

The background of the entire page is an aerial photograph of a coastline. On the left, a steep, green mountain slope descends to a wide, sandy beach. The ocean is a vibrant blue, with white waves breaking along the shore. In the distance, more mountains are visible under a sky with scattered white clouds. In the bottom left corner, there is a small cluster of buildings and greenery.

2019 TCC ESG SUMMARY

Section One

Environmental



TCC is involved in three core businesses: environmental protection, energy, and cement. Our circular economy objectives focus on achieving zero waste, zero pollution, and zero emissions.

Science-Based Targets initiative (SBTi)

On December 1, 2019, TCC committed itself to the Science-Based Targets initiative (SBTi) for reducing GHG emissions. In accordance with the methodology used by scientists at the Intergovernmental Panel on Climate Change and the International Energy Agency, TCC formulated GHG reduction methods then submitted these to SBTi in April 2020. We forecast a 11% reduction in our total GHG emissions by 2025 when compared to the base year of 2016. Working together with partners from around the world, we hope to limit global warming to well below 2°C.

Circular Economy (BS 8001)

TCC is also committed to Circular Economy (BS 8001 - British Standard Institution), and further developed the Hualien Hoping cement zone. In 2018, TCC became the world's first cement company to achieve BS 8001 Circular Economy certification. Adopting circular economy principles, a sealed pipeline network connects the zone's industrial port, power plant, and cement plant, so that raw materials, fuel and waste flow between the different facilities in a closed system. Cement products are directly shipped by sea, eliminating the higher GHG emissions associated with ground transport. This cross-industrial, circular operational model optimizes resource usage. It is part of an ecological, circular economy demonstration zone that uses resources in an innovative way to eliminate waste generation and reduce GHG emissions. It is also the only thermal power producing cement plant in the world that does not use fly ash for reclaiming land and which obtained a Certificate of Verification from the European EcoPorts Port Environmental Review System.

Key Environmental Goals - Taiwan

| Metric | 2019 - 2020 | 2025 | 2030 |
|---|-------------------------|-------------------------|------------------------------------|
| GHG Management (Based on SBTi) | -34% (Based on 2013) | -11% (Based on 2016) | Set by using SBT in previous stage |
| Renewable Energy (MW) | 21 | Manage 500 | |
| Carbon Capture (Tonnes) | 355 Accumulated | 450,000 Per Year | Operate at Scale |
| Circular Economy | | | |
| Conservation of Endangered Plant Species (taxa) | 33,653 | > 35,000 | > 40,000 |
| Land Restoration | 100% BAP | | 90% Indigenous Plant Restoration |

Taiwan & Mainland China Emissions Management Goals (Based on 2016 Levels)

| Metric | 2019 - 2020 | 2025 | 2030 |
|-----------------------|-------------|------|--------------|
| Taiwan | | | |
| NOx | -13% | -50% | -70% |
| SOx | -29% | -30% | BACT Minimum |
| TSP | -25% | -30% | BACT Minimum |
| Mainland China | | | |
| NOx | -32% | -50% | -70% |
| SOx | -52% | -60% | -70% |
| TSP | -39% | -50% | BACT Minimum |

Key Environmental Metrics - Taiwan

| Metric | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|-------------------|-------------------|-------------------|
| Total GHG Emissions (Scope 1 & 2) (Tonnes CO₂e) | 4,650,491 | 4,396,250 | 4,486,552 | 4,497,845 |
| Scope 1 | 4,396,724 | 4,146,431 | 4,230,680 | 4,267,805 |
| Scope 2 | 253,768 | 249,819 | 255,872 | 230,040 |
| Scope 3 | - | 8,873 | 15,041 | 21,083 |
| Total Air Emissions (Tonnes) | 7,876 | 7,704 | 7,472 | 6,772 |
| Nitrogen Oxides | 7,331 | 7,035 | 6,744 | 6,388 |
| Sulfur Oxides | 111 | 82 | 85 | 79 |
| Volatile Organic Compounds | - | 0.00656 | 0.00636 | 0.00616 |
| Particulate Matter | 433 | 587 | 643 | 305 |
| Total Energy Consumption (GJ) | 19,991,650 | 18,836,989 | 17,497,691 | 17,824,559 |
| Coal | 18,195,789 | 17,012,323 | 15,689,903 | 16,157,228 |
| Diesel | 35,444 | 79,854 | 69,059 | 56,612 |
| Gasoline | 0 | 0 | 3,918 | 5,159 |
| Purchased Electricity | 1,760,417 | 1,744,812 | 1,734,811 | 1,605,560 |
| Total Material Consumption (Tonnes) | 8,306,110 | 7,821,810 | 8,364,922 | 8,756,745 |
| Total Water Consumption (M³) | 3,880,792 | 4,181,363 | 3,054,447 | 2,543,294 |
| Waste Co-Processing - General Waste (Tonnes) | - | 814,007 | 892,000 | 859,400 |
| Renewable Energy (MW) | - | - | - | 19.3 |
| Waste Heat Recovered (MW) | 106,799 | 74,926 | 74,094 | 100,335 |

