland China conduct tests at least semi-annually, while Cement and Environmental Protection Business (Europe-Africa) and NHOA Energy test at least annually. In case of data center disruptions, TCC activates an emergency response mechanism and forms a dedicated team. If an outage is projected to last over a week, a decision on activating the backup data center and systems is made within 24 hours. TCC enhances its response resilience through annual drills and core system testing, with plans to evaluate overseas backup for core systems to address geopolitical uncertainties.

Regularly conducts third-party vulnerability assessments and internal audits

By 2025, third-party vulnerability analyses will be completed for Taiwan, Mainland China, the Cement and Environmental Protection Business (Europe-Africa), and the Charging and Storage Business (Europe). Regular penetration testing, red team/blue team exercises, honeypot systems, and simulated attacks are conducted to ensure the effectiveness of internal management mechanisms. TCC has also incorporated cybersecurity checks into its annual audit plan to ensure the ongoing effectiveness of its cybersecurity management system.

Cybersecurity Education and Training to Raise Employee Awareness

All new TCC employees must sign an Information Security statement. TCC regularly invites experts for lectures and disseminates the latest information security policies and protection guidelines to enhance company-wide security awareness. Annual information security training, email campaigns, and social engineering drills (e.g., phishing emails) further raise employee awareness of password management, phishing attack identification, and system protection.

2025 Social Engineering Drill Results

Cement and Environmental Protection Business (Asia), Cement and Environmental Protection Business (Europe-Africa), and Charging and Storage Business (Europe) conducted 39 social engineering drills. Employees who violated regulations during the drills were prioritized for cybersecurity awareness training. TCC maintain a management target of keeping the social engineering violation rate below 3%. TCC plan to announce drill results and link them to employee performance to enhance fraud awareness and corporate cybersecurity resilience.

TCC KEY FACTS

Cybersecurity Training for Employees

3,509 hours
4,295 visits

Global Operations

Artificial Intelligence Management

TCC adheres to the principles of responsibility and trustworthiness in perfecting its AI management mechanisms. TCC prioritize the transparency and explainability of AI, understanding its usage, sources, limitations, and potential risks. Clear responsibilities are defined for AI output, risk decisions, and Regulatory Compliance, with established investigation, handling procedures, and legal liability mechanisms. To ensure fairness and non-discrimination in data Governance, TCC also promotes AI management measures. For more information, please visit the Investor Relation Section of TCC's Official Website.

Note 19: Atlante, operating under the Charging and Storage Business (Europe), has its Business Continuity Plan (BCP) for information business operations currently under development.

Alignment with SDGs

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Comprehensive Information Security Management (For details, please refer to the Investor Relation Section of TCC's Official Website)

Cybersecurity Strategy		Information Security Controls
Prevention	Cybersecurity Risk Management Mechanisms	▪ Conducts annual cybersecurity risk assessments, analyzing asset value, vulnerabilities, and threats. ▪ Reviews audit logs of core systems and equipment regularly, using correlation analysis to identify potential threats.
	Expansion and Strengthening of Security Governance	▪ Expands cybersecurity management to Mainland China facilities and implements third-party risk assessment mechanisms.
	Multi-Layered Cybersecurity Defense Architecture	▪ Deploys firewall access control, intrusion detection and prevention systems, and related procedures. ▪ Establishes group-wide endpoint protection and malicious connection detection mechanisms. ▪ Maintains 24/7 monitoring by external cybersecurity experts detected and immediately blocked 39 potential threats in 2025.
	Integration with Cybersecurity Threat Intelligence Centers	▪ Participates in cybersecurity intelligence sharing mechanisms for real-time risk information.
Testing	Proactive Detection and Defense Mechanisms	▪ Conducts quarterly vulnerability scans with 6 conducted in 2025, remediating 344 high-risk vulnerabilities. ▪ Runs Red Team vs. Blue Team exercises simulating internal network attacks to identify system vulnerabilities. ▪ Deploys a honeypot system and threat intelligence sharing, successfully thwarting 257 attacks in 2025.
Operational Protection	Physical and Personnel Security Controls	▪ Implements print control, facial recognition, sensitive area camera restrictions, and a camera-free mobile policy. ▪ Strengthens sensitive area management to mitigate internal and external data breach risks.
	Data and Account Security Management	▪ Encrypts sensitive data and implements multi-factor authentication using mobile OTPs. ▪ Secures core areas utilize dual-factor authentication combining facial recognition and employee ID card access. ▪ Stores high-privilege accounts are securely stored in hard copy under the CISO's control. A privileged account management system has been implemented for enhanced control. ▪ Enforces strict access control is implemented for data and external transmission channels. ▪ Runs real-time monitoring and alert mechanisms are implemented for all equipment and core business systems.
	Exclusive AI Projects	▪ Develops internal, dedicated ChatGPT, Claude, DeepSeek, and Gemini systems, implementing two-factor authentication and usage tracking.

