

The Taiwan Cement Corporation
Corporate Sustainable Development Committee
2nd Term, 2nd Meeting

Meeting Minutes



June 5, 2024

TCC Meeting Minutes

One. The chairperson calls the meeting to order

T i m e : 10:00 AM, June 5, 2024 (Wednesday)

Location : 12th Floor Multimedia Conference Room, TCC Building; or via video conference

Attendees: Chang An-Ping (via video), Cheng Yao-Hui, Wang Li-Xin, Wang Jin-Shan, Chou Ling-Tai (via video), Lin Shiou-Ling

Participants: Lu Ke-Fu (Senior Vice President), Huang Chien-Chiang (Senior Vice President), Wang Chien-Chuan (Vice President), Liu Feng-Ping (Vice President), Yeh Yu-Chun (Vice President), Yu Ming-Jen (CFO), Ge Paul (Vice President), Yao Cheng-Fu (General Manager), Wei Chia-Pei (Plant Manager), Chen Chin-Yi (Plant Manager), Chen Chu-Tsun (Plant Manager), Wu Yun-Te (Plant Manager), Liang Shih-Sheng (General Manager), Hsiao Li-Chi (General Manager), Chen Chi-Chien (General Manager), Chu Hsing-Hsuan (General Manager), Wang Chao-Wen (General Manager), Wang Shih-Ming (General Manager), Tung Kao-Ying (General Manager), Tu Wang-Ken (General Manager), Hu Kuo-Hung (General Manager), Yang Chung-Hung (General Manager), Han Chih-Wei (Plant Manager), Tien Wei (General Manager), Liu Chia (General Manager), Wang Yang (Assistant Representative), Cheng Hao-Yuan (Vice President), Wang Ming-Yu (Vice President), Chiang Feng (Vice President), Huang Sheng-Hsien (Vice President), Li Hai-Fu (Vice President), Shao Yu-Sung (Vice President), Yu Chiang (Vice President), 【TCC Information Systems】: Li Kun-Lung (General Manager), 【Ta-Ho Maritime】: Tsai Li-Wen (Chairman), Hsieh Min-Hsiung (General Manager), 【Taiwan Transport & Storage】: Wu Hsiao-Ling (General Manager), 【Kuan-Ho Refractories Industry】: Liu Chih-Jen (General Manager), 【HPC Power Service Corporation】: Lin Wen-Huang (Vice President), 【Hoping Industrial Port】: Chuang Ping-Huang (General Manager), Chiu Yu-Wen (Senior Manager), Yeh Kuo-Hung (Senior Manager), Sung Chen-Chia (Senior Manager), Cheng Yi-Ting (Manager), Wang Pin-Chih, Chiang Tzu-Yi, Chen Hsin-Yi, Cheng Neng-Hung, Wu Ping-Han, Chia Hao-Chun, Lin Yi-Chieh, Lai Yen-Ming, Kung Yu-Fei, Ku Kuo-Ting

Sustainability Task Force: Chen Ko-Hung, Hung Chung-Chih, Chang Ling-Le, Chen Fu-Yi, Liao Chien-Peng, Tseng Wen-Yen, Huang Kuan-Hsiang, Kung Chun-Hao, Chen Yi-Cheng, Ai Yi-Wen, Chen Ling-Chia, Chen Ya-Hui, Hsu Shih-Cheng, Pan Hsin-Yu, Huang Yi-Che, Hsu Hui-Tzu, Chang Yao-Yuan, Ma Kai-Wei, Chen Chien-Yu, Yang Ming-Yi, Chen Wei-Tsun, Tseng Jui-Yang, Li Chang-Yuan, Hsu Bu-Sheng, Hsu Min-Kai, Wu Chung-Yi, Yu Tsung-Chien, Chien Chih-Hua, Wang Li-Keng, Tung Chiao-Wei, Lin Ming-Hsiu, Ma Shih-Tsung, Huang Shao-Tzu, Lin Yung-Jui, Li Fang-Chung, Chuang Wen-Cheng, Hsu Yun-Chao, Tsai Li-Hsien, Hsin Pao-Wen, Hsu Ai-Kuo, Yin Wei-Ming, Tsou Chun-Wei, Li Jui-Chuan, Chang Hsu-Yang, Chiao Sheng-Tao, Huang Hao, Chiang Chih-Lin, Yu Shao-Pin, Chia Kuei-Ping, Wu Sheng-Ching, Ho Chen, Chien Yao-Tang, Huang Yun-Liang, Huang Chia-Wu, Li Ling-Mei, Yin Chien-Chuan

Chairman: Chang An-Ping

Recorder: Ku Kuo-Ting

Two. Reporting matters

Proposal 1

Subject: The promotion of sustainability operations from 2023 Q4 to 2024 Q2 is reported for examination and approval.