Key Environmental Metrics - Mainland China*

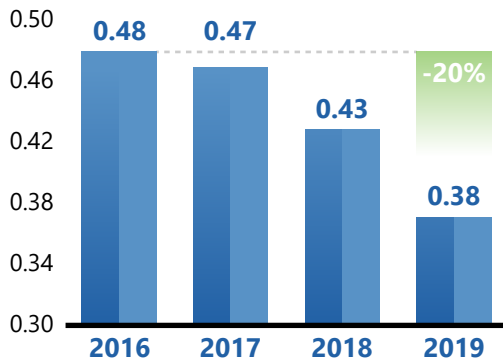
| Metric | 2018 | 2019 |
|---|-------------------|-------------------|
| Total GHG Emissions (Tonnes CO₂e) | 16,782,181 | 16,463,922 |
| Total Air Emissions (Tonnes) | 10,976 | 8,196 |
| Nitrogen Oxides | 9,964 | 7,320 |
| Sulfur Oxides | 246 | 412 |
| Particulate Matter | 765 | 464 |
| Total Energy Consumption (GJ) | 82,605,583 | 77,324,991 |
| Coal | 76,182,142 | 72,990,784 |
| Diesel | 92,821 | 76,575 |
| Gasoline | 525 | 525 |
| Purchased Electricity | 6,330,096 | 4,257,108 |
| Total Material Consumption (Tonnes) | 35,087,772 | 35,260,474 |
| Total Water Consumption (M³) | 7,345,012 | 8,439,173 |
| Waste Co-Processing - General & Hazardous Waste (Tonnes) | 1,304,926 | 83,686 |
| Waste Heat Recovered (MW)[†] | 1,186,647 | 1,185,807 |

*Mainland China only includes data from Anshun, Yingde, and Guigang Plants.

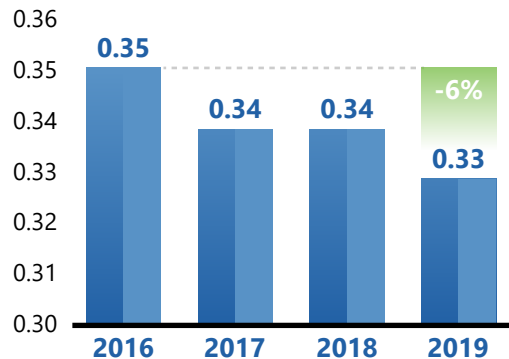
[†]Waste Heat Recovered figures include all plants in Mainland China.

Water Usage Intensity (m³/Tonne of Cementious Product)

Taiwan



Mainland China



International Certifications



Environmental Management
All Cement Plants Received
ISO 14001 Certification



GHG Emissions
All Taiwan Cement Plants Received
ISO 14064 Certification
(Mainland China by 2021)



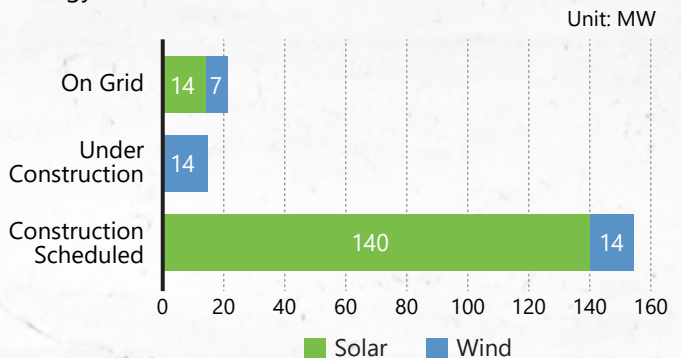
Energy Management
All Taiwan and 82% of Mainland China Cement
Plants Received ISO 50001 Certification
(Remaining 18% in Mainland China by End of 2020)



Circular Economy
World's First Cement Company to
Achieve BS 8001

Renewable Energy (2018-2025)

TCC invests in solar, wind power, geothermal, and other areas, and also develops lithium battery storage techniques to provide stable and sustainable renewable energy.



Carbon Emissions

TCC joined the UN Climate Action and is aiming to solve the complex relationship between humans and nature. TCC is searching for a balance between the development of civilization and the environment.

2020 Taiwan: SBTi (Science Based Targets initiative) passed and announced TCC's carbon emission targets.

2025 Taiwan: 11% reduction in carbon emission intensity.
Mainland China: 6% reduction in carbon emission intensity.

2030 Mainland China: 11% reduction in carbon emission intensity.
(2016 Emissions as Base)

2050 Group: With feasible technological development, TCC aims to move toward Carbon Neutrality.

Action Items - Continuous CAPEX investments

Gaseous Pollutants

- Optimized SNCR equipment, including the pipelines, water pumps, and vessels
- Using low sulfur, sub-bituminous coal
- Using low-NOx combustion devices
- Began using multi-stage combustion techniques in 2020
- Began installing SCR, operations expected to start at the beginning of 2021 in Chongqing plant

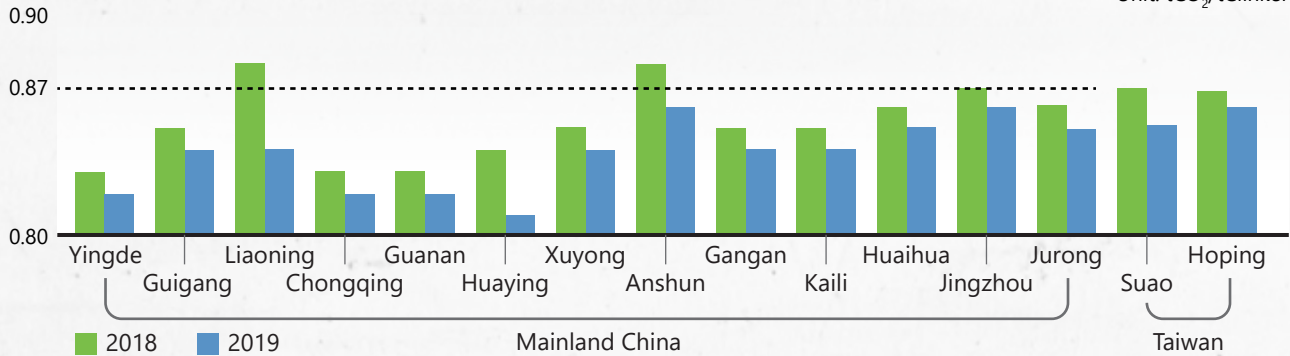
Particulate Pollutants

- Upgraded differential pressure gauges on our bag dust precipitators increase efficiency, and we regularly replace the filtration bags
- Sealed transport systems: To prevent spreading of particulate pollutants, we renovated all corridors, transport towers, and building doors and windows
- Improved electrostatic-bag dust precipitators on Kiln 1 and Kiln 2 at the Hopping Plant