Alignment with SDGs

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1.7 Supply Chain Management

Sustainable Supply Chain Management Framework

TCC has established a Supplier Management Policy Statement to ensure supplier consistency in quality, cost, delivery, service, EHS, and production, while jointly upholding human rights, reasonable working hours and wages, and inclusivity to promote supply chain sustainable development. The Supplier Code of Conduct and Safety and Health Responsibility Commitment require suppliers to adhere to five major compliance areas as prerequisites for establishing and maintaining business relationships.

The Board of Directors serves as the highest decision-making and supervisory body, while the Supply Chain Management Department coordinates execution, with its head regularly reporting management status to the management team during monthly operational meetings. TCC follows the UNGC Sustainable Supply Chain Guidelines and ISO 20400 Sustainable Procurement framework to develop traceable action plans and ensure implementation.

TCC incorporate the Responsible Business Alliance (RBA) standards and the EU Corporate Sustainability Due Diligence Directive (CSDDD) principles into our sustainability assessments and audits to enhance their comprehensiveness and effectiveness.

TCC is committed to partnering with suppliers to build a responsible supply chain through its sustainable procurement system. This involves two key management mechanisms: "Sustainable Supplier Screening" and "Localized and Green Procurement," both used to regularly assess supplier compliance. In the event of any non-compliance, business cooperation will be terminated and replaced.

Labor and Human Rights

Suppliers are required to monitor and prevent any labor and human rights violations, treating all workers with dignity. Any non-compliance must be immediately reported to TCC and remedied.

Health and Safety

Suppliers are required to regularly implement and improve safety and health management in accordance with international standards. They must also report on accident handling and prevention, safety, health, and environmental management, as well as current status reviews and improvement measures.

Environment & Climate Action

TCC requires suppliers to implement environmental management and encourage them to set Science-Based Targets (SBT) and disclose their Carbon Footprint. Specific Carbon Reduction requirements are imposed on suppliers of certain raw materials and services. Non-compliant suppliers or those failing to meet TCC's Carbon Reduction standards will face contract termination.

Business Ethics

Suppliers are required to adhere to TCC's ISO 37001 system, comply with Ethical Management and Anti-corruption regulations, and have reporting and whistleblower protection mechanisms in place.

Management Systems

Suppliers shall establish robust management systems and procurement regulations, adhering to relevant codes of conduct to promote Responsible Sourcing practices.

TCC KEY FACTS

Obtained ISO 20400

Sustainable Procurement third-party certification.

CERTIFIED ISO 20400 GUARANTEE

[Supplier Management Policy Statement]
[Supplier Code of Conduct]

ACTION SPOTLIGHT

TCC Becomes First in Taiwan's Cement Industry to Achieve ISO 20400 Certification

ISO 20400 Sustainable Procurement Guidance is a globally recognized and authoritative ESG procurement framework, covering four key aspects: supply chain management, environmental sustainability, social responsibility, and governance mechanisms.

In 2024, TCC took the lead in referencing the ISO 20400 guidance to establish its supplier management policy, code of conduct, and ESG assessment mechanism. In August 2025, TCC officially obtained the certification, becoming the first cement company in Taiwan to obtain this certification.

TCC has formulated key performance indicators and set specific quantitative targets for high-risk supplier categories, including a commitment to provide improvement plans for 100% of high-risk critical suppliers.

Alignment with SDGs

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Sustainable Supply Chain Management Indicators and Targets | Cement and Environmental Protection Business (Asia)

7 Management Indicators

	2025 PERFORMANCE
1 95% locally-procured non-raw materials	98.2%
2 Existing Significant Tier-1 & New Suppliers:100% (excluding state-owned enterprises)	100%
3 100% contractors signed the Safety and Health Responsibility Commitment	100%
4 100% High-risk Significant Suppliers supported by improvement plans	100%
5 100% reviewed conducted to Significant Tier-1 Suppliers (desk/ on-site assessment) (excluding state-owned enterprises)	97%
6 Sustainability Questionnaire Collection Ratio of Significant Tier-1 Suppliers achieve 80% by 2030 (by procurement amount)	87.69%
7 Number of Suppliers with Carbon Footprint Inventory | Taiwan - A cumulative total of 35 by 2025 - A cumulative total of 40 by 2030	A total of 38

Note 20: TCC's sustainable supply chain covers Cement and Environmental Protection Business (Asia) cement plants, RMC plants, grinding/shipping stations, and quarrying subsidiaries; expanded to Long Son, Fengsheng, Wanqing, and Ho-Ping Power Company in 2025, and Taiwan Transport & Storage, Kuan-Ho Refractories Industry, Ta-Ho Maritime in 2026.
Note 21: Significant suppliers refer to those with high ESG risks or major business relevance to TCC.
Note 22: Tier 1 suppliers directly provide TCC with goods, raw materials, or services.
Note 23: For detailed Supplier Management data, see CH 7.1.
Note 24: OYAK Cement & CIMPOR evaluate suppliers on quality, delivery, and compliance, planning to integrate ESG factors and third-party audits in the future.

