



# Universal Cement Corporation 2023 Sustainability Report



## Introduction

This is the sustainability report of Universal Cement Corporation (hereinafter referred to as “UCCTW”), pursuant to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) and complied with the guidelines and framework of GRI and the economic, environmental, and social developments and strategies of Sustainability Accounting Standard Board (SASB), which provides UCCTW’s accurate and detailed progress and achievements in sustainable development to shareholders. Information regarding this report is as follows:

### **Reporting Period**

The main period of the published data in this report is from January 1, 2023 to December 31, 2023. The scope and boundary of reporting consist of the economic, social, and environmental performances of UCCTW. Any information with different scope and boundary of disclosure regarding other investment companies will be otherwise specified. Currently, besides the Head Office in Taipei, UCCTW’s location of operations include: Haihu Gypsum Board Plant in Taoyuan City, Luzhu Gypsum Board Plant in Kaohsiung City, Alian Cement Plant in Kaohsiung City, and seven ready-mixed concrete plants, including Yong Kang, Tainan, Dahu, Nanzi, Fengshan, Xiaogang, and Chaozhou. Considering the comparability of information provided, other than information regarding performances that has not been officially collected, this reporting will disclose data from 2023, with part of the data tracing back to related performances for the past three years. This report is issued in the seventh year, and the reporting cycle happens once a year. The previous issuance was in June 2023. This report’s date of issuance is in June 2024, and the next scheduled issuance time is June 2025.

### **Information Disclosure and Inspection**

**Internal Inspection:** The financial information provided in this report, denominated in NTD, has been audited by the CPA and is published in the annual report for the general shareholder’s meeting. Each number is represented in the most common decimal numeral system, rounded. Other non-financial data is provided by relevant internal departments, reviewed and approved by the Chairman and published on UCCTW’s official website and Market Observation Post System website.

**External Certification:** UCCTW tasked the Legendary & Steadfast Accountancy(LSA)to conduct independent limited assurance on the information of this report in accordance with Statement of

Assurance Engagements Standard No.3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China, which is based on ISAE 3000. Please refer to the Appendix for relevant assurance methodology and results.

### **Contact Information**

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## Chairman's Statement

Since its establishment in 1960, Universal Cement Corporation has remained steadfast in its position, we have always adhered to four core principles: good quality, good service, good creditability, and fair pricing. Fulfilling the needs of employees, suppliers, partners, and customers is our responsibility. We work to enhance our production process, create a circular economy, and strive for the sustainable growth of enterprises, society, and the environment.

Committed to promote the use of green building materials, we set up the first domestic gypsum board plant, assembled a research team that constantly innovates on the functional performances of gypsum boards, such as implementing moisture resistance, fire-resistance, sound insulation, and convenience in construction. Further inventing the first gypsum board recycling system, and in that process, establishing a circular economy. In recent years, the use of green building materials has become prevalent, and our gypsum board has earned recognition. Our Taoyuan Haihu Gypsum Board Plant's production capacity has exceeded 95%, and our Kaohsiung Luzhu Gypsum Board Plant has commenced production in 2023 to expand production capacity and create job opportunities for local populations.

We also adhere to our goal of corporate sustainability, strictly managing the quality of our products, regularly tracking customer opinions to develop better functions and product ratios, actively collaborating with both public and private construction projects in order to strengthen the competitiveness of our products.

Other than the field of building materials, to satisfy customers' needs, we established our microelectronics division to create a better future filled with convenience and high living standards. Our subsidiary company, Uneo Inc., with the technology of micro-deformable piezoresistive sensor, has received international recognition and has made remarkable progress in consumer electronics, stylus, industrial and semiconductor equipment, smart health, and smart warehouses. Uneo Inc. collaborated with world-renowned corporates. As a pioneer in film type pressure sensor industry, Uneo Inc., aims to provide defining innovations that enhance user experience.

We are sincerely grateful for all the hard work from our colleagues and the support and trust from the public. In the future, continuing the principles from our founder Mr. Hou Yu-Li, we strive to maintain ethical corporate management and social responsibility for the next hundred years.



Hou, Bo-Yi

Chairman

## Key Achievements in 2023

### **Sustainable Operation and Management**

- The only domestic gypsum board provider - from R&D to product design, we incorporated the element of “green” and obtained various environmental safety certifications. The production reached 15,960 thousand m<sup>2</sup> in 2023.
- Executing Business Continuity Planning: Continuously adopt optimized inventory and flexible transportation scheduling, maintain stable operations to support the public construction demand.
- Suppliers sign Corporate Social Responsibility Commitment: A total of 67 suppliers have signed the commitment, partnering with The company to fulfill our responsibility for sustainable development of the business and the society.

### **Environmental Management**

- Prioritize the adoption of high-efficiency energy-saving products.
- Promote and implement energy-saving, carbon reduction, and environmental protection measures.
- Regularly inspect and eliminate outdated equipment to reduce energy burden.
- All suppliers meet the requirements of the ISO quality management system for qualified suppliers.
- Local sourcing of raw materials: The company's local procurement accounts for 97% of the total procurement amount.
- Customer satisfaction survey: Average customer satisfaction scores for each business divisions exceed 90 points.

### **Social Contribution**

- In 2023, the total amount of social welfare donations reached NT\$ 3.29 million .
- In 2023, saw continued investment in R&D expenditure rose to NT\$ 72.62 million.

# Table of Contents

Introduction.....	1
Chairman’s Statement .....	3
Key Achievements in 2023.....	4
Table of Contents .....	5
1 Sustainable Operation and Management .....	6
2 Corporate Governance and Investment .....	31
3 Excellent Customer Service.....	56
4 Environmental Management .....	60
5 Employee and Benefits.....	75
GRI Standards Content Index .....	91
SASB Standards for Construction Materials .....	96
Operational Guidelines for the Preparation and Submission of Sustainability Reports by Listed Companies: Sustainability Disclosure Indicators - Cement Industry .....	98
ISAE 3000 Limited Assurance Report .....	99

# 1 Sustainable Operation and Management

## 1.1 Company Overview

Established in 1960, UCCTW was founded by Mr. Wu, Shan-Lien and Mr. Hou, Yu-Li, with UUTW Cement as its main product, and listed officially in 1971. Our total capital in 2023 is NT\$6.73 billion, consolidated revenue is NT\$7.80 billion, total number of employees is 473, and currently have four divisions:

<b>Cement Division</b>	In 1960, the Cement Division was established, selecting Kaohsiung's Dagang Mt. as the mining area, also establishing the Dahu Cement Plant and Alian Cement Plant. Currently, the existing plant, Alian Cement Plant, primarily focuses on grinding and processing purchased clinker to produce cement products.
<b>Ready-mixed Concrete Division</b>	In 1998, the ready-mixed concrete division was established which constructed the Dahu Ready-Mixed Concrete Plant. Currently, there are seven operating ready-mixed concrete plants and one investment company under this division.
<b>Building Materials Division</b>	In 1991, the first domestic gypsum board plant was constructed under this division. It has the highest market share for fire-resistant gypsum board and has been utilizing reuse and recycling to create a circular economy for green building materials. In 2020, this division became a retailer for architectural wall panels of the Japanese company Nichiha, providing customers a multiple options. Moreover, two gypsum board plants have commenced production.
<b>Microelectronics Division</b>	In 2010, the Microelectronics division was awarded patent of the Micro-Deformable Piezoresistive Sensor from Industrial Technology Research Institute and established microelectronics division. In 2013, the division established the subsidiary company Uneo Inc.

### **Investment Company**

To integrate our products and provide better customer service, UCCTW established relations with various affiliated companies in the building materials sector to reduce the risk of concentrated revenue. We also diversify our investment in different business sectors and industries.

<b>Investee Company</b>	<b>Main Business and Products</b>
UCC Investment Co., Ltd.	Investment activities
Uneo Inc	Marketing of electronics products
Lioho Machine Works Ltd.	Manufacturing and marketing of metal parts and automotive components
Huan-Chung International Co., Ltd.	Import, export, and sale of cement, cement material, fuel, and production
Universal RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete
Chiayi RMC Industry Co., Ltd	Manufacturing and marketing of ready-mixed concrete
Tainan RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete
Kaohsiung Pier Transportation Co., Ltd.	Trucking operation
Li-Yong Development Co., Ltd.	Investment activities, trading for real estate and leasing business