Internal Carbon Pricing

In 2018, TCC began including a carbon emissions standard of **0.87 tCO₂/tClinker** (equivalent to 0.7273 tCO₂/tonne of cementitious material) in the operational KPI. Due to the KPI constituting prime consideration in determining performance and bonuses, **100% of cement plants achieved the target in 2019.**

Internal Carbon Pricing Results (2018 - 2019)

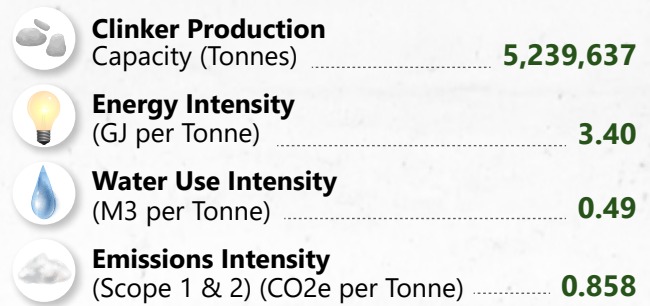
Unit: tCO₂/tClinker

Clinker Developments

TCC Develops Green Raw Materials That Reduce GHG Emissions by 70%

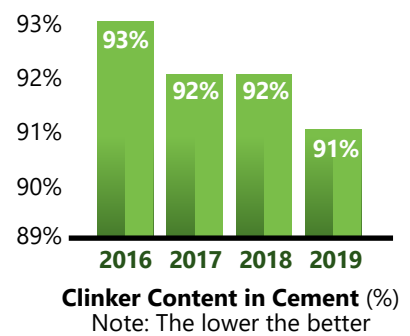
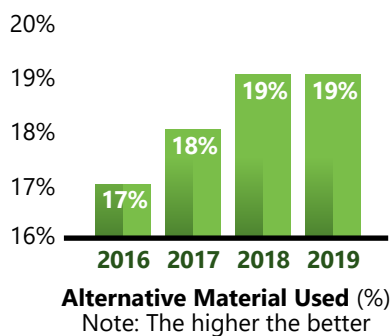
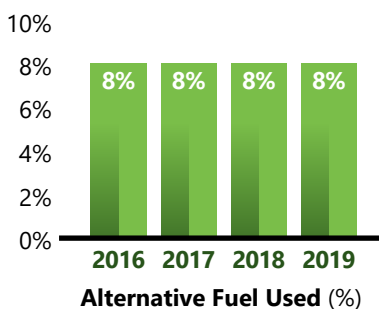
Recognizing the importance of GHG management, TCC researches the use of green raw materials for producing cement. In a joint venture with Turkey's OYAK Çimento A.Ş., we are building a new cement plant in Abidjan, Côte d'Ivoire (Ivory Coast). In 2020, this plant will produce the latest environment-friendly concrete by using green clinker that can reduce GHG emissions by 70% compared to traditional methods.

2019 Clinker Production (Taiwan)

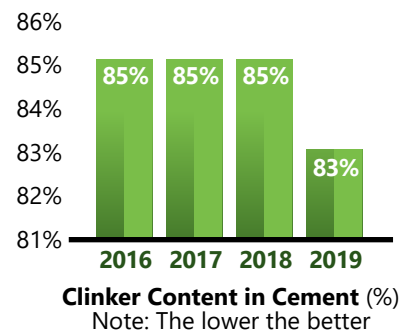
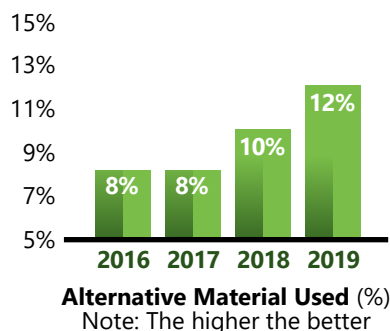
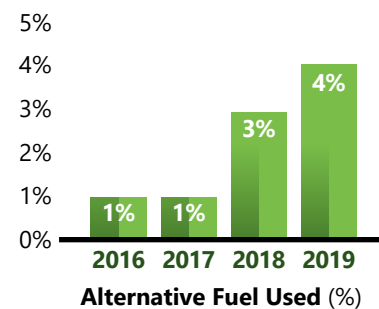


Alternative Fuel and Material for Cement Production

Taiwan



Mainland China



Note: Usage needs to comply with local regulations

Transport & Fleet Management

In recent years, TCC's RMC plants have been using transport management and equipment upgrades to enhance energy conservation.

