

# TCC Group Holdings, Ltd., Co

## Sustainable Development Best Practice Principles

Promulgated on March 18, 2011 at the 14<sup>th</sup> Meeting of the 20<sup>th</sup> Board of Directors  
Amended for the First Time on December 27, 2011 at the 19<sup>th</sup> Meeting of the 20<sup>th</sup> Board of Directors  
Amended for the Second Time on March 30, 2016 at the 5<sup>th</sup> Meeting of the 22<sup>nd</sup> Board of Directors  
Amended for the Third Time on March 27, 2017 at the 12<sup>th</sup> Meeting of the 22<sup>nd</sup> Board of Directors  
Amended for the Fourth Time on March 20, 2020 at the 16<sup>th</sup> Meeting of the 23<sup>rd</sup> Board of Directors  
Amended for the Fifth Time on August 11, 2020 at the 19<sup>th</sup> Meeting of the 23<sup>rd</sup> Board of Directors  
Amended for the Sixth Time on August 13, 2025 at the 15<sup>th</sup> Meeting of the 25<sup>th</sup> Board of Directors

### Chapter I General Provisions

**Article 1** Taiwan Cement Corporation (the "**Company**") hereby establishes this Sustainable Development Best Practice Principles (the "**Principles**") in accordance with the *Sustainable Development Best Practice Principles for the Taiwan Stock Exchange Corporation (the "TWSE") and Taipei Exchange (the "TPEX")* listed Company for the purpose of fulfilling its sustainable development and promoting economic, environmental, and social advancement in order to achieve sustainable development of the Company.

**Article 2** The Principles apply to the Company, its subsidiaries, joint ventures, and other related entities under its substantive control. Suppliers and business partners are expected to integrate the spirit and principles of these Principles into their daily operations.

Subsidiaries may establish their own sustainable development practices based on their industry or local legal requirements. These practices, if established, shall take precedence.

If a subsidiary has its own sustainable management systems and frameworks that do not conflict with the spirit and principles of the Principles, its specific regulations shall be prioritized.

The Company takes initiatives to fulfill its sustainable development in the course of its business operations, follows international trends of development, contributes to the economic development of the country, improves the quality of life of its employees, the community and society by acting as a responsible corporate citizen, and enhances its competitive edge, all the while being socially responsible in all its activities.

**Article 3** In fulfilling sustainable development, the Company shall give due consideration to the rights and interests of stakeholders, especially groups affected by the transition. While pursuing sustainable operations and profitability, the Company shall also adhere to the principles of just transition by considering environmental, social, and governance factors

and incorporating them into its corporate management guidelines and business operations.

The Company shall, in accordance with the double materiality principle, conduct risk assessments on environmental, social, and governance issues related to its operations. Based on the assessment results, it shall establish relevant strategies for risk management, mitigation and adaptation, and response.

**Article 4** The Company practices sustainable development in accordance with the following principles:

1. Implementing corporate governance.
2. Fostering a sustainable environment.
3. Maintaining social public welfare.
4. Enhancing the disclosure of corporate sustainable development information.

**Article 5** The Company shall consider the correlation between domestic and international sustainable development trends and its core business operations, as well as the impact of the Company's and the group's overall operations on stakeholders, in establishing its policies, systems, management guidelines, and concrete promotion plans for sustainable development. These plans shall be approved by the Company's board of directors (the "**Board**") and then reported to the shareholders' meeting. When a shareholder proposes a motion involving corporate sustainable development, the Board shall review and consider including it in the shareholder meeting agenda.

## **Chapter II Implementing and Exercising Good Corporate Governance**

**Article 6** The Company shall follow the *Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies*, the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*, and the *Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies*, as well as relevant international regulations and standards, to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

**Article 7** The directors of the Company shall exercise the due care of good administrators to urge the Company to fulfill its sustainable development, examine the results of the implementation thereof on a

regular basis and continually adjust to ensure the thorough implementation of its sustainable development policies. The Board shall give full consideration to the interests of stakeholders, including the following matters, in the Company's implementation of its sustainable development initiatives:

1. identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems, or relevant management guidelines;
2. making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The Chairman shall authorize senior executives to handle economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of such issues to the Board. The handling procedures and the responsible persons for each of the relevant issues shall be clearly identified.

**Article 8** The Company shall, on a regular basis, provide training and education on the implementation of sustainable development, including promoting the matters prescribed in Paragraph 2 of the preceding article and other matters.

**Article 9** For the purpose of managing its sustainable development, the Company's Board of Directors serves as the highest decision-making body for sustainable development affairs. A Corporate Sustainable Development Committee is established under the Board, which is responsible for promoting and strengthening the Company's corporate governance functions related to sustainable operations, ESG development, and corporate social responsibility. The Committee shall formulate relevant management guidelines and concrete promotion plans, and report to the Board on a regular basis. In the case of a major issue, it must also be submitted to the Board for a resolution before it can be executed.

