

1 Governance

Companies must respond to climate change by establishing forward-looking, resilient, and responsible governance structures with the board of directors at the core. Through senior-level supervision and cross-departmental collaboration, climate risks and opportunities are incorporated into decision-making process to drive sustainable transformation and create long-term value.



1.1 Board oversight of climate-related risks and opportunities

The Board of Directors at TCC serves as the highest governing body for the Company's climate-related matters, responsible for guiding and supervising the management of significant risks related to economic, environmental, and social aspects. Climate change risks and opportunities are also included within its scope of the Board's responsibilities. To strengthen the governance structure, TCC has established a Risk Management Committee and a Corporate Sustainable Development Committee to assist in formulating and implementing climate-related strategies. Implementation results are regularly reported to the Board of Directors for supervision and review, ensuring that the Company's climate strategy direction aligns with its overall sustainable development guidelines. Furthermore, TCC established the Office of Responsibility and Sustainability in 2022, responsible for cross-departmental communication and integration of group resources to enhance the implementation efficiency of climate actions and sustainability projects, while providing strategic optimization recommendations to advance the realization of sustainability goals.

Unit	Climate Responsibility and Scope	Members	Attendance
Number of Shareholders' Meetings: 12	The highest decision-making body for approving and supervising the Company's climate change strategy	Convener: Chairman Nelson An-ping Chang 14 Directors: 9 Corporate Director Representatives, 5 Independent Directors	99.44% attendance rate in 2024 *Including attendance by proxy

2024 Key Achievements		
FSC Sustainable Development Roadmap Planning	Sustainability Disclosure Standards S1 and S2	Human Rights Due Diligence
Following internationally recognized methodologies such as SBT (Science Based Targets), MIT EN-ROADS, IEA (International Energy Agency), and WBCSD (World Business Council for Sustainable Development), TCC has newly released its 2050 Net Zero Roadmap for its cement business unit.	TCC aligns with IFRS Sustainability Disclosure Standards S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures' by publishing the '2023 TCC Sustainability and Climate-related Financial Report IFRS S1 & S2 Special Chapter	TCC aligns with the EU Corporate Sustainability Due Diligence Directive (CSDDD) regulations by publishing its first CSDDD report in 2024, incorporating systemic climate change risks and proposing preventive measures to address negative impacts such as extreme weather events.

1.2_Responsibilities and Oversight of Functional Committees

TCC's Board of Directors has established the Risk Management Committee and Corporate Sustainable Development Committee, which are respectively responsible for the Company's overall risk control and sustainability strategy implementation. The Risk Management Committee is dedicated to strengthening the Company's risk governance mechanisms. The President serves as the highest authority for climate risk, coordinating the identification and management of operational risks (including physical and transition risks associated with climate change), and leading the planning and implementation of response measures. The management team reports to the Board of Directors at least once a year on the implementation status and control effectiveness of risk management, ensuring the continued effectiveness and improvement of the governance process. Additionally, a Risk Management Working Group has been established under the Risk Management Committee, consisting of senior executives from various departments and business groups. The group develops strategies based on four risk aspects: strategic, operational, climate, and financial. This ensures that relevant practices are implemented in business operations and regularly consolidates execution results and response measures to report back to the Risk Management Committee.

The Corporate Sustainable Development Committee is responsible for reviewing and supervising the Company's sustainable development strategies and performance, with the Chairman serving as the convener. Discussion topics cover climate governance and low-carbon transition planning, and meetings are held at least twice a year. A Corporate Sustainable Development Working Group has been established under the Corporate Sustainable Development Committee and divided into functional groups covering seven key sustainability areas. The Working Group is composed of senior executives and experienced colleagues from various departments, responsible for promoting sustainability actions within their respective areas of responsibility. Through annual meetings and written reports, the Working Group evaluates the implementation results and future planning of climate change and other sustainability issues, thereby continuously optimizing strategy and implementation effectiveness. The Chief Sustainability Officer regularly reports overall progress to the Sustainable Development Committee.