Ground

Kaohsiung Plant

2019

Added 20 New Vehicles

Level 1 & 2 Level 5 Emission Standards

2020

Purchase Additional 15 Vehicles

Level 3 & 4 Level 5 Emission Standards

Hoping Port

Strategies to reduce automobile pollution include replacement of combustion engine automobiles. We added five electric scooters, which will save approximately 618 liters of gasoline a year and reduce our GHG emissions by the equivalent of 1,418 kg of CO₂. On the southern end of Hoping Port we added a 7.9-hectare green belt with iron wood trees to block wind and within the port we have 8.8 ha. of green area, for a total green area of 16.7 ha, or 10.52% of the port's total area. This vegetation reduces annual GHG emissions by the equivalent of 317,172 kg of CO₂.



Shipping

For better energy saving and environmental protection, in 2016 TCC signed an agreement with Japan's Shin Kurushima shipbuilding to build two customized ships at a cost of 3.518 billion yen each. Delivery was completed in 2019. Christened "S.S. Dafei" and "S.S. Dayang", the ships are fully featured, fully automated, and non-polluting. Their main engines, which use an advanced hydraulic, electronic engine control tuning system that reduces fuel use, have lower NOx emissions than International Maritime Organization standards and produce 15% less CO₂ and 20% less nitrogen oxide emissions compared to the previous generation of diesel engines. They reduce fuel consumption by 15% or more. We also planned installation of an alternate maritime power (AMP) system, using low sulfur fuel, and integrating a smart ship management system and a ballast water treatment system. These reduce GHG emissions, SOx emissions, and fuel consumption, which enhances our environmental management while protecting the marine ecology. By the end of 2021 we plan to complete installation of an onshore power supply.

Alternative Maritime Power (AMP) System

To reduce fuel use and GHG emissions during the loading and off-loading of ships, TCC plans to invest NT\$162 million in an alternative maritime power (AMP) system. The installment will take place in two phases. The first phase, to be completed before the end of June 2020, involves renovating and adding new equipment to the S.S. Dayang as well as the Hoping and Taichung ports. The second phase, to be completed before the end of December 2021, involves renovating and adding new equipment to the S.S. Dafei and Kaohsiung Port. These improvements support our sustainability vision of saving energy and reducing GHG emissions.

Anticipated Environmental Benefits

Energy Saving & Reduced GHG Emissions

Reduces fuel use by 3,894 tonnes and cuts CO₂ emissions by 4,846.4 tonnes each year



Lower Air Pollution

Reduces emissions of sulfur and nitrogen-containing chemical compounds and minute smoke and dust particles by 93% or more

Section Two Social



Cultivating a Sustainable Workforce

Excellent human resources are the bedrock of sustainable corporate development. In order to improve the competency and quality of our employees, and thus maintaining an important long-term competitive advantage, since 2019 TCC has carried out plans to enhance the global vision and innovative capabilities of staff. The plans focus on four main areas: international vista expansion, foreign language improvement, smart technology application, and professional capabilities enhancement.

Besides business administration and plant administration, the plans support business unit expansion by offering technical training. In 2019, TCC raised training and education expenditures to nearly NT\$28 million and provided 161,606.6 hours of training. To be prepared for any challenges from global trends and corporate sustainability developments, we adopt numerous projects and solutions to enhance recruitment and retention of employees while building an employee-friendly working environment.



The TCC DAKA Guide Team

Education and Training - Taiwan

| Employee Category | Hours |
|------------------------------|-----------|
| High-Level Supervisors | 250.7 |
| Mid-Level Supervisors | 1,636.7 |
| Base-Level Supervisors | 1,623.2 |
| Professionals | 113,107.9 |
| Direct Labor | 2,021.2 |
| Total Hours | 118,639.6 |

Education and Training - Mainland China*

Total Hours 42,967

MA Program - Mainland China*

| | 1 st Term | 2 nd Term |
|------------------------------|----------------------|----------------------|
| Applicants | 34 | 40 |
| Shortlisted Applicants | 27 | 28 |
| Graduates | 16 | 17 |
| Graduation Rate | 59% | 61% |

Note: Each term entails a six-month training program

*Mainland China only includes data from Anshun, Yingde, and Guigang Plants.

Key Social Goals

| Metric | 2019-2020 | 2025 | 2030 |
|-----------------------------------|--|---|--|
| 1. TCC DAKA 2. CEM* | 1. Recognition rate of 70% 2. Two operational sites | 1. Recognition rate of 85% 2. Coverage of 60% of operational sites | 1. Recognition rate of 95% 2. Coverage of 100% of operational sites |
| Cement Academy | Funded more than NT\$6 mn | Acu. total fund of NT\$30 mn | Acu. total fund of NT\$60 mn |
| Employee Training and Development | Invested NT\$28 mn | Acu. Total investment of NT\$125 mn | |
| Supplier Management | Conducted audits on 12.4% of suppliers | Conduct on-site audits on 80% of suppliers | Conduct audits on 100% of suppliers |
| Risk Management | Established Risk Management Committee | Recognition, management and mitigation of 7 business risks | Utilize ERM system |
| Information Security | Established Information Security Management Committee | Obtain ISO 27001 certification by 2021 | Maintain 0 major information security incident record |

*Community Engagement Plan



Workforce and Diversity

Cultivating a Sustainable Workforce

Our employees are the most important organizational asset and the source of TCC's continuous growth. In response to new business developments and the expansion of some duties, by the end of 2019 we had increased our workforce in Taiwan to 1,023 people, an increase of 115 people compared to 2018; in terms of gender, we had 847 male employees and 176 females; and hired 11 employees with disabilities.

The Company's Code of Ethics, human rights policies, and sexual harassment policies, were signed either digitally or non-digitally by 100% of employees.