To implement sustainable development strategies and projects approved by the Board of Directors and the Corporate Sustainable Development Committee, the Office of Responsibility and Sustainability has been established. The Chief Sustainability Officer is responsible for overseeing their execution and will regularly report the progress to the Corporate Sustainable Development Committee for discussion.

The Company shall adopt reasonable remuneration policies to ensure that the remuneration arrangements support the organization's strategic goals and objectives of sustainable development, and align with the interests of stakeholders. The Company's employee performance evaluation system shall be integrated with sustainable development policies, and a clear and effective incentive and discipline system shall be established.

**Article 10** The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them; and adequately respond to the important sustainable development issues which they are concerned about.

### **Chapter III Fostering a Sustainable Environment**

**Article 11** The Company shall follow relevant environmental laws, regulations, and international standards to appropriately protect the natural environment. In its business operations and internal management, it shall strive to reduce waste, use waste as an alternative fuel or raw material, and reduce greenhouse gas emissions to achieve the goal of environmental sustainability.

**Article 12** The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

**Article 13** The Company shall establish proper environment management systems based on the characteristics of the industries where it operates. Such systems shall include the following tasks:

1. Collect sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establish measurable goals for environmental sustainability, and examine whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopt enforcement measures such as concrete plans or action plans, and examine the results of its operation on a regular basis.

**Article 14** The Company shall establish an ad hoc task force or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and it should hold environment education courses for its managerial officers and other employees on a regular basis.

**Article 15** The Company shall consider the impact of its operations on ecological benefits, promote and advocate for the concept of sustainable consumption, and conduct its business activities—including research and development, procurement, production, operations, and services—based on the following principles to reduce its impact on the natural environment and humans:

1. Reduce greenhouse gas emissions.
2. Reduce the emission of pollutants and toxic substances, quantify the amount of waste generated, and properly handle it to achieve maximum recycling and reuse.
3. Use industrial waste as an alternative fuel or raw material to reduce the resource and energy consumption of products and services.
4. Improve the recyclability and reusability of raw materials or products.
5. Maximize the sustainable use of renewable resources.
6. Extend the durability of products.
7. Increase the efficiency of products and services.
8. Strive to have a positive impact on the biodiversity of the natural environment through business activities.

**Article 16** To improve water usage efficiency, the Company shall use water resources in a proper and sustainable manner, tally its volume of water usage, establish relevant management measures, and recycle (instead of discharging) wastewater that has been properly treated. The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce any adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

**Article 17** The Company shall assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt climate related measures.

The Company shall adopt domestic and international standards or guidelines to perform corporate greenhouse gas inventories and disclose them. The scope of which shall include the following:

1. **Direct greenhouse gas emissions:** Emissions from sources that are owned or controlled by the company.
2. **Indirect greenhouse gas emissions:** Emissions from the generation of externally purchased electricity.
3. **Other indirect emissions:** Emissions generated from company activities that are not energy-related, but originate from sources

owned or controlled by other companies.

The Company shall track its greenhouse gas emissions, water consumption, and the total weight of waste. It shall also formulate policies on energy conservation, emission reduction, using industrial waste as alternative fuels and raw materials, and using renewable energy to reduce greenhouse gas emissions. The Company shall also formulate policies on reducing water consumption and managing other waste, and will incorporate the acquisition of carbon credits into its carbon reduction strategy, and implement these policies accordingly to reduce the impact of the company's operational activities on climate change.

## **Chapter IV Preserving Public Welfare**

**Article 18** The Company shall comply with international human rights conventions and will not participate in any act that violates human rights.

To fulfill its responsibility to protect human rights, such as gender equality, the fundamental rights of indigenous and minority groups, the right to work, and the prohibition of discrimination, the Company shall formulate relevant management policies and procedures, including:

1. A human rights policy is established.
2. The Company evaluates the impact of its business operations and internal management on human rights and formulates corresponding handling procedures.
3. The effectiveness of the Company's human rights policy is regularly reviewed.
4. In the event of a human rights infringement, the Company will disclose the handling procedures for the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resources policies do not contain differential treatment based on gender, race, socioeconomic status, age, or marital and family status so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force in order to ensure equality and transparency of

the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

**Article 19** The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

**Article 20** The Company shall provide safe and healthful work environments for its employees, including necessary health and first-aid facilities, and it shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company shall regularly conduct safety and health training for its employees.

**Article 21** The Company shall create a positive environment for the career development of its employees and establish effective training programs to develop their professional skills.