Risk Management Executive Committee



2024 Key Achievements

- Reporting on the damage and recovery progress of the Company's production and business locations in Taiwan due to the Hualien earthquake on April 3, 2024.
- TCC's updated main risk identification matrix in seven major aspects: operations, finance, national, legal compliance, ESG, personnel, and information security.
- TCC's 2023 Climate-Related Performance Indicator Achievements and 2024 Climate-Related Target Setting

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

Corporate Governance
Comprehensive Care (including Social Welfare)
Sustainable Products and Manufacturing
Sustainable Environment
Green Energy
Biodiversity
Sustainable Information Disclosure

Corporate Sustainable Development
Committee
Number of meetings: 3

**Climate Responsibility
and Scope**
Supervising TCC's climate strategy
implementation and project
performance, and approving
relevant indicators and targets
recommended by the Corporate
Sustainability Working Group

Convenor: Chairman Nelson
An-ping Chang
5 committee members: President
Roman CHENG, Director Liz WANG,
Independent Director Victor WANG,
Independent Director Sherry S. L.
LIN, Independent Director Lynette
Ling-Tai CHOU

100% attendance rate in 2024

2024 Key Achievements

- Based on the UN Integrity Matters report, ISO IWA 42 Net Zero Guidelines, and the open-source calculation methodology of the En-ROADS Net Zero Simulator developed by MIT team, TCC presents separate net-zero pathways for its global cement and concrete business units, as well as the external carbon reduction impact, in its sustainability report and on its official website.
- In response to the Paris Agreement's goal of limiting global warming to an increase of 1.5°C, TCC completed the 1.5°C Science Based Targets (SBT) for cement plants in Taiwan and Mainland China, including short-term targets and net-zero commitments. The Company also completed Scope 3 inventory and reduction target setting for cement plants in Taiwan and Mainland China by the end of the year.
- Responded to FSC's requirements to complete greenhouse gas inventory for subsidiaries included in consolidated financial statements by 2025 and verification by 2027.
- Gradually rebuilt TCC and its subsidiaries' websites in an internationalized and standardized format, with comprehensive presentation of sustainability-related information across all websites.
- Readjusted internal information systems and accounting system classifications to meet TCC's sustainability management needs and fulfill sustainability financial disclosure purposes.

 TCC GROUP HOLDINGS 2024 TCFD

● ● ● ● ● ● GOVERNANCE

Executive Unit Meeting

TCC adopts a cross-departmental collaboration mechanism for climate-related issues, conducting regular communication and coordination. Participating departments include Engineering, Finance, Business, Materials, Low-carbon R&D, Human Resources, and various production units. Meetings are held monthly based on issue importance to continuously track the progress of carbon reduction projects and climate strategy implementation. To stay informed of implementation progress in real-time, the Chairman also periodically convenes project meetings with the President and Vice Presidents of various functional units to strengthen supervision and guidance on climate-related actions.

Meeting Name / Cross-departmental Monthly Report

Participating Departments or Personnel Titles

Engineering Affairs Department, Finance Department, Sales Department, Supply Chain Management Department, Audit Office, President's Office

Main Discussion Items

Market Operations, Monthly Profit and Loss, Material Procurement, Alternative Raw Material Usage, Carbon Emissions Status, Project Progress

Key Discussion Topics in 2024

- Progress of Hualien Construction Waste Treatment Plant
- Carbon Fee Increase - Setting of Voluntary Reduction Targets
- Current Status of UHPC On-site Casting
- Natural Disaster Damage Status and Improvement Measures
- Permeable Concrete Construction Progress
- Energy Conservation and Carbon Reduction Progress and Performance

Meeting Name / Environmental Protection Monthly Meeting

Participating Departments or Personnel Titles

Engineering Affairs Department, Low-carbon R&D Center, President's

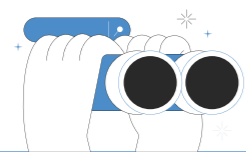
Main Discussion Items

Conduct technical development of low-carbon cement and low-carbon concrete, as well as low-carbon product development.