Total Number of Employees by Work Contract Type and Gender (Taiwan & Mainland China*)

| |  |  | Total |
|---|---|---|-------|
| Employees with an Open-Ended Contract (Includes Employees on Leave Without Pay) | 982 | 3,445 | 4,427 |
| Fixed-Term Contract Employees | 1 | 0 | 1 |
| Temp Workers (Outsourced) | 22 | 17 | 39 |
| Temp Workers (Outsourced) % | 2% | 0% | 1% |



*Mainland China only includes data from Anshun, Yingde, and Guigang Plants.

Employee Turnover - Taiwan & Mainland China*

Number of New Employees by Gender

| |  |  |
|----------------------------------|---|---|
| Total | 139 | 694 |
| Proportion of Current Employees: | 3.14% | 15.68% |
| 18.82% | | |

Number of Termination of Employment by Gender

| |  |  |
|----------------------------------|---|---|
| Total | 97 | 426 |
| Proportion of Current Employees: | 2.19% | 9.62% |
| 11.81% | | |

Number of New Employees by Age

| | <30 | 31-50 | >50 |
|----------------------------------|-------|--------|-------|
| Total | 320 | 494 | 19 |
| Proportion of Current Employees: | 7.23% | 11.16% | 0.43% |

Number of Termination of Employment by Age

| | <30 | 31-50 | >50 |
|----------------------------------|-------|-------|-------|
| Total | 227 | 272 | 24 |
| Proportion of Current Employees: | 5.13% | 6.14% | 0.54% |

Taiwan: The employee turnover rates between 2015 and 2019 are 24.86%, 25.96%, 16.87%, 11.03% and 9.28%, respectively. The rate has been decreasing over the years which indicates the effectiveness of our employee retention policies.

*Mainland China only includes data from Anshun, Yingde, and Guigang Plants.

Female Managers - Taiwan



| | |
|-------------------------|----|
| High-Level Supervisors | 4 |
| Mid-Level Supervisors | 16 |
| Entry-Level Supervisors | 16 |
| Professionals | 63 |

Note: High-level supervisors are at the assistant vice president level or above. Mid-level supervisors are managers or deputy managers. Entry-level supervisors are junior managers or section managers. Professionals are engineers, project managers or management associates.

Taiwan Labor Management

TCC signs collective bargaining agreement with all its factories in Taiwan. **95.6%** of TCC employees are members of the union.

2019 Statistics

- Held **35** employee behavior policy meetings (total attendance of **825** people)
- Held **18** labor-management meetings
- Held **9** union meetings
- Held **25** employee welfare meetings

Parental Leave - Taiwan

| | 2017 | | 2018 | | 2019 | |
|---|------|------|------|------|------|------|
| | F | M | F | M | F | M |
| Employees Qualified for Parental Leave Without Pay in the Year (A) | 8 | 58 | 13 | 58 | 18 | 59 |
| Number of Employees Applying for Parental Leave Without Pay (B) | 1 | 3 | 4 | 0 | 1 | 0 |
| Scheduled Number of Employees Resuming Work in the Year (C) | 1 | 2 | 3 | 1 | 1 | 0 |
| Actual Number of Employees Resuming Work (D) | 0 | 2 | 3 | 1 | 1 | 0 |
| Number of Employees Continuing Work at TCC After Resumption of Work for 12 Months (E) | 0 | 1 | 0 | 2 | 3 | 1 |
| Resumption Rate After Parental Leave Without Pay (D/C) | - | 100% | 100% | 100% | 100% | 0% |
| Retention Rate One Year After Resumption of Work (E/D in Previous Year) | - | 100% | 0% | 100% | 100% | 100% |

Note: Only full-time employees who have been at the Company for at least six months qualify to take parental leave without pay.

Occupational Health and Safety

The Su-Ao, Anshun, Yingde, Guigang Plant passed ISO 45001:2018 Occupational Health and Safety Management Systems (or equivalent certification) and the Hoping Plant plans to obtain certification in 2020.

Besides establishing the Occupational Safety and Health Management Office to take charge of OSH-related affairs, TCC holds regular OSH Committee meetings and follows up on task implementation and project progress. Each plant established a Quality Assurance (QA) Section to plan the management and implementation of plant ESH tasks. Headquarters oversees implementation.

Taiwan Objectives

In 2019, to prevent workplace falls, entanglements, traffic accidents, and other hazards, the office proposed two objectives:

- 1 Eliminate **100%** of hidden hazards in plant facilities and equipment
- 2 Less than **one** traffic accident in each factory

Mainland China Targets & Results

| Targets | Results* |
|--|----------|
| 1 "0" Light or above Injuries Incidents | 8 |
| 2 "0" New Occupational Sickness Incidents | 0 |
| 3 "0" Fire and Explosion Incidents | 0 |
| 4 "0" Food Poisoning Incidents | 0 |
| 5 100% Special Equipment Test Pass-Rate | 100% |
| 6 100% Process Rate for "Four No's" Procedure | 100% |
| 7 100% Potential Safety Hazard Rectification Rate | 97%† |
| 8 100% Three Key Personnel Certification-Work Rate | 100% |
| 9 100% New/Transferred Personnel Training Rate | 100% |

*Results data only include Anshun, Yingde, and Guigang plants.

†Due to ongoing cross-year rectification that were not completed as of writing this report.