## **Timeline**

- Sept., 1959      Founded by distinguished Mr. Wu, Shan-Lien, Mr. Hou, Yu-Li, Mr. Wu, Hiu-Chi and Mr. Wu, Tsun-Hsien.
- Mar., 1960      Company established. Paid-in capital of NTD100 Million.
- Feb., 1963      Establishment of Dahu Cement Plant.
- Feb., 1971      Publicly listed on TWSE.
- May, 1976      Establishment of Alian Cement Plant.
- May, 1983      In order to reduce consumption of energy, Alian Cement Plant replace its oil-burning system with coal burning system.
- June, 1985      One of the two production line in Dahu plant converted into latest NSP production system and increase annual capacity to 0.7 million mt.
- Sept., 1988      Establishment of Dahu Ready-Mixed Concrete (RMC) Plant, hourly production capacity of 120 m<sup>3</sup>.
- Dec., 1990      Pre-heating system at Alian Cement Plant was converted from semi-N.S.P. system to R.S.P. system.
- Jan., 1991      Establishment of Dahu gypsum board plant.
- Oct., 1993      Establishment of Nanzi RMC Plant.
- Mar., 1994      Evaluation of establishment of Haihu gypsum plant.
- Apr., 1995      Establishment of Ling-feng-ying RMC plant.
- Sept., 1995      Both Dahu gypsum board plant and cement plant were awarded the certificate of ISO 9002 by Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, BSMI of MOEA.
- Oct., 1995      Alian Cement plant was awarded the certificate of ISO 9002 by BSMI of MOEA.
- Apr., 1996      Haihu gypsum plant was awarded the certificate of ISO 9002 by BSMI of MOEA.
- Aug., 1996      Huan-ni Investment, subsidiary of UCC, invested in Ilocos Norte Mining, Philippines.
- May, 1998      Suspension of Dahu Cement plant.
- Apr., 1999      Dahu and Nanzi Ready-mixed Concrete Plant obtained ISO 9002 certificate
- June, 2001      Suspension of production at Dahu gypsum board plant.
- July., 2001      Haihu gypsum plant received certification from Underwriters Laboratories Inc, U.S.A..
- Mar., 2002      Establishment of Ning-Bo, the Yings' & Universal Building Material Company.
- Sept., 2002      Haihu gypsum board plant received Green Mark from EPA.
- Nov., 2002      Investment in cement grinding facility in Der-qing County, Guangdong province by contribution of idle grinding facility from Dahu Cement Plant.
- Mar., 2003      Establishment of integrated cement plant in Ping-ling Township, Long-men County, Hui-zhou City, Guangdong Province, China.
- Feb., 2004      Establishment of Feng-hua Universal Building Material Company and its RMC plant in Feng-hua, Zhe-jiang province, China.
- Aug., 2004      Establishment of Ning-Bo, Bei-lun, the Yings' & Universal Building Material Company and its RMC plant in Bei-lun, Ning-bo, Zhe-jiang province, China.

Mar., 2005	Establishment of Hui-zhou RMC Inc., in Hui-cheng Dist., Hui-zhou city, Guangdong Province, China.
Aug., 2005	Dahu gypsum board plant relocated to Ho-Chi-minh, Vietnam. Establishment of Yong-hsiang Joint Venture Company.
Apr., 2006	Obtained healthy and safety green building materials certificate.
Nov., 2006	Establishment of Ning-Bo Universal Building Material Company and its RMC plant in Jiang-Bei District, Ning-bo, Zhe-jiang province, China.
Apr., 2007	Establishment of Hui-zhou Universal Building Material Company.
June, 2007	Divestment all shares in Yong-hsiang Joint Venture Company.
Sept., 2007	Suspension of Ling-feng-ying RMC plant.
Mar., 2009	Acquire sole ownership of Ning-bo, Ying's & Universal Building Material Company and Ning-Bo, Bei-lun, the Yings' & Universal Building Material Company. Divestment of complete ownership in Ning-bo Universal Building Ready-mixed Concrete Company, Ning-bo Universal Cement Product Company, Ning-bo Universal Building Material Company, Feng-hua Universal Building Material Company.
June, 2009	Addition of fabrication plant of Haihu Gypsum Board Plant.
July., 2009	Merger of Kao-hsiung RMC Industrial Company into the company.
Jan., 2010	Awarded patent of Micro-Deformable Piezoresistive Sensor from Industrial Technology Research Institute and technological cooperation development therewith.
July., 2010	Entering an agreement of divestment of Iloco Norte Mining Company, Philippines.
Aug., 2010	Divestment of shares in six subsidiaries in Hui-zhou and Ning-bo area in China.
Aug., 2010	Setting up of office of Microelectronics Division and its plant.
Aug., 2010	Expansion of RMC network by leasing of Fengshan RMC plant.
Mar, 2011	Obtained green building materials certificate.
Aug., 2012	Founding of Uneo Incorporated.
June, 2017	Full re-election of directors and establishment of an audit committee.
Apr., 2019	Obtained the first domestic sound insulation certificate from Construction and Planning Agency Ministry of the Interior
Dec., 2019	Addition of second production system in Dahu RMC plant.
Nov., 2020	Expansion of RMC network by leasing of Hsinchu RMC plant.
Mar, 2022	Consolidation of Tainan RMC Industry Co., Ltd.
June, 2022	AGM adopted registered capital of NT\$ 10 billion available for multiple issuances.
Sep., 2022	Sale of land previously occupied by Lingfengying RMC plant.
Dec., 2022	Expansion of RMC network by leasing of Madou RMC plant.
Aug., 2023	Paid-in Capital reached NT\$ 6.7 billion ..
Aug., 2023	Completion of construction of Luzhu Gypsum Board Plant

## **Foundations and Associations**

UCCTW actively participates in relevant cement, ready-mixed concrete, fire-resistant building materials, architecture, and tourism industrial associations. We hold events and attend meetings to exchange ideas, promote professional knowledge, such as the functions of different gypsum boards, and educational training. As a pioneer in fire-resistant building materials, we hope to promulgate the concept of residential safety and drive the development of domestic architectural design. UCCTW also joins membership activities of stock and business associations to realize the corporate social responsibility of sustainable development.

Name of Association			Board of Directors and Supervisors	Membership
Taiwan Cement Manufacturers' Association			○	○
Taiwan Stock Affairs Association				○
Taiwan Institute of Directors				○
Ready-mixed Concrete Division	Taiwan Ready-Mixed Concrete Industry Association		○	○
	Kaohsiung Judicious Creative Architecture Association			○
	Tainan Judicious Creative Architecture Association			○
Building Materials Division	Northern Taiwan	Taiwan Fire Safety & Material Association	○	○
		Taipei City Interior Design and Decoration Business Association		○
		New Taipei City Interior Design Decoration Association of Commerce		○
		Architecture Association of the R.O.C.		○
	Central Taiwan	Taichung Architecture Development Association		○
		Taichung Construct Quality Control Association		○
		Taichung Real Estate Development Association		Partner
		Taiwan Society of Dry Wall System Construction		○
		The Taichung Association of Interior Design and Decoration		○
	Southern Taiwan	Tainan Association of Interior Design and Decoration		○
		Tainan Judicious Creative Architecture Association		○

## 1.2 Product Overview

### Product Profile

Building materials are UCCTW's main products, including cement, ready-mixed concrete, and gypsum board. Starting from "UCCTW Cement", we played a main role in the industrial development of Taiwan.

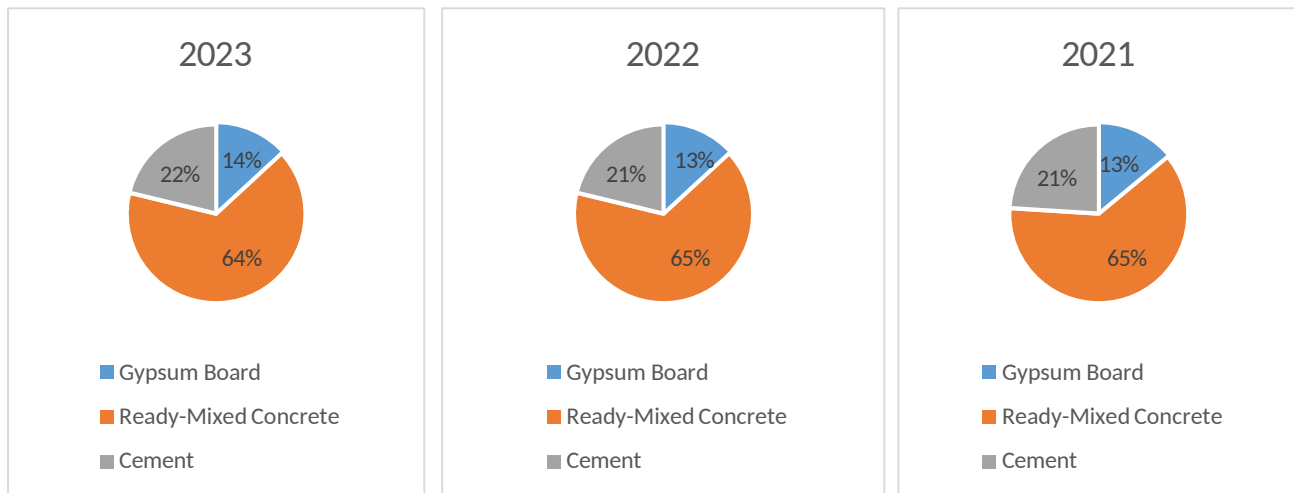
Entering the ready-mixed concrete industry, we expanded our service and continue to supply construction projects and residential buildings in central and southern Taiwan. In order to provide full-range services, we have produced gypsum boards since 1991 and promoted the product's circular economy as it has already become an internationally recognized green building material. In recent years, we introduced the top one exterior wall panel, a material module that extends from the inside out, into the Japanese market to our customers, creating a system of diverse application for building materials by offering a variety of choices.

To continue the production of high-quality building material, we established our gypsum board R&D team in 1998 that experimented on different functions and developed various fire-resistant walls, roofs, covered materials and sound-insulation systems, which obtained the first domestic sound insulation certificate from Ministry of the Interior to order to satisfy customer's need for serenity in their living space. Other than fire-resistance and sound insulation, we also developed water-resistant gypsum board and gypsum sheathing board that are suitable for Taiwan's humid weather, which can be utilized in living spaces such as bathrooms, restrooms, and kitchens.