Key Discussion Topics in 2024

- ⊙Future Development Direction for Low-carbon Product Operations





From Türkiye to Portugal - How OYAK CEMENT and CIMPOR Are Shaping TCC's Global Climate Governance Network

In the face of climate change, the cement industry, as one of the most carbon-intensive industries, stands at a critical juncture in its journey toward green transformation. As important global strategic locations, OYAK CEMENT in Türkiye and CIMPOR in Portugal are not only pillars of TCC's international operations but also play key roles in implementing TCC's global climate governance strategy.

OYAK CEMENT —

Climate Governance Practices of Türkiye's Leading Cement Company

OYAK CEMENT is one of Türkiye's largest and most influential cement manufacturers, officially becoming part of the TCC Group in 2024. It owns seven integrated cement plants and multiple concrete and port facilities, with comprehensive vertical integration capacity and logistics capabilities, serving multiple regions across Europe and Asia. In terms of climate governance, OYAK CEMENT has established a multi-level sustainability management structure. The Sustainability Committee, led by the Board of Directors, is responsible for reviewing ESG policies and climate risks, and regularly examining and adjusting strategies. At the operational level, dedicated sustainability and climate teams have been established to support the achievement of policy goals in production and investment activities.



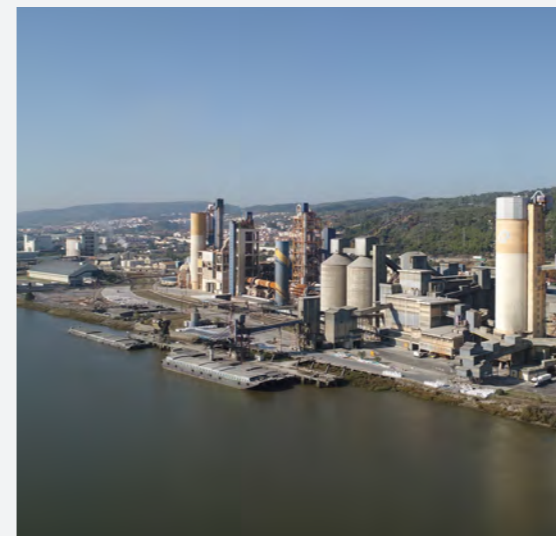
OYAK CEMENT's climate commitments:

- Actively promote the application of alternative fuels, such as Solid Recovered Fuel (SRF) and biofuels
- Promote energy efficiency improvements and carbon capture research, becoming one of the first companies in Türkiye's cement industry to commit to a net-zero pathway



CIMPOR —

A Low-Carbon Model Deeply Rooted in Portuguese-Speaking Countries



CIMPOR, founded in 1976, is Portugal's oldest and largest cement company, currently operated as a joint venture between TCC and OYAK CEMENT. Its production bases are located in mainland Portugal, Cape Verde in West Africa, and other locations, with multiple international shipping routes, serving as a key hub connecting the European and African markets. In terms of climate governance, CIMPOR actively aligns with EU climate policies and has committed to investing 130 million euros by 2030 to advance its decarbonization transition. Key measures include:

- Increase the usage of alternative materials such as slag, fly ash, and natural pozzolan
- Implement alternative fuel strategies to increase the proportion of non-fossil fuels
- Strengthen environmental management systems and carbon footprint tracking systems

Meanwhile, CIMPOR also participates in European policy platforms and technical alliances, dedicated to accelerating the research, development, and commercialization of net-zero technologies for building materials. It has become a representative sample of low-carbon transformation among Portuguese-speaking countries.

Integrating Governance with a Global Vision:

TCC's Transnational Climate Resilience Strategy

By integrating the sustainability experiences of OYAK CEMENT and CIMPOR, TCC has established a climate governance model that spans Asia and Europe, tailored to local conditions and covering end-to-end management from the board level to factory operations. Looking ahead, TCC Group will continue to build on the climate governance efforts of OYAK CEMENT and CIMPOR, accelerating the green transformation of its global operations and enhancing overall climate resilience. To meet the 2050 net-zero challenge Through knowledge sharing, coordination of carbon management systems, and integration of data platforms, TCC Group aims to meet the 2050 net-zero goals.