Sustainable Supplier Management Process and Performance

The sustainable supplier screening and management strategy encompasses two key areas:
New Supplier Selection: Risk assessments, simplified sustainability questionnaires, signing the Supplier Code of Conduct, and due diligence assessments are conducted, with qualification determined by the results.
Existing Supplier Management: Sustainability management plans are formulated and executed to continuously monitor supply chain sustainability performance and implement risk assessments for significant suppliers.

Step 1

Risk Assessment

Basic supplier data is verified via the Procurement Portal for screening, while AI models and product life-cycle approaches identify supply chain sustainability risks.

Screened 324 suppliers for review
100% blocking of blacklisted suppliers and their associated suppliers

TCC Procurement Portal

Supplier risk assessment dimensions

Relevance to business
Consider factors such as pricing, purchase volume, and substitutability.

Country/Region-specific Risks
Assess potential ESG risks by examining the political, social, economic, environmental, or regulatory conditions of countries (regions).

Sector-specific Risk
Assessing potential ESG risks by examining the characteristics of TCC's industry in terms of labor conditions, energy and resource consumption, emissions, and pollution potential.

Commodity-specific Risk
TCC identify potential ESG risks by examining the supply chain structure, labor conditions, land use, and resource intensity of purchased goods.

Environment
Including GHG emissions, energy and resource consumption and efficiency, pollution control, waste management, and biodiversity impacts.

Social
Cover human rights and labor rights issues, including child labor, forced labor, anti-discrimination, working hours and compensation systems, and health and safety.

Governance
Including anti-corruption, anti-bribery, conflict of interest management, and prevention of unfair competition.

Step 2

Sustainability Assessment and Audit

Develop a sustainability self-assessment questionnaire based on ISO 20400 and OECD guidelines.

Introducing differentiated questionnaire designs to enhance the supplier audits.

Significant suppliers undergo desk assessments and risk evaluation via questionnaires and public information.

Further on-site audits are conducted for low-scoring, potentially high-risk suppliers.

Identifying high-risk suppliers based on review results.

Questionnaires response rate: 92.81%

Desk assessment: 324 suppliers

Conducted 55 on-site inspections

Second-party audits: 3
Third-party audits (by Intertek): 2

12 high-risk suppliers identified

Step 3

Corrective Actions and Improvements Based on Assessment Results

Utilizing AI models integrated with VBA functionality to generate sustainability questionnaire review reports, provides Environmental, Social, and Governance scores, PR values, and recommendations, helping significant suppliers understand results and access TCC's consultation.

High-risk suppliers
Dedicated personnel guide improvement plan submissions, requiring a Corrective Action Plan (CAP) within three months.

Priority next year includes participating in capacity-building projects like sustainable governance workshops and reviews.

Failure to improve within three months post-counseling triggers internal reporting and subsequent transaction termination or replacement.

Suppliers failing to meet the desk assessment standards
Partnerships are maintained with suppliers needing improvement, designating them for focused guidance.

Education and training are provided via online learning platforms, enhancing supervision and tracking improvement effectiveness.

Suppliers failing to meet standards (score <60) within 12 months face internal proposals for transaction termination and replacement.

11 suppliers (91.67%) implemented improvement plans
13 suppliers were terminated due to non-compliance or failure to improve after guidance

Alignment with SDGs

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Training, Empowerment, and Capacity Building Programs

Project	Project Scope	Suppliers	2025 Performance
Capacity Building Program Semi-Annual Project	TCC launched a supplier capacity-building program, offering online and in-person coaching and training to help partners align with international standards and enhance operational competitiveness. **Environmental and Climate Aspects**: TCC have implemented ISO 14001, ISO 14064, and environmental workshops to strengthen environmental management, GHG inventory capabilities, and the identification of process carbon reduction hotspots. **Quality and Operational Aspects**: TCC integrated ISO 9001 with occupational safety workshops to ensure supply chain product quality and mitigate occupational safety risks. **Responsibility and GovernanceAspects**: TCC promote ISO 20400 sustainable procurement and responsible business conduct training, integrating human rights, ethics, and sustainable decision-making into our core operations.	Significant suppliers	335 suppliers participated including 148 critical suppliers – cumulative 2025/7-12
Product Carbon Footprint Intensive Training Camp	TCC assist suppliers in securing third-party verification resources, enhancing their practical capabilities in Product Carbon Footprint inventories and Carbon Reduction strategies. This support facilitates the certification of their product or service carbon footprints while minimizing their learning costs.	Product plant transportation, aggregates, and chemical suppliers	17 suppliers participated in 2 sessions
Sustainability Governance Workshop	TCC help our SME and high-risk significant suppliers establish Sustainability Management systems and set related policies and targets. One training sessions are held in 2025 to enhance suppliers' awareness of the importance of our Governance Structure.	Significant suppliers	23 suppliers participated
Supplier Sustainability Learning Platform	TCC established a dedicated learning platform offering online training and diverse empowerment courses covering occupational safety and health hazards, working hours, and physical and mental well-being. TCC also introduced Net Zero planning and management alongside carbon knowledge training to help our partners align with international Carbon Reduction trends and shorten their learning curves.	All suppliers	6 courses