From R&D to product design, creating green products has always been our core principle: Using non-toxic raw materials, incorporating CNS, UL, and BS safety certifications, and adopting the "dry construction method" to make construction processes easier, faster, and cleaner. In addition, construction wastes can be recycled to create new gypsum boards, reflecting our effort in sustainable development.

Product Type	Description
Cement	Type I Portland Cement, mainly sold in south Taichung.
Ready-Mixed Concrete	Mainly supply for Hsinchu, Taichung, Tainan, Kaohsiung, and Pingtung.
Gypsum Board	Mainly for domestic market, some for exports.

## Percentage of Main Product Sales Revenue



## Market Share

Market Share of Cement (%)	2023	2022	2021
	3	3	3

Market Share of Ready-Mixed Concrete (%)	2023			2022			2021		
	Tainan	Kaohsiung	Pingtung	Tainan	Kaohsiung	Pingtung	Tainan	Kaohsiung	Pingtung
	21	20	23	20	16	21	18	13	26

Market Share of Gypsum Board (%)	2023	2022	2021
	94	92	91

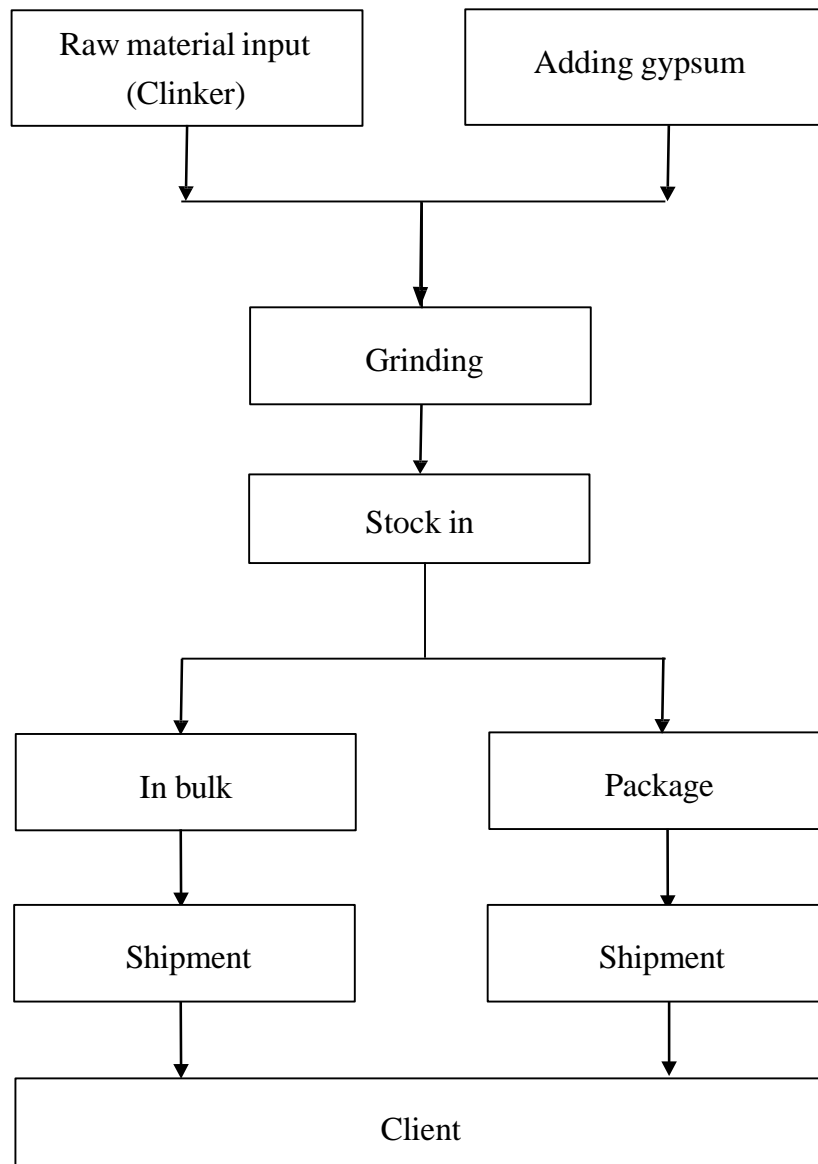
Note: UCCTW is the only domestic producer of gypsum board. From 2021 to 2023, other sources were all imports; since we haven't received the full sales data for ready-mixed concrete, only sales from southern regions (Tainan, Kaohsiung, Pingtung) are included; Data for cement sales is from TCMA (Taiwan Cement Manufacturers' Association).

Production of Main Products			
Product	2023	2022	2021
Cement (ton)	393,104	443,929	369,100
Ready-Mixed Concrete (m <sup>3</sup> )	1,554,731	1,676,719	1,545,268
Gypsum Board (m <sup>2</sup> )	16,146,837	15,370,968	15,004,180

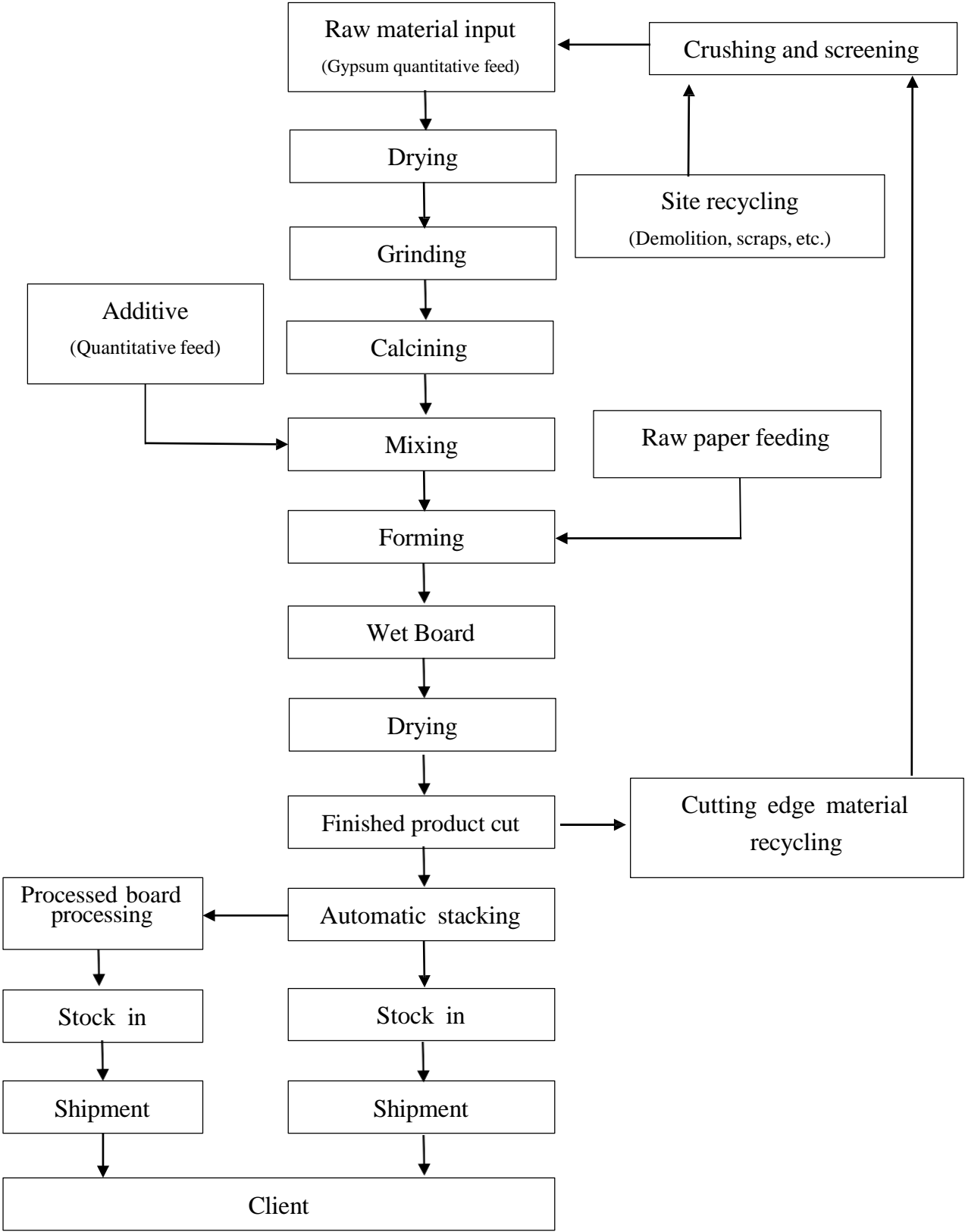
Note: Includes UCIC, doesn't include HCIC and KHTC.