Taiwan Cement Plants



| | | |
|-----------------------|---|-------|
| Work Related Injuries | 0 | 2 |
| Injury Rate (IR) | 0 | 0.24 |
| Lost Days | 0 | 131 |
| Lost Day Rate (LDR) | 0 | 17.37 |

Anshun Plant

| | | |
|-----------------------|---|---|
| Work Related Injuries | 0 | 0 |
| Injury Rate (IR) | 0 | 0 |
| Lost Days | 0 | 0 |
| Lost Day Rate (LDR) | 0 | 0 |

Yingde Plant

| | | |
|-----------------------|---|-----|
| Work Related Injuries | 0 | 4 |
| Injury Rate (IR) | 0 | 0 |
| Lost Days | 0 | 275 |
| Lost Day Rate (LDR) | 0 | 0 |

Guigang Plant

| | | |
|-----------------------|---|-----|
| Work Related Injuries | 0 | 4 |
| Injury Rate (IR) | 0 | 0 |
| Lost Days | 0 | 126 |
| Lost Day Rate (LDR) | 0 | 12 |

Supply Chain

Sustainability

TCC endeavors to grow with our suppliers in order to support sustainable supply chain management. Steps we have taken include revising contracts and outsourcing agreements to include human rights, child labor and environmental protection, and other important sustainability topics. We expect suppliers to join us in implementing sustainable management and development. In recent years, to strengthen the sustainable management of our supply chain, we added ESG criteria to our new supplier selection mechanisms, built a supplier tier and type classification system, conducted on-site supplier inspections, promoted supplier CSR risk evaluations, praised suppliers with excellent performances, and offered sustainability guidance. These initiatives spread our spirit of sustainable development.

Adding ESG Criteria to New Supplier Selection

In order to build shared sustainability awareness with our cooperative partners, TCC formulated the Plant Supplier Evaluation Regulations and the TCC Supplier Sustainability Evaluation Chart. These are used to evaluate suppliers on the basis of labor, health and safety, environment, ethics, and management systems. Before an enterprise can become a TCC supplier, it must meet these basic sustainability requirements.

Procurement Portal

In 2019, TCC launched Procurement Portal, with plans for 100% of procurement mechanisms at our Mainland China plants to utilize the platform by 2020. Gradually, we will expand the platform to all of our plants. The Procurement Portal that uses AI to select suppliers, digitalizes the tender process, and manages risks associated with material quality. Expanding smart manufacturing to our upstream suppliers increases the rate of industrial upgrades.

Three Advantages of Procurement Portal

1. Accurate Supplier Information

When suppliers become platform members, they provide basic information, operational permits, and financial, environmental, safety, and health information. The system analyzes these data, then creates a file, reducing errors associated with filling out paper documents.

2. Fair and Impartial Procurement

The digital tender process is transparent. It reduces the opportunity for human manipulation and fraud risk.

3. Automatic Matching of Supply and Demand

The platform conducts automatic matching based on procurement needs and supplier member types. It can stop high-risk suppliers from participating in a tender, which effectively controls material quality.

2020 Sustainable Supplier Management - 5 Primary Goals

| Goals | 2020 |
|--|-------------|
| GOAL 1 Ratio of non-raw material goods procured locally | 95% |
| GOAL 2 Ratio of new suppliers that sign the Supplier Code of Conduct | 100% |
| Existing key suppliers that sign the Supplier Code of Conduct | 60% |
| GOAL 3 Ratio of contractors that sign the Contractor Safety and Health Pledge | 100% |
| GOAL 4 Ratio of critical tier 1 suppliers that undergo inspection | 100% |
| GOAL 5 Ratio of critical tier 1 suppliers that undergo an on-site inspection once every three years | 80% |

Section Three

Governance

The TCC Board of Directors currently consists of 19 directors (including four independent directors), two of whom are female. Board elections are held in accordance with the "Company Act" and the Company's Articles of Incorporation. Each term is three years. Four directors, or 21% of the total, are aged 31-50, and 15 directors, or 79%, are aged 51 or older. On average, board members serve 11 years and independent directors serve five years. The Board carries out its duties in accordance with related laws and regulations, the TCC Articles of Incorporation, and board rules of order. With expertise in a wide range of fields and rich industry experiences, directors exercise their supervision and management duties in good faith and assume responsibility for optimizing operational disciplines and protecting the rights and interests of investors. Certified public accountants attend board meetings to present financial reports and offer opinions to directors.