Supervision, Evaluation, and Mutual Learning

TCC regularly reviews supply chain Sustainability Performance and fosters communication and industry learning through industry conferences, supplier feedback channels, engagement, and workshops to expand sustainability impact. Senior supply chain executives, procurement heads, and external consultants assess key sustainable procurement issues across Corporate Governance, human rights, fair operations, environment, labor, community engagement, and consumer aspects. Risks for each procurement category are integrated and analyzed, and benchmarked against the Supplier Code of Conduct to ensure management practices align with sustainability principles. TCC incorporates ESG performance into its supplier selection mechanism. Suppliers with excellent sustainability performance who pass quality and fulfillment assessments are granted priority bidding status and final negotiation rights.

TARGET

2025

35 suppliers will have completed their Product Carbon Footprint assessments

2030

40 suppliers will have completed Product Carbon Footprint verification

All alliance members will achieve a 10% VOLUNTARY DECARBONIZATION

TCC KEY FACTS

38 suppliers **Completed Product Carbon Footprint Verification**

Alignment with SDGs

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ACTION SPOTLIGHT

Green Value Chain Alliance

The Product Carbon Footprint of our suppliers exceeded carbon reduction targets in 2025.

TCC established the Green Value Chain Alliance in 2024, uniting key transportation and raw material partners from Taiwan and Mainland China to drive low-carbon transformation. A "Industry Chain Conference" was held in 2025, focusing on the green supply chain to foster technology and information exchange and deepen partners' understanding of and collaboration on Sustainability Targets.

Furthermore, starting in 2025, all Taiwanese suppliers participating in TCC's ready-mixed concrete raw material and transportation tenders must complete third-party verification of their product or service Carbon Footprint (ISO 14067). TCC recognized the first eight suppliers to achieve this verification at the Industry Chain Conference.

TCC plans to convene a supplier decarbonization conference in 2026. Based on suppliers' Product Carbon Footprint data, external consultants will be invited to review and analyze, assisting suppliers in formulating feasible Carbon Reduction action paths to achieve Decarbonization Targets. In the future, the green supply chain strategy will be evaluated for expansion to across all affiliated business entities, comprehensively enhancing the sustainable resilience of the group's value chain.

Local and Green Procurement

TCC prioritizes local suppliers and products/services to reduce transport distances, lower carbon emissions, and stimulate local economies. For green procurement, TCC favor Green Products if their unit price is within 5% of non-green alternatives. TCC also consider long-term energy savings, Carbon Reduction, and high energy performance to minimize the Carbon Footprint during manufacturing.

Procurement Spend Ratio 2025	Taiwan and Mainland China	OYAK Cement	CIMPOR
Local sourcing ratio	95.52%	95.71%	39%
Green procurement ratio for raw materials	10.59%	2.02%	7%
Green procurement ratio for non-raw materials	1.63%	0.11%	10%

Note25: The table above covers Cement and Environmental Protection Business (Asia) and Cement and Environmental Protection Business (Europe-Africa), with raw materials encompassing both materials and fuel.

Training for Procurement Personnel

To enhance the sustainability expertise of our procurement staff, TCC holds at least one annual training session in Taiwan and Mainland China, with participation extended to procurement teams of affiliated companies. In 2025, external consultants were engaged to integrate ISO 20400 sustainable procurement into practical training, strengthening our procurement personnel's capabilities in sustainable Supply Chain Management and Carbon Reduction strategies. In 2025, 129 participations completed 473 training hours covering:

- ISO 20400:2017 Sustainable Procurement – Guidance
- Supply Chain Sustainability Assessment Workshop
- Global Labor Rights and Due Diligence: Best Practices and Strategies Workshop
- TCC Document Review and Verification Education and Training
- Corporate Sustainability Elite Training Program
- Carbon Reduction Packaging Workshop
- Sustainability and Net-Zero Workshop
- Sustainable Supply Chain Promotion at Ho-Ping Power
- Feng Sheng Sustainable Governance Workshop

ACTION SPOTLIGHT

AI-Powered Global Supply Chain Risk Management and Decision Support with Power BI

To address multifaceted risks arising from regulatory policies, geopolitical shifts, and market supply-demand dynamics, TCC annually integrates ESG and business relevance across three key risk dimensions: country/region, industry, and commodity. TCC leverages AI and Power BI to build a comprehensive Supply Chain Risk analysis and decision support system.