## **Product Manufacturing Processes**

### **Cement Production**

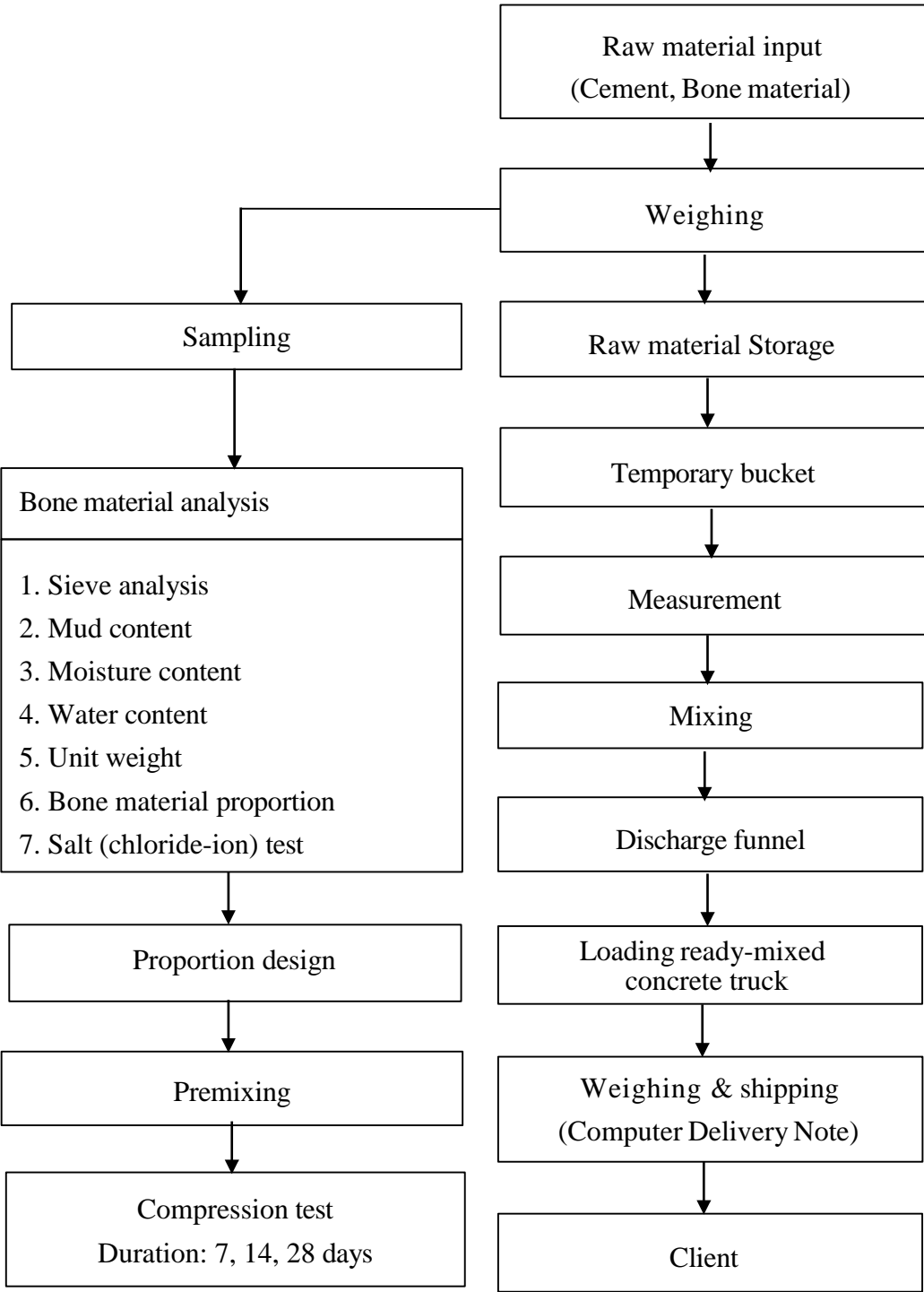


**Gypsum Board Production**





**Ready-Mixed Concrete Production**



## 1.3 Stakeholder Engagement

### **Stakeholder Analysis**

Stakeholder and Material Topic Analysis and Assessment:

- Identify stakeholders: Each division manager fills out stakeholder assessment questionnaire to identify significant stakeholders.
- Analyze the degree of concern around sustainability topics: According to the result of stakeholder's assessment, understand their degree of concern around sustainability topics through questionnaires, interviews, or self-evaluations.
- Analyze the degree of impact of sustainability topics: Company managers analyze each sustainability topic and assess their degree of impact.
- Confirmation of material topics: According to stakeholder's degree of concern and impact on company's sustainability development, create a graph that displays the assessment of each material topic as reference.

Stakeholder Communication

Consulting the five major principles of the AA1000 Stakeholder Engagement Standard (SES) (Dependence, Accountability, Influence, Multiple Perspectives, and Degree of Concern), UCCTW has identified the seven main stakeholder groups, established a variety of smooth communication channels with the stakeholders according to the nature of each department to learn more about their issues of concern and obtain their feedback. This will be reported during the board meeting each year and used as reference for the company’s sustainable management and operation, assisting each department in understanding market trends, evaluate business performances, achieve environmental protection and social exchanges so that the company can continue to grow and maintain good relationships with stakeholders. Other than the published information from board meetings, company website, and sustainability reports, we also welcome stakeholders to provide us feedback via the following methods: TEL: (02)2507-7801                      EMAIL: CSR@ucctw.com						
Stakeholder	Importance to UCCTW	Concerned Sustainability Topics	Responsible Department	Communication Channel, Response Method, and Frequency	2023 Communication Frequency and Method	Corresponding Chapter
Government Agencies	UCCTW complies with the laws of government agencies, adjusts its business strategy in response to policies, and cooperates with the government to establish good communication to yield sustainable social, economic, and industrial development.	1. Regulatory compliance 2. Company operations and ethical management 3. Risk management 4. Competent authority communication	1. Management division 2. Each plant/location of operations	1. Attend policy meetings and seminars held by competent authorities: occasional 2. Conduct supervision and inspection of competent authorities accordingly: occasional 3. Meet up with competent authorities, maintain communication: occasional 4. Disclose important information on Market Observation Post System: occasional 5. Communicate via meetings, telephone, email, official documents and letters: at all times	-Disclose important information according to requirements -Complete information reports according to requirements	1.2 Product Overview 2.1 Corporate Governance 2.6 Supplier Management 4.2 Energy Management 5.2 Talent Management
Employees	Employees are UCCTW’s human capital. We strive to maintain a safe and secure working environment and improve their skills through educational and training courses, turning them into key stakeholders who are competitive and grow together with the company.	1. Employee compensation and benefits 2. Workplace safety and health 3. Operational and financial performance 4. Labor-Management relations and grievance mechanism 5. Talent recruitment and cultivation	Human resource division	1. Establish compensation committee, employee welfare committee, and supervisory committee of labor retirement reserve 2. Performance evaluation: once per year 3. Trade union meeting: once per season 4. Employee training: occasional 5. Post information on company’s electronic bulletin board: occasional 6. Employee suggestions and communication: at all times, via telephone, email, meetings 7. Newcomer interview and website announcements: occasional	-Hold compensation meeting: 3 times -Hold employee welfare meeting: 1 time -Attend labor-management meeting: 10 times -Attend trade union meeting: 2 times -Average time of employee training:14 hours -Campus recruitment: 4 times; National Taiwan University, National Cheng Kung University, National Taiwan University of Science and Technology, Cheng Shiu University	1.1 Company Overview 2.1 Corporate Governance 2.2 Economic Performance 5.2 Talent Management 5.3 Talent Development 5.4 Health and Safety
Shareholders and Investors	The trust and supervision from each shareholder and investor for our management team is a main driving force for us to continue to make profits. UCCTW adheres to the governance principles of transparency and integrity, pursues sustainable development, and returns our operational success to public investors.	1. Company operations and ethical management 2. Operational and financial performance 3. Sustainable strategy and practice 4. Investment companies and diversification	Spokesperson	1. Hold shareholders meetings: once per year 2. Update investor section on company website and disclosed information on Market Observation Post System: occasional 3. Hold earnings call: at least once per year 4. Reply shareholders via telephone and email: at all times	- Hold shareholders meeting: 1 time -Hold Board of Directors meeting: 8 times -Disclose important information: 30 items -Invited to attend earnings call: 2 times (Hosted by President Securities 2023/4/26 、2023/11/29)	1.1 Company Overview 2.1 Corporate Governance 2.2 Economic Performance 5.4 Health and Safety
Customers	Customer’s support allows UCCTW to earn more profit. To maintain good relationships, we continue to offer high-quality products and services to satisfy customers.	1. Product quality and customer satisfaction 2. Product sales and transportation 3. Regulatory compliance 4. Company operations and ethical management 5. Human rights and equality	Each division	1. Attend Taiwan Trade Shows: at least once per year 2. Hold product/construction presentations: occasional 3. Survey customer satisfaction: once per year 4. Telephone/visits, reply customers: at all times	-Attend the Taipei Building Show: 2023/12/7~12/10 -Customer satisfaction: average above 90	2.1 Corporate Governance 3.1 Innovative Research and Development 3.2 Customer Service 5.2 Talent Management
Suppliers	Suppliers are UCCTW’s partners. We collaborate and supervise each process of production to create a win-win situation.	1. Regulatory compliance 2. Product quality and customer satisfaction 3. Company operations and ethical management 4. Sustainable strategy and practice 5. Supply chain management	Procurement division	1. Require suppliers to sign a letter of commitment to "expect to abide by the company's integrity clause, confidentiality clause, human rights policy and integrity management policy" 2. Require suppliers to comply to governmental regulations 3. Offer suppliers communication channels (telephone/email) 4. Establish a raw material management system, regularly collect information, and evaluate their sources	-Suppliers are in compliance with ISO quality management system standards -Number of Critical Tier 1 Suppliers: 17 -New Supplier Evaluation: total of 11suppliers, passing rate 100%. -Existing Supplier Risk Assessment System: total of 39 suppliers, passing rate 100%. -Supplier Self-Evaluation Survey: total of 67 suppliers, response rate 100%. -Local Procurement of Raw Materials: Our expense on local procurement covers 96.67% of total expense on procurement. -Signing of the “Commitment Letter of Supplier Corporate Social Responsibility”: total of 67 suppliers signed the letter.	1.1 Company Overview 2.1 Corporate Governance 2.6 Supplier Management 3.1 Innovative Research and Development 3.2 Customer Service