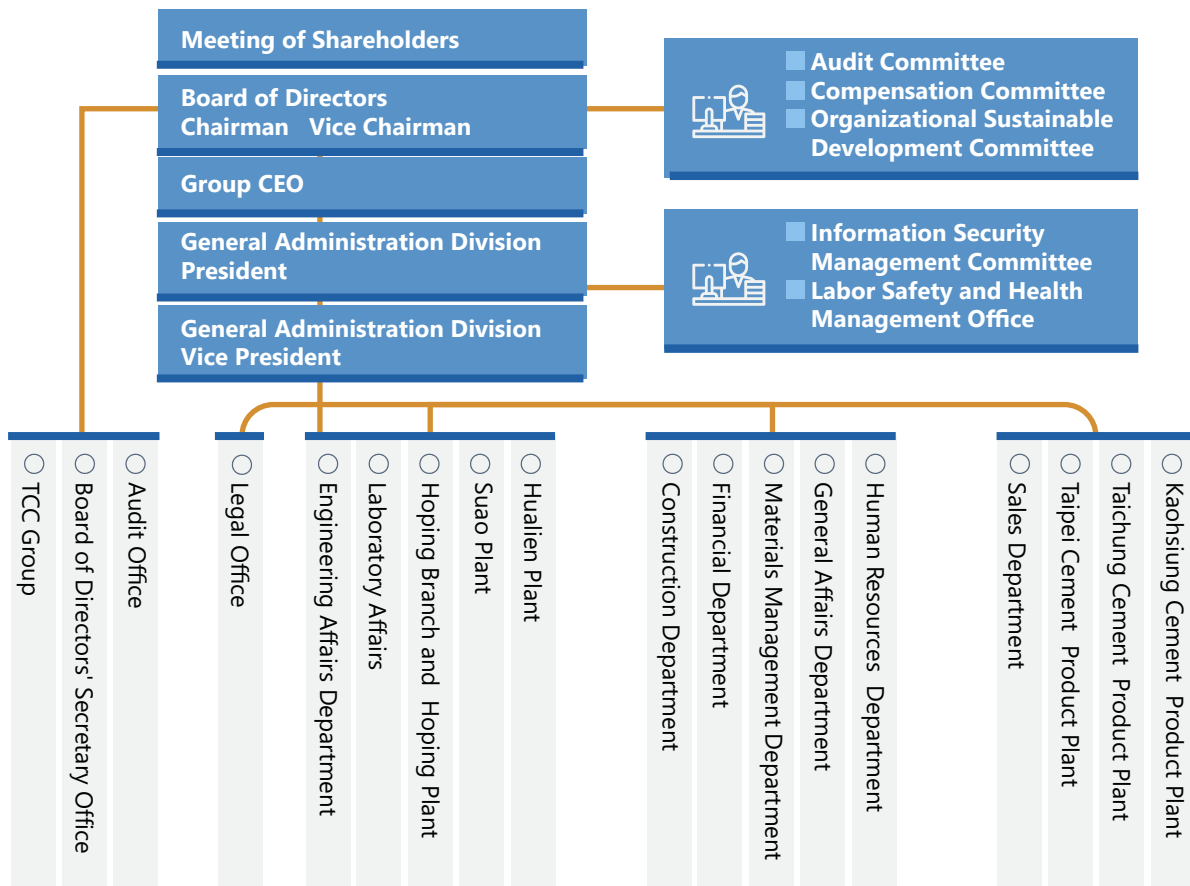
Integrity and Ethics

TCC values discipline and honesty, as shown by our inclusion of **anti-corruption**, **anti-bribery**, and **anti-racism** clauses in our "**Code of Ethics**" and the "**Ethical Corporate Management Best Practice Principles**". When new employees report to work, they undergo education and training that includes countering corruption, countering bribery, explanations of rights and interests, labor standards, and TCC's environmental safety and health management principles.

Governance Performance & Goals

- 100% of all new employees sign the Statement of Integrity and Ethical Standards
- Formulates the Best Practice Principles of Corporate Governance and the Corporate Social Responsibility Best Practice Principles
- Establishes the Corporate Sustainable Development Committee to fully implement corporate sustainable development strategies

TCC Organization Framework



Board of Directors

| | Director Name / Title | Gender | Seniority as the Director of the Company | | Director Name / Title | Gender | Seniority as the Director of the Company |
|----|--|--------|--|----|---|--------|--|
| 1 | Chang An Ping Chairman & CEO | M | 26 years | 11 | Wang Por-Yuan Director | M | 11 years |
| 2 | Li, Jong-Peir Director, President | M | 1 year 9 months | 12 | Hsieh Chi-Chia Director | M | 17 years |
| 3 | Koo, Kung-Yi Vice Chairman [†] / Director | M | 3 years | 13 | Chien, Wen Director | M | 1 year 9 months |
| 4 | Chang Kang-Lung, Jason Director | M | 8 years* | 14 | Chun-Ying, Liu Director | F | 1 year 9 months |
| 5 | Eric T. Wu Director | M | 14 years | 15 | Chih-Chung Tsai Director | M | 1 year 9 months |
| 6 | Chi-wen Chang Director | M | 4 years | 16 | Yu-Cheng Chiao Independent Director | M | 8 years |
| 7 | Lin Nan-Chou Director | M | 14 years | 17 | Victor Wang Independent Director | M | 7 years |
| 8 | Kenneth C.M. Lo Director | M | 8 years | 18 | Sheng Chin Jen Independent Director | M | 1 year 9 months |
| 9 | Yu Tzun-Yen Director | M | 14 years | 19 | Lynette Ling-Tai, Chou Independent Director | F | 1 year 9 months |
| 10 | Chen Chi-Te Director | M | 35 years | | | | |

Note: Seniority as the Director of the Company is calculated to the most recent fiscal year, up to April 30th, 2020.

[†]Koo Kung-Yi resigned from the position of Vice Chairman on January 9, 2020 and was appointed as the Company's director.