- TCC has integrated AI models into our assessment process to evaluate and provide early warnings on potential risks. Furthermore, TCC employ a product life cycle approach in our product analysis to systematically identify sustainability risks across the value chain.
- Power BI's intuitive charts and interactive analysis help employees quickly grasp key information, strengthening proactive and timely Supply Chain Management.

Alignment with SDGs

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1.8 Customer Communication

Product Health and Safety Management

TCC is committed to safeguarding client rights, adhering to the OECD Guidelines for Multinational Enterprises in managing the health and safety impacts of its products and services, as well as marketing and labeling. All major global production sites have implemented the ISO 9001 quality management system.

TCC's global cement and environmental plants conduct regular product testing to ensure no adverse health or safety impact during use. Each Business Group has established quality management procedures, with product information clearly labeled in the local language. Comprehensive product safety information is provided to customers via product labels, packaging, and delivery notes, with Safety Data Sheets (SDS) readily available.

Furthermore, Cement and Environmental Protection (Asia) and NHOA Energy offer on-site training for operators, covering safety protocols, potential risks, and the correct operation and use of products and systems. Annual customer satisfaction surveys serve as a core performance indicator, ensuring no health risks to individuals.

Cement and Environmental Protection Business (Asia) Cement products undergo a rigorous three-tier quality control system and laboratory testing of six raw materials before delivery to ensure stability and non-toxicity. Both cement and concrete products maintain consistent quality across various applications, with concrete exceeding Taiwan's CNS standards for compressive strength at 3, 7, and 28 days. Concrete produced in Taiwan also meets Green Building Material Label standards, having been certified as non-radioactive, asbestos-free, and passed heavy metal leaching tests (Cd, Cr, Cu, Pb, Se, Cr(VI), Hg, As), with chloride ion levels complying with CNS standards.

Three-tier Quality Control System	**Tier 1**: Branch plants conduct material inspections according to SOP **Tier 2**: The parent plant goes to the branch plant for regular random inspections **Tier 3**: The independent third-party research laboratory performs irregular visits to the plant for random inspections
Six Raw Material Inspections	Cement, sand and gravel, slag, fly ash, chemicals, and mixing water, passed the tests by TAF laboratories like those of TCC, SGS, etc.

Cement and Environmental Protection Business (Europe-Africa) Cement products comply with EU standard PS EN 197-1:2012. Through comprehensive process management, reducing agents are added as necessary to minimize hexavalent chromium (Cr^{6+}) to safe levels, ensuring product safety and compliance with relevant regulations. For packaging, bagged cement utilizes self-produced recycled paper bags with FSC certification. All products from operations in Türkiye meet Turkish TS EN standards, and bagged cement products also comply with EU regulations regarding hexavalent chromium content.

Charging and Storage Business (Europe)
Rigorous quality control, independent inspections, and testing are implemented to ensure that products pose no adverse health or safety impacts during use. Customers receive comprehensive and clear safety information through product labels, user manuals, quality documents, and all necessary deliverables. Charging equipment procured from external suppliers meets strict technical specifications as well as health, safety, and environmental standards. All equipment is installed by external contractors under Atlante's close supervision to maintain high safety and quality standards.

Battery Energy Business Molicel rigorously controls hazardous substances in its battery products, requiring suppliers to provide Safety Data Sheets (SDS) and sign declarations to ensure 100% compliance with RoHS and REACH international standards. The S series cells prioritize enhanced safety and high-temperature performance, with specific products like P30S and P50S having obtained UL9540A certification, guaranteeing stable operation under extreme conditions. The P22S has demonstrated excellent performance in fire propagation tests, sustaining fire resistance for over 10 minutes.

TCC KEY FACTS

Acquisition of ISO 9001 Quality Management

CERTIFIED ISO 9001 GUARANTEE

Cement and Environmental Protection Business (Asia)
Cement Plants in Taiwan and Mainland China, RMC Plants in Taiwan, and Kuan-Ho Refractories.

Cement and Environmental Protection Business (Europe-Africa)
CIMPOR: Cement Plants, RMC Plants, Aggregate Plants, Dry Mortar Plants, and Paper Bag Production Plants
OYAK Cement: Cement Plants, RMC Plants and Aggregate Plants

Energy for Social Transformation Business
Ho-Ping Power Company

Charging and Storage Business (Europe)
NHOA Energy, Atlante

Battery Energy Business
E One Moli Corporation

Investment Business
Taiwan Transport & Storage

Clients' Rights and interests Protection Policy
Product Attributes and Safety

Alignment with SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Product Safety Certifications