Industry Associations, Scholars, Academic units	Communicate with industry associations, scholars, and various academic units and establish channels for industry-academia cooperation.	1. Company operations and ethical management 2. Regulatory compliance 3. Employee compensation and benefits 4. Product quality and customer satisfaction	Each division	1. Communicate via telephone, official documents, email: occasional	- Attend industry associations: 17 - Donation and sponsor: NTD 329 thousand, Including National Taiwan University of Science and Technology, National Taiwan Sport University, Southern Taiwan University of Science and Technology, Department of Interior Design at China, Ministry of Education Sports Administration, Kaohsiung Reading Association, Wu San-Lien Foundation, Fo Guang Shan, Elementary School Sport Association, Yuan Ye Awards. - Industry Cooperation: Internship Program (3people in the Ready-mixed Concrete Division), collaboration with the Department of Architecture at National Taiwan University of Science and Technology to offer specialized lectures and design cement art pieces, participation in the Harvard Undergraduate Taiwan Leadership Conference.	2.1 Corporate Governance 3.1 Innovative Research and Development 3.2 Customer Service 5.2 Talent Management
Residents in the Operation Area	Residents near location of operations are closely related to our operational productions. We will continue to strengthen our relationships and increase interactions to create a prosperous future.	1. Waste management 2. Material recycling management 3. Community welfare and participation 4. Risk management 5. Regulatory compliance	Each plant/location of operations	1. Visit local groups/communities/schools: occasional 2. Communication via telephone and email: at all times 3. Disclose information on company website: occasional	Visit local representatives near location of operations, understand local needs: occasional	1.5 Local Communities 2.1 Corporate Governance 4.2 Energy Management

## 1.4 Analysis of Material Topic

1. The company has established a Sustainable Development Committee, chaired by the Chairman of the Board, to guide the direction of sustainable development. The committee is driven by the General Manager and executives from various divisions to facilitate long-term sustainable development. The office of the president serves as the responsible unit for sustainable development.
2. The responsible unit for sustainable development is responsible for sustainable development and risk management policies, reviewing their implementation and organizing training programs to promote sustainable development.
3. The company's Board of Directors receives ESG sustainable development reports from the management team at least once a year. The Board of Directors periodically reviews the execution of sustainable development measures and provides guidance for adjustments when necessary.



### **Analysis of Sustainability Issues**

Steps to Evaluate Major Issues :

1. Conducted a survey among key stakeholders, with 135 questionnaires collected, to assess the level of concern regarding 21 sustainability topics:
  - (1) Regulatory compliance
  - (2) Company operations and ethical management
  - (3) Product quality and customer satisfaction
  - (4) Operational and financial performance
  - (5) Sustainable strategy and practice
  - (6) Energy consumption and management
  - (7) Greenhouse gas emissions
  - (8) Human rights and equality
  - (9) Product sales and transportation
  - (10) Risk management
  - (11) Supply chain management
  - (12) Climate change response
  - (13) Workplace health and safety
  - (14) Employee compensation and benefits
  - (15) Wastewater, air, waste pollution and prevention
  - (16) Material recycling management
  - (17) Waste management
  - (18) Talent recruitment and cultivation
  - (19) Industrial relations and grievance mechanism
  - (20) Community welfare and participation
  - (21) Investment companies and diversification

2. Evaluate the impact of various sustainability issues on the economy, environment, and society by the Sustainable Development Committee.
3. Select the top 9 sustainability issues with significant impact for disclosure in this report as major focal points of concern.
  - (1) Regulatory compliance
  - (2) Company operations and ethical management
  - (3) Product quality and customer satisfaction
  - (4) Operational and financial performance
  - (5) Sustainable strategy and practice
  - (6) Energy consumption and management
  - (7) Greenhouse gas emissions
  - (8) Employee compensation and benefits
  - (9) Workplace health and safety

### Analysis of Major Focal Points of Concern in Order of Importance

<p>(Significant)</p>  <p>Possibility of Occurrence (Customer and societal concern)</p>	<ul style="list-style-type: none"> <li>Human rights and equality</li> <li>Climate change response</li> <li>Industrial relations and grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li><b>Sustainable strategy and practice</b></li> <li><b>Energy consumption and management</b></li> <li><b>Greenhouse gas emissions</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Regulatory compliance</b></li> <li><b>Operational and financial performance</b></li> </ul>
	<ul style="list-style-type: none"> <li>Material recycling management</li> <li>Community welfare and participation</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li><b>Employee compensation and benefits</b></li> <li>Talent recruitment and cultivation</li> </ul>	<ul style="list-style-type: none"> <li><b>Company operations and ethical management</b></li> <li><b>Product quality and customer satisfaction</b></li> </ul>
	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Wastewater, air, waste pollution and prevention</li> </ul>	<ul style="list-style-type: none"> <li><b>Workplace health and safety</b></li> <li>Waste management</li> <li>Investment companies and diversification</li> </ul>	<ul style="list-style-type: none"> <li>Product sales and transportation</li> </ul>
	<p>Impact Level(Executive Concern)  (Significant)</p>		

## Material Topics Management

Issues	Material Topic	Management Approach	Evaluation Mechanism	Corresponding Chapter	GRI	SASB
Company operations and ethical management	General disclosures	<ul style="list-style-type: none"> <li>- Comply to the rules governing listed companies, Board of Directors meeting is held regularly to discuss and resolve proposals, strictly abide by relevant laws and regulations, striving towards the goal of zero violations.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The number of cases punished for violating laws and regulations.</li> </ul>	2.1 Corporate Governance	2-27	EM-CM-520a.1
Product quality and customer satisfaction	Customer health and safety (Ready-mixed concrete)	<ul style="list-style-type: none"> <li>- Provide stable, high-quality ready-mixed concrete.</li> <li>- Conduct annual customer satisfaction survey.</li> <li>- Good reputation among customers, expand market sales.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Use the latest computer control system, accurate memory storage and ration measurement.</li> <li>✓ Produced by mixing raw materials that have passed inspections and testing: cement, coarse/fine aggregates, cementitious materials, fly ash, and clean water.</li> </ul>	3.1 Innovative Research and Development 3.2 Customer Service	416-1 416-2	EM-CM-410a.1 EM-CM-410a.2
	Customer health and safety (Cement)	<ul style="list-style-type: none"> <li>- Product quality meets Portland I national standards.</li> <li>- Conduct annual customer satisfaction survey.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Evaluate and improve quality according to CNS12681/ISO9001 quality control regulations.</li> </ul>	3.1 Innovative Research and Development 3.2 Customer Service	416-1 416-2	EM-CM-410a.1 EM-CM-410a.2



Issues	Material Topic	Management Approach	Evaluation Mechanism	Corresponding Chapter	GRI	SASB
	Customer health and safety (gypsum board)	<ul style="list-style-type: none"> <li>- Product quality meets national standards.</li> <li>- Use non-toxic raw materials.</li> <li>- Conduct annual customer satisfaction survey.</li> </ul>	✓ Evaluate and improve quality according to ISO9002 quality control regulations.	3.1 Innovative Research and Development 3.2 Customer Service	416-1 416-2	EM-CM-410a.1 EM-CM-410a.2
	Marketing and labeling (Ready-mixed concrete)	<ul style="list-style-type: none"> <li>- Full-range quality control, strive for excellent quality.</li> </ul>	✓ ISO 9001 internal and external audit system.	3.1 Innovative Research and Development	416-1 416-2	EM-CM-410a.1 EM-CM-410a.2
	Marketing and labeling (Cement)	<ul style="list-style-type: none"> <li>- Publish company website, display quality management certificate.</li> <li>- Products are reviewed in accordance with the regulations of the Ministry of Economic Affairs Bureau of Standards; the use of CNS mark is approved, as well as the registration certificate of domestic sales inspection commodities.</li> </ul>	✓ Evaluate and improve quality according to CNS12681/ISO9001 quality control regulations.	3.1 Innovative Research and Development	417-1	EM-CM-410a.1 EM-CM-410a.2
	Marketing and labeling (Gypsum board)	<ul style="list-style-type: none"> <li>- Promote the use of fire-resistant and green building materials.</li> <li>- Create product catalogues and specification sheets.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Design gypsum board logo, spread awareness and raise recognition.</li> <li>✓ Update product catalogues and specification sheets on company website.</li> </ul>	3.1 Innovative Research and Development	417-1	EM-CM-410a.1 EM-CM-410a.2