The Company shall also formulate and implement reasonable employee welfare measures (including remuneration, leave, and other benefits). It will appropriately reflect corporate sustainable business performance and results in the employee remuneration policy to ensure the recruitment, retention, and motivation of human resources and to achieve the goal of sustainable operations.

**Article 22** The Company shall establish a platform to facilitate regular two-way communication between management and employees for the employees to obtain all relevant information on and to express their opinions on the company's operations, management and decisions. The Company shall respect the employee representatives' rights to bargain for the working conditions, and it shall provide employees with the necessary information and hardware equipment in order to improve the negotiation and cooperation among the Company, employees and employee representatives. The Company shall, by reasonable means, inform employees of operational changes that might have a material impact.

**Article 22-1** The Company shall provide its clients with products and services in a fair and reasonable manner, and it shall formulate and implement relevant policies and procedures for such objectives. "Fair and reasonable manner," as referred to under the preceding paragraph, includes:

1. Contracts are entered into in the spirit of reciprocity, fairness, and honesty.
2. Upon accepting a client's commission, the Company shall exercise

due care and a duty of loyalty.

3. The Company verifies that the products or services it provides are suitable for clients.
4. The Company provides comprehensive explanations regarding the important information of its products and discloses the relevant risks.
5. The remuneration system for business personnel gives balanced consideration to the interests of clients and the achievement of business goals.
6. Client complaint channels are open and clear, and the Company shall provide a proper response.
7. For professional services, the relevant personnel shall possess professional qualifications or have obtained professional licenses.

**Article 23** The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the processes of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. These principles shall be implemented in its business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of clients.

**Article 24** The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of the industries where it operates. The Company shall follow the relevant laws, regulations and international guidelines on customer health and safety, client privacy, marketing, and labeling of its products and services. It shall not deceive, mislead, commit fraud or engage in any other acts that would betray consumer trust or damage consumer rights or interests.

**Article 25** The Company shall evaluate and manage all types of risks that could cause interruptions in operations so as to reduce the impact on stakeholders and society. The Company shall provide a transparent and effective procedure for customer complaints to fairly and timely handle client complaints, and it shall comply with laws and regulations related to the Personal Data Protection Act. The Company shall also formulate a Personal Data Protection and Management Policy to genuinely respect clients' rights of privacy and protect personal data provided by clients.

**Article 26** The Company shall assess the impact of its procurement on the environment and society of its supply sources and work with suppliers to jointly implement corporate social responsibility.



The Company shall establish a Supplier Management Policy Statement and Supplier Code of Conduct. It shall require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, anti-corruption and anti-bribery, and labor human rights. Prior to engaging in commercial dealings, the Company shall assess a supplier's record regarding its impact on the environment and society and avoid transactions with individuals or entities subject to international sanctions, as well as those who contradict the company's sustainable development policy. If a supplier is determined to be high-risk and fails to improve after guidance, the Company may terminate the partnership.

When the Company signs a contract with a major supplier, it shall require the supplier to sign the Supplier Code of Conduct, and the content shall include terms stipulating mutual compliance with both parties' sustainable development policies.

**Article 27** The Company shall evaluate the impact of its business operations on the community and adequately employ personnel from the location of the business operations to enhance community recognition.

The Company's social participation policy advocates for "Doing Better Together." For the Company, social welfare is not merely about financial donations, but rather about starting from its core business, combining technology and services to fully implement this in environmental, social, and governance aspects.

The Company shall, through equity investment, commercial activities, in-kind donations, volunteer services, or other charitable professional services, dedicate resources to organizations that resolve social or environmental issues through a business model. It shall also participate in relevant activities held by citizen organizations, charitable groups, and local government agencies related to community development and education to promote community development.

**Article 27-1** The Company shall continually dedicate resources to cultural and art activities or the cultural and creative industry through donations, sponsorships, investments, procurements, strategic cooperation, corporate technical volunteer services, or other supporting means, to promote cultural development.

## **Chapter V Enhancing Disclosure of Corporate Sustainable Development Information**

**Article 28** The Company shall disclose information according to the relevant laws, regulations and the *Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies* and shall fully disclose the relevant and reliable information relating to its sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development that the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the Board.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. The goals and measures for realizing the sustainable development initiatives established by the companies, and performance in implementation.
4. Information on major stakeholders and their concerns.
5. Information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

**Article 29** The Company shall adopt widely recognized international standards or guidelines when producing Sustainability Reports to disclose the status of its implementation of the sustainable development policy. It also is advisable to obtain third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports shall include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

## **Chapter VI Supplementary Provisions**

**Article 30** The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

**Article 31** The Principles and its subsequent amendments shall take effect upon the approval thereof by the Board.