Management Mechanisms	Environmental Cement Business	Certifications	
Product Environmental Certifications	**Taiwan**	Portland Cement Products	Carbon Footprint Label, MOE Taiwan
			Carbon Footprint Reduction Label, MOE Taiwan
			Gold-rated Green Mark, MOE Taiwan
			ISO 14067
			Low-carbon Circular Building Material Certification, MOI Taiwan
			Environmental Product Declaration, EPD
		Concrete Products	Carbon Footprint Label, MOE Taiwan
			Carbon Footprint Reduction Label, MOE Taiwan
			Green Building Material Label, MOI Taiwan
			Low-carbon Circular Building Material Certification, MOI Taiwan
			Environmental Product Declaration, EPD
			ISO 14067 | Concrete & UHPC
			ISO 14025 | UHPC
	Mainland China	Portland Cement Products	Low-carbon Products Certification (China)
			Carbon Footprint Label for Building Materials (China)
	CIMPOR	Portuguese Grey Cement	Environmental Product Declaration, EPD
		Paper Bags for the Cement Industry	FSC™ Mix (Forest Stewardship Council™ Mix claim)
	OYAK Cement	Cement Products	Environmental Product Declaration, EPD
Third-party Product Certification	**Taiwan**	Concrete Specimen Compressive Strength Report	
		Good Ready-mixed Concrete Label	
		TCRI product traceability certification	
Product Resume	**Taiwan**	Strength specifications, cement source, slag source, chemical admixtures, quality assurance certificate, sand and gravel source, fly ash source, aggregate source, carbon emission information, chloride ion report, 28-day compressive strength report, external certification, and TCRI product traceability certification.	

Note 26: Refer to CH 2.1 for more information on EPD Type III Environmental Product Declaration.
Note 27: For product safety information of other Business Groups, please refer to CH 3 and the respective sustainability reports of NHOA Energy, Atlante, and Molicel.

Alignment with SDGs

8 DECENT WORK AND ECONOMIC GROWTH
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Client Communication and Engagement

To enhance customer service quality for its building material products, Cement and Environmental Protection Business (Asia) has established a "Product Safety Traceability System" in Taiwan. This system incorporates AI assistance and user-oriented design, allowing customers to scan a QR Code to access information on concrete raw material mixing ratios, sources, carbon emission intensity, and inspection reports, disclosing product details in line with food resume specifications. Integrated with our e-commerce app, the "TCC News" feature facilitates easy ordering and delivers real-time TCC sustainability information.

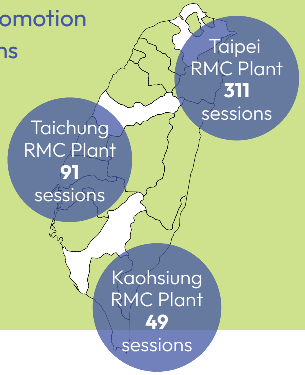
In 2025, the Cement and Environmental Protection Business Group will continue to expand diverse customer communication channels, proactively inviting construction customers and engineering experts to participate in seminars or technical exchange meetings on the development and application of low-carbon construction materials, fostering face-to-face interaction and ensuring customers receive stable, reliable products and professional support. TCC regularly conducts sales team training covering raw material quality control, process management, regulatory overviews, and concrete quality guidance. In 2025, a total of 135 participants completed training, accumulating 810 training hours.

For the Charging and Storage Business, Atlante centers its services around the myAtlante mobile app, fostering long-term customer engagement through the Green Gems loyalty program and the "Atlante Go" subscription plan. It encourages low-carbon charging with discounts and preferential rates.

TCC Energy Storage charging stations utilize LINE, a popular messaging app in Taiwan, as the service interface, eliminating the need for a separate app download—marking an industry first in Taiwan. This seamlessly integrates charging with daily life, enhances user convenience, and periodically promotes energy-saving and carbon reduction initiatives, encouraging EV owners to become advocates for green living. See CH 3.2 for more details.

TCC KEY FACTS

RMC Plants in Taiwan
Portland Limestone Cement (IL) concrete and optimized low-carbon mix promotion sessions



CIMPOR
Promotion of cement, mortar, ready-mixed concrete, aggregates, and paper bags.

Workshops, exhibitions, and seminars: 8

OYAK Cement
Low-carbon products seminars: 7

White Cement exhibitions and seminars: 5

Energy Storage and Charging Services

NHOA. TCC
LINE official account message open rate
81%

myAtlante
100,000
Users reached
(as of April 2026)

Client Satisfaction Survey

TCC conducts annual client satisfaction surveys. The 2025 survey covered cement, concrete, and mineral powder product customers across Taiwan, Mainland China, and Hong Kong, as well as cement, concrete, aggregate, and dry mortar customers of CIMPOR, and cement customers of OYAK Cement. The survey also incorporates "Sustainable Products" and "Quality and Safety," including indicators such as product carbon reduction levels, process water conservation, product safety traceability, and human health and safety. Through these interactions, TCC also engages with customers to discuss climate change and water resource management, gaining insights into their opinions and needs.