Issues	Material Topic	Management Approach	Evaluation Mechanism	Corresponding Chapter	GRI	SASB
Regulatory compliance	Socioeconomic Compliance	- Each division responds to changes in regulations.	✓ Each division must comply to laws and regulations.	2.1 Corporate Governance	2-27	EM-CM-520a.1
	Environmental Compliance	- Each division responds to changes in regulations.	✓ Each division must comply to laws and regulations.	2.1 Corporate Governance	2-27	EM-CM-520a.1
Operational and financial performance	Economic Performance	- Regularly hold financial performance meetings to review non-compliance items and discuss ways of improvement.	✓ Important annual financial indicators.	2.2 Economic Performance	201-1	-
Sustainable strategy and practice	Environmental Management	- Plan and implement internal management policies related to energy conservation and carbon reduction.	✓ Applying for Product Carbon Label ISO 14067 for our all products	4.1 Climate Change	201-2	EM-CM-110a.1 EM-CM-110a.2
Energy consumption management	Energy Management	- Continue to increase energy use efficiency.	✓ Calculate carbon density and set reduction targets each year.	4.2 Energy Management	302-1 302-3	EM-CM-130a.1
Greenhouse gas emissions	Environmental Management	- Set greenhouse gas emissions targets.	✓ Conduct annual greenhouse gas inventory and external department verification work.	4.1 Climate Change	305-1 305-2	EM-CM-110a.1 EM-CM-110a.2
Workplace health and safety	Occupational Health and Safety	- Implement the management principles of "three cares and five techniques": self-care, mutual care, supervision, pay attention with eyes, mouths, ears, hands, hearts.	✓ Regular safety and health evaluations, strict control of deficiencies and active tracking of improvement status.	5.4 Health and Safety	403-3 403-6	EM-CM-320a.1 EM-CM-320a.2

Employee compensation and benefits	Market Presence	<ul style="list-style-type: none"> <li>- Collect information from salary comparisons and adjust accordingly.</li> <li>- Compensation Report for Purchasing Consultant Company.</li> </ul>	✓ Adjust salary according to market conditions.	5.2 Talent Management	401-1 401-2 401-3	-
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Issues	Material Topic	Management Approach	Evaluation Mechanism	Corresponding Chapter	GRI	SASB
	Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>- Implement corresponding management measures according to laws and regulations.</li> </ul>	✓ Employees, regardless of religion, gender, or sexual orientation, have the same position and promotion opportunities.	5.1 Human Rights 5.2 Talent Management	405-1	-
	Employment	<ul style="list-style-type: none"> <li>- Hold labor and employment meetings, offer occupational training.</li> </ul>	✓ Formulate employee professional training plan and hold labor-management meeting each year.	5.2 Talent Management	404-3	-
	Training and Education			5.3 Talent Development	404-1	-

## Topic Boundaries

Material Topic	Explanation of Impact	Internal		External					
		Parent Company	Subsidiary	Government Agencies	Customers	Suppliers	Shareholders and Investors	Residents in the Operation Area	Industry Associations, Scholars, Academic units
		UCCTW	HCIC UCIC KHTC						
Company operations and ethical management	Violating the principle of ethical management can lead to lawsuits or government penalties, impact the company's reputation, and even result in the suspension of business operations. Such actions will impact both internal and external stakeholders.	•	•		•	•	•		
Product quality and customer satisfaction	Customer's support enables the business to stably grow. To maintain customer relationships, company must consistently offer a high-quality products and services, aiming to achieve high customer satisfaction.	•	•		•	•	•		
Regulatory compliance	Don't comply with legal regulations and corporate integrity principles would lead to lawsuits or government penalties, affecting the company's reputation and potentially even causing business operations to cease. Such outcomes can have a significant impact on both internal and external stakeholders.	•	•	•			•	•	
Operational and financial performance	The economic value occurred by organizational operations impacts shareholder equity and economic development, creating value for stakeholders.	•	•				•		
Sustainable strategy and practice	The company is dedicated to promoting green building materials. We established the first domestic gypsum board factory, set up a research and development team, and successfully developed gypsum boards with excellent properties such as fire resistance, moisture resistance, seismic resistance, and high sound insulation. We have also actively implemented a gypsum board recycling mechanism, allowing reprocessed materials to re-enter the production process, thus establishing a sustainable recycling loop.	•	•	•	•	•	•	•	•

Energy Consumption Management	Energy conservation and carbon reduction are our core operating principles, we prioritize both environmental protection and economy. We actively manage the utilization of resources and waste production, establish relevant measures, and consistently monitor and improve. By doing so, we aim to minimize the environmental impact and fulfill our social responsibility.	●	●	●		●		●	●
Greenhouse gas emissions	Establish greenhouse gas emission target and continue to implement policies aimed at reducing emissions.	●	●	●	●	●	●	●	●
Occupational Health and Safety	Workplace accidents and hazards can damage both employees' trust and the public's perception of the company.	●	●	●				●	●
Employee compensation and benefits	Employees are the human capital of a company. By offering educational and training programs to enhance the skills, transforming them into key stakeholders who grow alongside the company and contribute to its competitiveness.	●	●	●				●	●

## 1.5 Local Communities

Besides business goals, we also actively implement corporate social responsibility, care for minorities and disadvantaged groups, and deepen community relations by participating in community activities and donations, promoting sustainable development with the public.

Event Type	Event Description in 2023
Public Relations with Locals	<ul style="list-style-type: none"> <li>• Visiting local representatives to understand the needs of local areas around the factory.</li> </ul>
Industry-Academia Cooperation	<ul style="list-style-type: none"> <li>• Industry-Academia Cooperation: Internship Program (3 Interns from the Concrete Division)</li> <li>• Collaboration with the Department of Architecture at National Taiwan University of Science and Technology to offer specialized lectures and design plaster art pieces.</li> <li>• Encourage higher vocational colleges and universities to visit the factory for discussions and visits in order to enhance their understanding and interest in the construction material industry.</li> </ul>



## Donations

We actively participate in social welfare events, mainly providing scholarships, sponsoring sports events, supporting minority groups, and giving back to nearby local communities. Here are the main events in 2023:

Societal Donations in 2023	
●	Donations to National Taiwan University of Science and Technology, National Sports University, Southern Taiwan University of Science and Technology, Department of Interior Design, University of Science and Technology of China, Sports Administration of the Ministry of Education, Kaohsiung Reading Association, Wu San-lian Foundation, Fo Guang Shan, National Primary School Sports Federation of the Republic of China, Architecture and Garden Award.
●	During major disasters, we have provided funds to assist victims in overcoming difficulties.
●	We spare no effort in providing funds for nearby temples and local communities every year.

Year	2021	2022	2023
Participated Projects	-Southern Taiwan University of Science and Technology -National Taiwan Sport University -National Taiwan University of Science and Technology -Wu San-lien Award Foundation -Scholarship Foundation of the Harvard Club of the R.O.C -Chinese National Federation of Industries -Taoyuan Enterprise Chamber	-Tainan Cultural Foundation - Southern Taiwan University of Science and Technology - Basketball Team of National Taiwan Sport University - Department of Architecture at National Taiwan University of Science and Technology - Basketball Team of National Taiwan University of Science and Technology - Elementary School Sport Association -Yuan Ye Awards Department of Interior Design at China University of Technology	-National Taiwan University of Science and Technology -National Taiwan Sport University -Southern Taiwan University of Science and Technology -Department of Interior Design - Ministry of Education Sports Administration -Kaohsiung Reading Association -Wu San-lian Foundation -Fo Guang Shan -National Elementary School Sports Federation of the Republic of China -Archetecture and Gardening Award
Total	NT\$ 840 thousand	NT\$ 990 thousand	NT\$ 3.29 million



## 2 Corporate Governance and Investment

### 2.1 Corporate Governance

In order to effectively protect the rights and interests of investors, the Board of Directors provides efficient supervision and management, values internal audit and transparency of information, truthfully presents financial data, and, at the same time, strives to strengthen systemized corporate governance to practice corporate responsibility of sustainable management.

The principles of corporate governance are in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies and other relevant laws and regulations. UCCTW established the Remuneration Committee under the Board of Directors in order to assist supervisory duties. Articles of association are approved by the Board of Directors, and the chairman of the committee regularly reports activities and resolutions. A functioning Board of Directors is the foundation of a company's corporate governance, the core of operational development, enhancing long-term corporate value.

#### Members' Term for the Board of Directors Information

The directors of the company are re-elected every three years according to the regulation. The term of the 23<sup>rd</sup> director is from June 15<sup>th</sup>, 2020 to June 14<sup>th</sup>, 2023. The company has completed the re-election process in which the 24<sup>th</sup> Annual Board of Directors has elected 3 directors and 4 independent directors. The term period for this cycle will last from June 16<sup>th</sup>, 2023 to June 15<sup>th</sup>, 2026.

#### Board of Directors' Performance Evaluation

In accordance with the "Universal Cement Corporation Board of Directors Performance Evaluation Guidelines", referred to as the "Evaluation Guidelines", the company conducts an annual performance assessment of the Board of Directors and functional committees for the preceding year through a questionnaire evaluation. The assessment is conducted through self-assessment by the members, and individual member assessment data are kept confidential. For this year, the evaluation for the performance of the Board of Directors and its members for 2023 was completed using a self-assessment method on January 31, 2024. The evaluation results were reported to the Board of Directors on March 15, 2024.