Description:

A. The current promotion status of the sustainability operations of TCC from 2023 Q4 to 2024 Q2:

- (1) The operating income in Europe accounted for 15% of the overall operating income of TCC worldwide, and it continues to grow, TCC shall comply with relevant EU regulations. Using as an example a relevant act passed by the CU in May of 2024, which is materially related to TCC, the Corporate Sustainability Due Diligence Directive (CSDDD) specified that a cross-nation group with an annual total turnover within the EU of €450 million needs to implement due diligence for human rights and the environment. Thus, TCC has made efforts, in advance, to pilot the due diligence this year.
- (2) International ratings of concern to relevant international foreign investors (i.e., Dow Jones Sustainability Indices, CDP, and MSCI ESG) have started to require that the reported content be consistent with the scope of the consolidated financial statements. In response to these international trends, we will disclose environmental management, carbon emission, energy, waste, occupational safety and health, human rights, supply chain management, and anti-corruption issues with the subsidiaries in the consolidated financial statements of TCC.
- (3) In 2023, TCC's annual report complied with the IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures." The scope of the disclosure includes the cement business in Taiwan and Mainland China, NHOA, and the green energy/energy storage/charging business, accounting for approximately 70% of the consolidated operating income. In 2025, OYAK and CIMPOR are estimated to be included in the scope of disclosure of IFRS. In 2026, mining companies under TCC (i.e., Ho Sheng Mining Co., Ltd. and TCC Jiangsu Mining Industrial Co., Ltd., and Yingde Mining Industrial Co., Ltd.) shall disclose GHG emission, biodiversity, tailings, mine closure and recovery, and human rights issues according to the GRI 14 Mining Sector and the GRI 101 Biodiversity.
- (4) TCC has separated the display of the net-zero pathway and the emissions of its global cement and concrete businesses, based on the Anti-Greenwashing Report of the UN, ISO Net-zero Guidelines (IWA 42), En-ROADS net-zero

simulator's open-source formulas developed by the MIT team, and the Avoided Emissions of the World Business Council for Sustainable Development. and disclosed them in the Sustainability Report of the year and its website. The information has been disclosed in the annual sustainability report and on the official website.

B. Reported for examination and approval.

Reported by Vice President Yeh Yu-Chun, Sustainable Development Committee enforcement workforce.

Three. Discussion matters:

Proposal 1

(Proposed by the Corporate Sustainable Development Committee taskforce)

Proposal: The subsequent promotion of the sustainability operation of the Company, which is proposed for determination.

Description:

- I. In response to the target of restricting the increase in temperature by 1.5°C in the Paris Agreement, TCC estimates that it will complete the SBT by 1.5°C for cement plants in Taiwan and Mainland China by the end of the year, including the short-term targets and net-zero commitments. It will also complete the Scope 3 inventory and Scope 3 reduction target setting for cement plants in Taiwan and Mainland China by the end of the year. In response to the requirements of the FSC to complete the inventory of subsidiaries in the consolidated financial statements by 2025 and complete the verification by 2027, the inventory of subsidiaries has not begun, and the GHG inventory for 2024 will be completed by the end of March 2025 based on the work division scheduled.
- II. In response to the Global Methane Pledge of COP 28 to reduce 30% of the emissions between 2020 and 2030, TCC plans to complete the methane emission inventory of the cement business in Taiwan and Mainland China and evaluate the methane emission reduction benefits by quantifying the domestic garbage treated with the assistance of partial cement plants and the environmental protection business.
- III. To prevent the impact of drought (extreme weather arising from climate change), TCC prioritized establishing risk management plans and targets for cement plants located in regions with water resource pressure to reinforce water management measures.

- IV. In response to the Kunming-Montreal Global Biodiversity Framework (GBF) led by Mainland China, TCC will set No Net Loss as the primary target and evaluate achieving the net-zero loss and net positive scenario by 2040. In the following stage, the biodiversity index evaluation for the Taibaishan Mine, Suao, will be carried out, and the No Deforestation Commitment will be formulated.
- V. In recent years, international society has been attending to water, energy, waste management issues, methane emissions, and other emerging issues, as well as the human rights issues of conflict minerals of enterprises. Based on the work division of the existing organizations of TCC, cross-department coordination and integration are required to establish targets for the abovementioned issues, data tracking, and the introduction of management systems. The Sustainable Development Committee referred to the sample announced by the stock exchange in May this year to amend its charter and establish seven functional teams to include issues for functional team discussions and promotion.
- VI. As domestic and foreign investment institutions have been referring to the sustainable transition progress of TCC and due to the information disclosure requirements, TCC will rearrange the interface, interactive designs, SEO search optimization, and barrier-free designs and complete the new version of its website by the end of 2024.

Resolution:

- I. The subsequent planning for SBT and the work division to implement the inventory of subsidiaries in the future and the timetable are approved as proposed.
- II. The methane emissions of the cement business are limited; however, assistance in treating domestic garbage can avoid methane emissions generated from landfills. Subsequently, the corporation may adopt methodologies for quantification to display the benefits of methane reduction in the cement and environmental protection business of TCC.
- III. Prioritizing establishing risk management plans and targets for cement plants located in regions with water resource pressure is approved as proposed.
- IV. TCC has long been promoting biodiversity restoration and conservation. In the case of the Ho-Ping Ark Ecological Program, it is more than greening the Ho-Ping Mine. It restores local species and restores soil in the mine to allow the recovery of the original ecological services and biodiversity. The Coral Rehabilitation Project at Ho-Ping EcoPort and the Dr. Cecilia Koo Botanic Conservation Center illustrate two cases. The proposal of the enforcement task force of the Committee is approved as proposed.
- V. The substantive operations of the sustainable corporate development functional teams are approved as proposed.

VI. The websites of TCC, including its subsidiaries, shall be reorganized step by step through internationalized and standardized methods; information related to sustainability shall be fully displayed on the websites. From the internal system to the categorization of accounting system items shall be re-adjusted and planned in response to the sustainable management requirements and the purpose of sustainable financial disclosure of TCC.

Four. Extemporaneous motions:

None.

Five. Adjournment:

All attending members agreed to adjourn the meeting.