ACTION SPOTLIGHT

OYAK Cement i-Deal Mobile Application

OYAK Cement pioneered the i-Deal mobile app in the Türkiye cement market, integrating dealers and clients into a unified digital platform. QR codes on cement packaging provide instant app access, streamlining information retrieval. i-Deal delivers comprehensive details on cement and concrete products and services—including detailed analysis reports, technical data sheets (TDS), technical bulletins, and quality performance certificates—effectively enhancing the client experience and information transparency.

TCC KEY FACTS

Cement and Environmental Protection Business

	2022	2023	2024	2025
Client Satisfaction Rate (%)	96.86%	96.84%	94.50%	94.03%
Coverage (%)	100%	100%	100%	100%

Note 28: Since 2024, the client satisfaction survey scope has broadened following the acquisition of European cement operations CIMPOR and OYAK Cement.
Note 29: NHOA Energy and Molicel collect client feedback through satisfaction surveys, the results of which are included in their Sustainability Reports. Atlante will launch its first survey in 2026.

Alignment with SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Client Grievance and Rights Protection Mechanism

All employees comply with the Code of Integrity and Ethics, maintaining strict confidentiality of non-public corporate and client data to ensure robust client information security. To safeguard client rights, the Cement and Environmental Protection Business (Asia) has instituted a comprehensive grievance mechanism governed by the Client Rights Protection Policy, alongside specialized domestic, export, and plant-level service procedures. Similarly, the Cement and Environmental Protection Business (Europe-Asia) and the Charging and Storage Business (Europe) feature standardized feedback channels via official websites, social media, and 24-hour hotlines. Notably, OYAK Cement and Atlante offer digital grievance services through their respective mobile applications, i-Deal and myAtlante. Upon receipt, all grievances are immediately filed and managed by dedicated units that provide prompt progress updates. Subsequent regular analysis and improvement tracking are conducted to guarantee service quality and protect client interests.

Client Feedback Handling Process

1. **Diverse Feedback Channels**
Grievances are processed via TCC's official website, email, social media, a 24-hour hotline, and dedicated apps (OYAK Cement and Atlante). To address specific Client needs, TCC conducts on-site assessments and leverages continuous support and feedback to coordinate and deliver customized products.

2. **Immediate Contact and Handling**
Responsible units are required to promptly contact customers to ensure resolution outcomes are clearly communicated.

3. **Root Cause Analysis and Continuous Improvement**
To drive improvements, we regularly review and track customer complaints—conducting root cause analyses and formulating enhancement measures within a process to incorporate customer feedback into product and service development.

Client Complaint Channels in Taiwan

Cement/Concrete Client Service
TCC Official Website: Contact Us
Sales Department Client Service
Email: tccsales@taiwancement.com
Client Service Hotline
+886-2-2531-7099 ext. 20505
Green Electricity Sales
+886-2-7719-7362
Energy Storage/Charging Stations
+886-2-7719-0378

Note 30: For grievance channels regarding Mainland China and overseas businesses, please refer to the TCC Sustainability Report (Simplified Chinese Ver.), or the respective Sustainability Reports and official websites of individual subsidiaries.

Low-Carbon Construction Pioneer Alliance

Engaging Clients on Climate and Water Issues

In 2024, TCC established the Low-Carbon Construction Pioneers Alliance, partnering with leading developers to advance sustainable building. With over 3,500 application sites across Taiwan, TCC has solidified its leadership in the Low-Carbon Construction Materials market.

Championing transparency, TCC has disclosed its Carbon Footprint since 2023 by printing carbon labels on all cement and concrete delivery notes. By 2025, TCC's delivery system will further disclose the Product Carbon Footprint calculated from specific concrete mix proportions.

TCC's Taiwan plants actively promote Portland Limestone (IL) Cement concrete and various low-carbon mixes to continuously drive the adoption of Low-carbon Products. During clients' on-site trial mixing, we highlight our Carbon Reduction and water-saving performance, alongside achievements in product sustainability verification and management.

Similarly, OYAK Cement facilitates concrete clients' transition to low-carbon mixes by offering on-site technical support and detailing Carbon Reduction potential, water demand, and performance. OYAK Cement also helps clients meet public procurement and project sustainability standards, jointly driving the construction industry's low-carbon transformation. Furthermore, Atlante utilizes the myAtlante APP to disclose avoided carbon emissions from charging services to clients. It verifies that 100% of its Green Electricity comes from third-party certified Renewable Energy sources, empowering EV owners to quantify their tangible environmental contributions.