Assessment Target	Assessment Indicator		Assessment Result
Board of Directors	- Involvement in company operations - Board composition and structure - Internal control	- Improving board decision-making quality - Director appointment and consistently training	Excellent
The members of Board of Directors	-Grasping company goals and missions -Participation in company operations - Directors' expertise and consistently training	-Directors' awareness of responsibilities -Internal relationship management and communication -Internal Control	Excellent



### **Board of Directors and Senior Management Remuneration Policy**

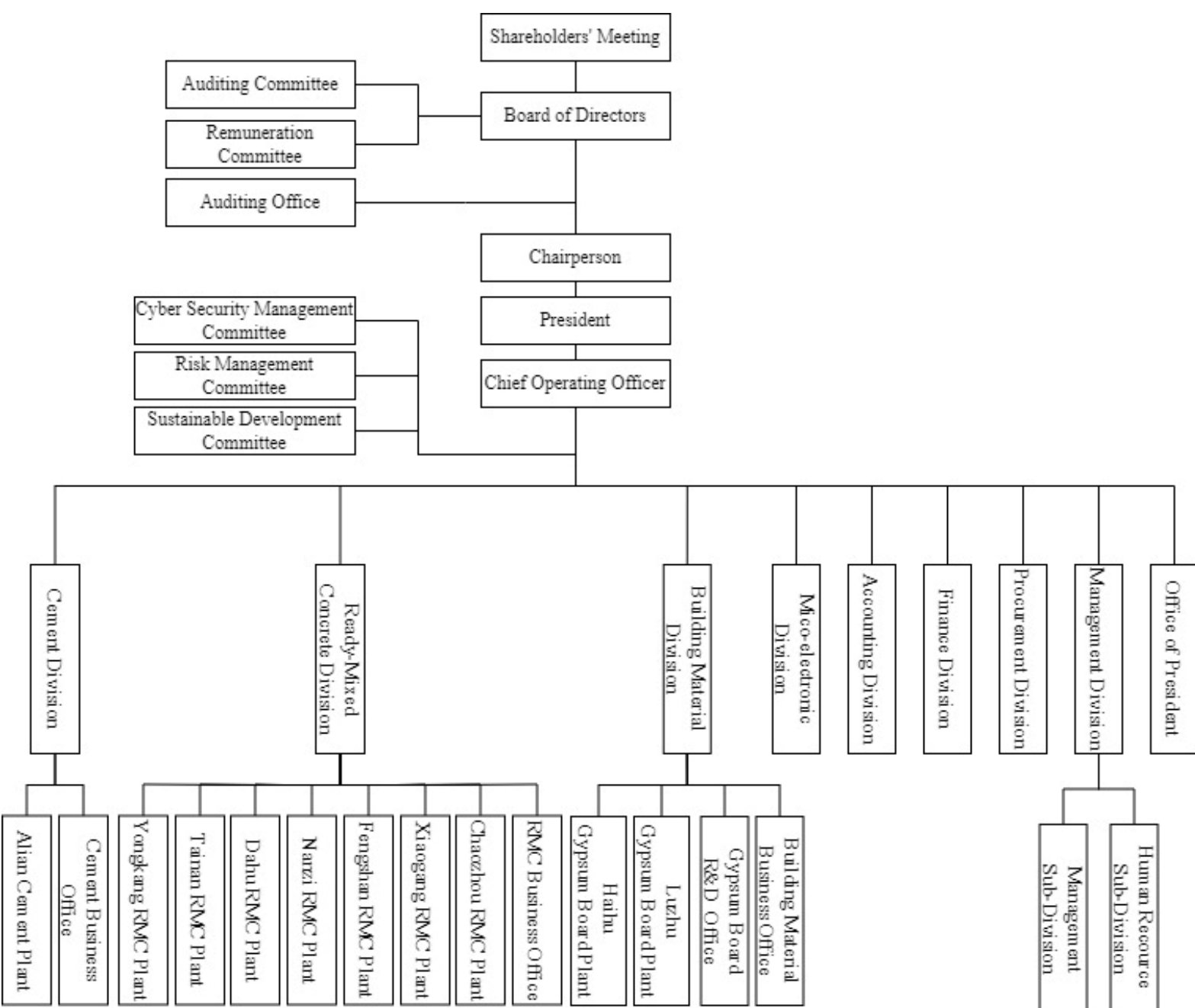
1. The remuneration committee of the company meets at least twice a year (meeting in 2023 : 3 times). Its responsibilities for managers' attention and fulfilling the following duties, and submitting recommendations for discussion at the Board of Directors meetings. The committee establishes and periodically reviews the performance assessment criteria for directors and executives, annual and long-term performance objectives, as well as policies, systems, standards, and structures related to remuneration. The content of performance assessment criteria is disclosed in the annual report.
2. The committee conducts regular assessments of the achievement of performance objectives for directors and executives and based on the assessment results from the performance evaluation criteria, it determines the content and amounts of individual remuneration. The annual report discloses individual performance assessment results for directors and executives, as well as the relevance and reasonableness of the content, amounts of individual remuneration, and performance assessment results. These details are also included in the shareholder meetings' reports.
3. Other matters as designated by the Board of Directors' resolutions.

### **When fulfilling its duties, the Remuneration Committee adheres to the following principles:**

1. Performance assessment and remuneration for directors and executives should be benchmarked against industry norms, taking into consideration the reasonable correlation with individual performance, company operational performance, and future risks.
2. Directors and executives should not engage in risk-taking behaviors for remuneration.
3. Regarding the proportion of short-term performance dividends and change the part of remuneration payment time for directors and senior executives, should be considered in industry characteristics and the company's business to determine.

A reasonable increase in senior management's remuneration can be achieved through linkage with company goals and performance, motivating senior executives to focus more on the company's long-term strategic development and social responsibility. This approach further enhances the company's economic benefits, social impact, and environmental performance.

## Organization



<b>Division</b>	<b>Description</b>
Management Sub-division	Handling of general affairs, stock affairs, the Board meeting, Annual General Shareholders' Meeting.
Human Resources Sub-Division	Handling of staff recruitment, education and training, attendance, salary and labor insurance
IT Division	Matters related to the planning, execution, and management of computerized operations
Finance Division	Handling of funds dispatch
Accounting Division	Accounting and account processing
Procurement Division	Bulk raw material procurement and project planning execution
Cement Division	R&D, manufacturing, sales, scheduling, statistics and other related affairs of cement
Ready-mixed Concrete Division	R&D, manufacturing, sales, scheduling, statistics and other related affairs of ready-mixed Concrete
Building Materials Division	R&D, manufacturing, sales, scheduling, statistics and other related affairs of gypsum board
Microelectronic Division	R&D, manufacturing and sales of microelectronic solutions
Office of President	Planning and execution of projects assigned by the president
Auditing Office	Internal control auditing affairs

## **Organization of Corporate Governance**

In accordance with procedural rules, UCCTW holds shareholders meeting every year. The resolutions of shareholders' meetings are decided by electronic, case-by-case voting and will be published on Taiwan Stock Exchange's website right after the meeting. Relevant information regarding the board of shareholders will be recorded in the handbook for the Annual Meeting of Shareholders and published on the company's website.

In order to assist the Board of Directors in evaluating and supervising the remuneration of the company's directors, supervisors, and managers, the Remuneration Committee was established under the Board of Directors in 2011 to advise on remuneration policies. In 2017, in order to strengthen corporate governance and in addition to the members of the Remuneration Committee, which is served by independent directors, the Auditing Committee is newly established, which is also served by independent directors.

## **Diversity of the Board**

It is stipulated in Art. 20.3 of "Corporate Governance Best Practice Principles of UCCTW" that it is the duty of the company to ensure the diversity of the board. It is fully considered, upon selection, that all candidates of the board member are equipped with diversified backgrounds stipulated by the rule cited above to ensure that the goal of having diverse board members is met.

The Board consists of 7 members including 1 director as juristic person and 4 independent directors, two of which was reelected while the rest are new to the Board. As to the age structure of the Board, 1 which is within range of 61 to 70, 1 of which is within range of 51 to 60, 2 of which is within range of 41 to 50 while the rest of the 2 is within range of 31 to 40.

Gender composition of board members: 6 members are male, and 1 member is female.

In addition to possessing the knowledge in the profession required by the operation of the Company, the members of the board also equipped with diversified background in Finance, Law and other professional fields which would benefit the governance of the Company and strengthen the management of operation, supervision and evaluation of execution of managerial policy and operation strategy.

## **Independence of the Board**

The board consists of 7 members, including 4 independent directors. All members of the board and the composition of which are qualified for the independence requirement pursuant to Sec. 3 and Sec. 4 of Art. 26-3 of Securities and Exchange Act.