*Including Supervisor Tenure

Board Oversight

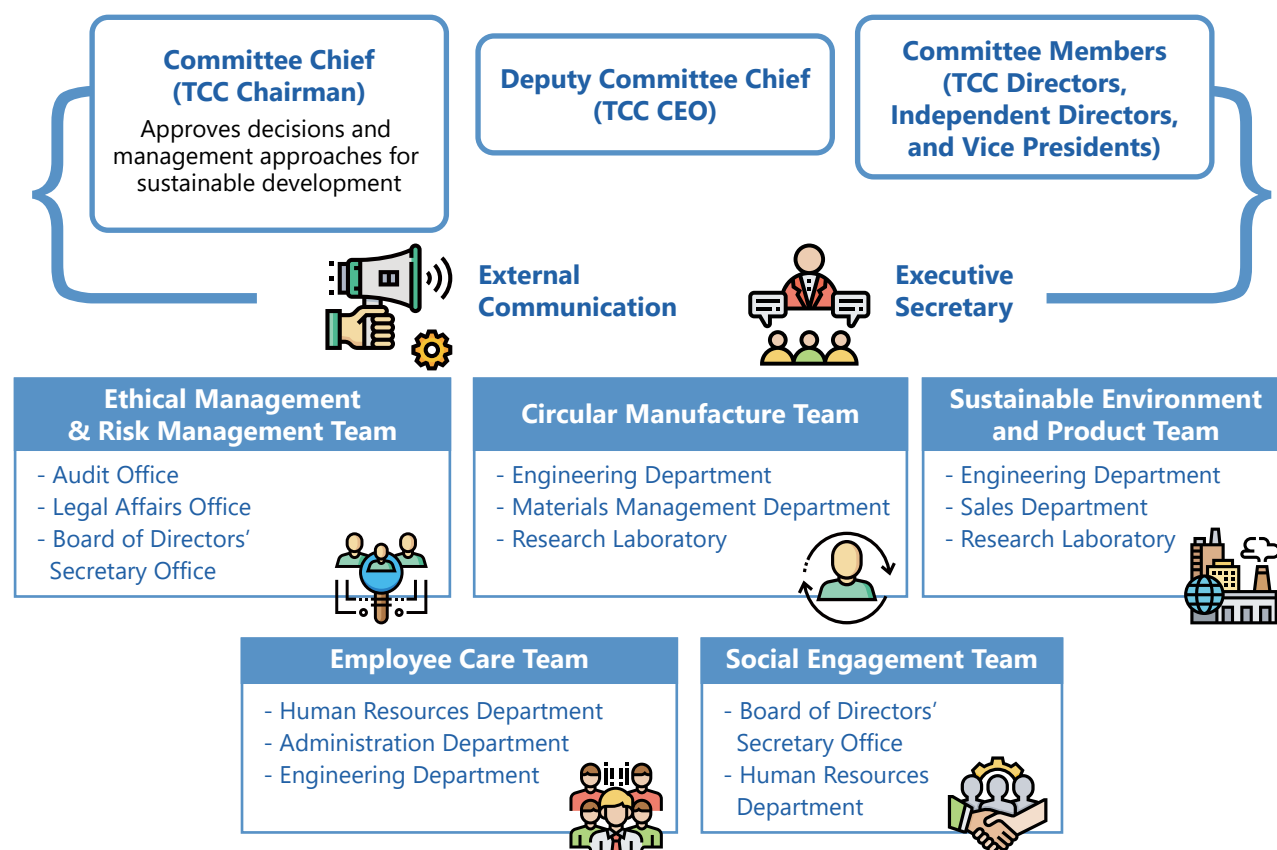
To effectively carry out the Board's duties and advance the Board's decision-making quality, TCC established the **Audit Committee**, the **Compensation Committee**, and the **Corporate Sustainable Development Committee**. Independent directors convene or participate in the committees to ensure that decisions and recommendations are forward-thinking, objective, and comprehensive, thus supporting independent oversight and balance. By placing the committees under the oversight of the Board, we ensure that the Board's decisions, actions, and proposals are reported and discussed.

| Audit Committee | | | Compensation Committee | | |
|-----------------|---|------------|------------------------|--|------------|
| | Director Name / Title | Attendance | | Director Name / Title | Attendance |
| 17 | Victor Wang Committee Chair / Ind. Director | 100% | 16 | Yu-Cheng Chiao Committee Chair / Ind. Director | 83% |
| 16 | Yu-Cheng Chiao Independent Director | 78% | 17 | Victor Wang Independent Director | 83% |
| 18 | Sheng Chin Jen Independent Director | 89% | 18 | Sheng Chin Jen Independent Director | 100% |
| 19 | Lynette Ling-Tai, Chou Independent Director | 100% | 19 | Lynette Ling-Tai Chou Independent Director | 100% |

The above attendance record accounts for the most recent fiscal year up to April 30th, 2020. In the year of 2019, the attendance rate of the members of the Audit Committee was 95.83%, and the rate was 100% when including authorized representatives. The attendance rate of the members of the Compensation Committee was 93.75%, and the rate was 100% when including authorized representatives.

Corporate Sustainable Development Committee

In line with the Company's values, the Board approved the establishment of the Corporate Sustainable Development Committee. This functional committee, which is chaired by the Company chairman, established five working groups that oversee ethical governance and risk management, circular manufacturing, sustainable environment and products, employee care, and social care. Besides planning and implementing strategies aimed at achieving corporate sustainable development, the working groups regularly disclose effectiveness of their strategies and compile the Company's corporate sustainability report. In 2019, the committee met to discuss climate change responses, circular economy, social communication, and other issues.



Executive Remuneration

The President's performance as well as related salary and remuneration policies, mechanisms, standards, and structure are evaluated by the Compensation Committee based on contributions to the Company's operations, then presented to the Board for approval. Salaries and remuneration are affected by non-financial performance in areas such as **corporate governance, green finance, social care, and environmental sustainability**.

Governance Controversies - Company Response

In April 2019, the Fair Trade Commission (FTC) officially ruled that TCC's raising of ready-mix concrete prices was a concerted action against fair trade in violation of pertinent provisions of Article 14 of the "Fair Trade Act"; the ruling carried a penalty of fines. TCC defended itself by explaining that the price hikes were in response to higher upstream raw material costs, but to no avail. TCC thus resorted to seek judicial redress by initiating administrative litigation proceedings against FTC's ruling. The whole case is still pending appeals trial at the Supreme Administrative Court to date.

Participation in International Initiatives



Task Force on Climate-related Financial Disclosures - Supporter



Global Cement and Concrete Association (GCCA) - Member



Science Based Targets Initiative - Committed



Carbon Disclosure Project - Management Level