ACTION SPOTLIGHT

Design-Driven Application of Low-Carbon Construction Materials

The adoption of Low-Carbon Construction Materials depends largely on architects and civil or structural engineers. To enhance industry awareness, TCC moved beyond traditional sales models to host three "Low-Carbon Construction Materials Development and Application Seminars" in 2025. Centered on driving the practical application of Low-Carbon Construction Materials and industrial transformation, the events highlighted the construction sector's critical role amid Climate Change and Net Zero Emissions. These seminars fostered cross-sector dialogues among nearly 600 participants—including civil engineering academics, industry representatives, and international architectural consultants—with architects and engineers comprising about 20% of attendees.

Alignment with SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

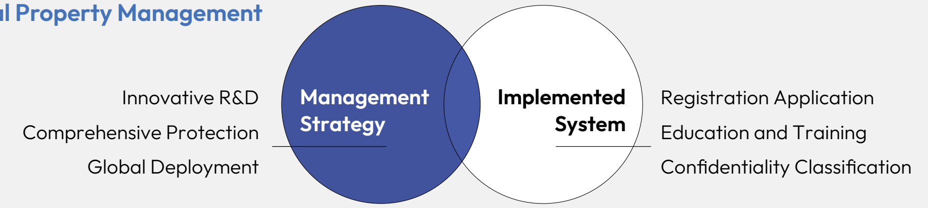
1.9 Intellectual Property Management

Taiwan Intellectual Property Management System (TIPS) Certification with Level A Protection

To lead in low-carbon and new energy, safeguard technologies, and drive cross-domain innovation, TCC established the IP Management Guidelines, R&D and Patent Management Regulations, and Trademark Management Regulations, reporting IP matters to the Board at least annually to promote green trademark and patent layouts. Aligning operations, R&D, and sustainability, TCC protects confidential data, conducts inventories when necessary, and manages global IP through legal compliance and system integration, tracking progress via business meetings to mitigate operational risks.

In 2024, TCC introduced the Taiwan Intellectual Property Management System (TIPS) for patents and trademarks, establishing R&D processes, IP document management, and confidentiality classification. Employees are encouraged to apply for patents and trademarks through proposal reviews to strengthen technical capabilities and brand recognition, alongside company-wide IP and trade secret training. In 2025, TCC passed TIPS A-level recertification and plans to expand the scope to copyrights and trade secrets.

Intellectual Property Management



TCC KEY FACTS

2025 Recertified by TIPS
(Taiwan Intellectual Property Management System)

100% of new hires signed confidentiality and IP ownership agreement
Taiwan Operations (across Business Groups)

Intellectual Property Management Measures and Achievements

Patents

- 263 invention patents granted, 137 pending.
- Our patent portfolio covers Taiwan, Mainland China, the US, the EU, Japan, and Korea, with applications extending to Ghana, Cameroon, Côte d'Ivoire, Nigeria, Cape Verde, Algeria, and Morocco.

Charging and Storage Business

- EnergyArk® patents covering cabinet design, safety, EMS, and battery modules are filed across 14 markets, including the US, Japan, EU, Africa, Mainland China, and Taiwan, with 18 invention patents already secured in Taiwan and Japan; details are in CH 3.1.
- NHOA Energy specializes in Battery Energy Storage Systems (BESS) integration, backed by global patents and pending applications. Concurrently, Atlante drives R&D and patent strategies for integrated storage and charging solutions.

Cement and Environmental Protection Business

- UHPC patents cover precast panels, RCP pipes, 3D printing, and storage; low-carbon formulas are trade secrets, with building applications under review.
- Solar glass patents (Taiwan) secure waste-glass pozzolanic technology; multi-country applications are under review.
- CIMPOR patents (Portugal) protect concrete utilizing blast furnace slag and aggregate washing sediment.
- X-Clinker patents feature low-calcium, fully electrified cement technology cutting emissions by over 70%.

Battery Energy Business

- Patent applications for our cylindrical lithium battery electrode and cell winding technologies are currently under review in multiple countries.
- Patent applications for technologies such as battery internal resistance measurement and multi-pattern battery coating fabrication methods.

Trademark

- 841 trademarks approved, 54 pending.
- The Company has filed trademark applications globally, including in Taiwan, Mainland China, the US, the EU, Switzerland, and Japan.

Trade Secrets

- Business partners are required to sign non-disclosure agreements or agree to confidentiality clauses.
- All employees must sign an Employee Confidentiality and IP Ownership Agreement upon onboarding.
- 100% signing rate of Employee Covenant (with non-compete/non-solicitation) for employees accessing critical IP/know-how upon employment and resignation.

Copyright

Provisions are in place to define the ownership of deliverables and guarantee non-infringement of third-party rights, safeguarding all R&D, design, and written work commissioned by TCC from business partners.

Note 31: Trademark and patent data as of 2025/12/31 cover Cement and Environmental Protection Business (Asia), Cement and Environmental Protection Business (Europe-Africa), and NHOA Energy.
Note 32: Patent information is sourced from the GPSS Global Patent Search System. The current patent count excludes 170 expired and 66 unrenewed patents.