### Profile of Directors and Independence Status

<div>Qualification</div> <div>Name</div>	Professional qualification and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Independent Directors
<u>Chairperson</u>			
Bo-Chih Investment Co., Ltd. Represented by: HOU, Bo-Yi (24 <sup>th</sup> Session)	Since Bo-Chih Investment appointed Mr. Hou, Bo-Yi to take office of Chairperson of the Board, Mr. Hou has led the Company through the most profitable times in the history of the Company. Despite that Bo-Chih Investment was re-elected as juristic person on June 16 of 2024, the operation team of Bo-Chih Investment, led by Mr. Hou, remains an important asset to the operation of the Company. Mr. Hou is also on the Board of Tainan Spinning, Prince Housing & Development, and STUST. Mr. Hou has leveraged his abundant experience in business administration and steered the operation of the Company with steady growth and kept supervising long-term development goal when the global community is facing impact both socially and economically. Under his leadership, the footprint of the Company has extended to fields of application of electronics in medical industry, multinational development alliance of building material business and vitalization idle asset to create higher profit for the investors. Mr. Hou does not possess any of the conditions listed by Article 30 of Company Act.	Not Required	None
<u>Director</u>			
Sheng-Yuan Investment Co., Ltd. Represented by: HOU, Chih-Sheng (23 <sup>rd</sup> and 24 <sup>th</sup> Session)	Dr. Hou, Chih-Sheng has a PhD. Degree in Electronic Engineering from MIT, USA, Master and bachelor's degree in Electronic Engineering from Stanford and is the current President of the Company. Dr. Hou was also previously working in Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute. Dr. Hou and his research team had receiver Edison Awards and R&D 100 Awards due to their outstanding research. Dr. Hou recognize high efficiency and accountability as the core of his believe in terms of the management of business and thus keep the Company in the leading positions in terms of the profitability among our peers in the industry in addition to his continuous effort in innovations and steady growth. Dr. Hou does not possess any of the conditions listed by Article 30 of Company Act.	Not Required	None

<div>Qualification</div> <div>Name</div>	Professional qualification and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Independent Directors
<p>Yu-Sheng Investment Co., Ltd. Represented by: HOU, Chih-Yuan (23<sup>rd</sup> and 24<sup>th</sup> Session)</p>	<p>Mr. Hou, Chih-Yuan holds a master's degree in East Asia Study from Harvard University, a bachelor's degree in political science from Columbia University. Mr. Hou is currently the Chief Operating Officer of the Company and President of Harvard Club of the R.O.C., and also sits on the Board of Tainan Spinning Ltd., Nantex Industry Co. Ltd., and CHC Resource Co., Ltd. Mr. Hou is in charge of marketing of the Company and dedicated in expanding customer base. Since Mr. Hou took office, he has led to the growth of revenue of our building material sector and continued expanding market share domestically. Mr. Hou does not possess any of the conditions listed by Article 30 of Company Act.</p>	Not Required	None
<p>Hsin-Han Investment Co., Ltd. Represented by: CHEN, Jing-Hsing (23<sup>rd</sup> Session)</p>	<p>Mr. Chen, Jing-Hsing holds an MBA degree from Michigan University and another master's degree in computer science from George Washington University. Mr. Chen was the Chief of IT in President Enterprise and a key member of the modernization of infrastructure of the group in the field of ERP, CRM and management of supply chain. Since his presence in President in 1984, Mr. Chen has participated in several multinational business negotiations and a core member in the project of merger with Starbucks. In the meantime, Mr. Chen has also acquired abundant experience in real estate and led the team of performance enhancement in Prince Housing &amp; Development. Mr. Chen can contribute to growth of the Company with his versatile and abundant experience in IT, international M&amp;A, and real estate. Mr. Chen does not possess any of the conditions listed by Article 30 of Company Act.</p>		None

<div>Qualification</div> <div>Name</div>	Professional qualification and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Independent Directors
<b>Independent Director</b>			
CHAN, Yi-Jen (23 <sup>rd</sup> and 24 <sup>th</sup> Session)	Dr. Chan is currently the Managing Director and Chief Officer of Technology of Cytotec Co., Ltd., a Delta Group Company, and held the office of Chief Officer of Strategy of Hermes-Epitek Corp. from 2016 to 2018 and office of CEO of EPISIL Holding Inc. from 2013 to 2016. Dr. Chan is the renowned expert of high-speed and power semiconductor and contributes to the governance of the enterprise with his abundant experience in strategical planning. During his time serving as independent director, he also assists in cooperation between the electronic production section of the Company and internationally renowned manufacturers. Dr. Chan does not possess any of the conditions listed by Article 30 of Company Act.		None
HO, Felix (23 <sup>rd</sup> and 24 <sup>th</sup> Session)	Mr. Ho is currently the Chairperson of YFY Consumer Products Co. Ltd. and has served in Kearney and former Citigroup Salomon Brothers. Mr. Ho has held various executive positions within the group of YFY, including Chairperson of YFY Holdings, Acting Chairperson of E-Ink Technology and Vice Chairperson of SinoPac Bank. Mr. Ho contributes to the Board with his expertise in operation management, financing, corporate governance and expansion of oversea business. Mr. Ho does not possess any of the conditions listed by Article 30 of Company Act.	All independent directors of the Company is verified to comply with the independency requirement stipulated by Art. 3 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”	None
WANG, Yong-Chun (23 <sup>rd</sup> Session)	Mr. Wang is a licensed attorney in Taiwan with abundant experience of practice of law. Mr. Wang does not possess any of the conditions listed by Article 30 of Company Act.		None
SU, Yen-Hsueh (24 <sup>th</sup> Session)	Ms. Su served at ABN AMRO and UBS as Asia-Pacific Chief Analyst in technology industry before she was appointed the first Chief Investment Officer in ASUSTek in 2004. Ms. Su spearheaded the ASUSTek and Pegatron restructuring in 2009 and retired from Pegatron as senior VP for investment and business development in 2013. Ms. Su’s abundant experience in technology industry and investment and merger can offer the Company with her visionary advice. Ms. Su does not possess any of the conditions listed by Article 30 of Company Act.		2
YEN, Jeffry (24 <sup>th</sup> Session)	Mr. Yen is the founder and Chairperson of McCTILL Co., Ltd., but before the venture in the beauty industry, he was a successful serial entrepreneur who invested in startups, biotech industry, new media company and food & beverage industry. He is currently the CEO of McCTILL,		None

	Vice President of Long Yen Foundation and also consults for many companies. Mr. Yen , by joining the Board, contributes his expertise in innovation and creativity, business strategy, business operation, brand marketing strategy, strategic thinking & foresight, leadership and team management, corporate governance, international business, financial management, to increase the diversity of the Board. Mr. Yen does not possess any of the conditions listed by Article 30 of Company Act.		
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Note: The company's Board of Directors will be fully re-elected on June 16<sup>th</sup>, 2023. The table above also lists the names of the 23<sup>rd</sup> and 24<sup>th</sup> Session Directors.



## Operation of the Board of Directors

There are 8 meetings of the Board of Directors held in the year reported. Directors' attendance is reported as follows:

Position	Name	Attendance		Attendance Rate	Note
		In Person	By Proxy		
Chairperson	Bo-Chih Investment Co., Ltd. Represented by: HOU, Bo-Yi	3	0	100%	See Note 2
Chairperson	Bo-Chih Investment Co., Ltd.	5	0	100%	See Note 3
Director	Sheng-Yuan Investment Co., Ltd. Represented by: HOU, Chih-Sheng	8	0	100%	None
Director	Yu-Sheng Investment Co., Ltd. Represented by: HOU, Chih-Yuan	8	0	100%	None
Director	Hsing-Han Investment Co., Ltd. Represented by: CHEN, Jing-Hsing	3	0	100%	See Note 2
Independent Director	CHAN, Yi-Jen	8	0	100%	None
Independent Director	HO, Felix	8	0	100%	None
Independent Director	WANG, Yong-Chun	3	0	100%	See Note 2
Independent Director	SU, Yen-Hsueh	5	0	100%	See Note 3
Independent Director	YEN, Jeffry	5	0	100%	See Note 3

Notes:

- (1) The term of the 23<sup>rd</sup> Board of Directors of the Company expired on June 15<sup>th</sup> 2023, and the 24<sup>th</sup> Board of Directors was fully re-elected and established on June 16, 2023.
- (2) The current director was dismissed due to the expiration of his term of office on June 15<sup>th</sup>, 2023. The number of attendances required this year is 3 times.
- (3) This director was elected on June 16<sup>th</sup>, 2023 and the number of attendances required is 5 times.

## Training Records for Board of Directors Members

In order to create a systemized channel for further training of directors, allow directors to conveniently obtain relevant information, and enhance and maintain their professional capabilities, we occasionally provide corporate governance information from director and supervisory authority or private organizations and invite members to attend these trainings depending on their availability.

Date	Institution/Course	Chairman	Directors		Independent Directors			
		Bo-Chuh Investment Inc.	HOU, Chih-Sheng	HOU, Chih-Yuan	CHAN, Yi-Ren	HO, Yi-Da	SU, Yan-Xue	Yan-Hong-Jie
May 8	Taiwan Corporate Governance Association (TCGA)/ Investments and Practices on the State of SDGs			3.0				
May 9	Taiwan Institute of Directors (TID) / Legal Norms & Equity: Hostile Mergers and Acquisitions over Management Rights			3.0				
Aug 7	TCGA/ Corporate Governance under ESG Goals	3.0		3.0				
Aug 8	TID/ Taiwanese Economy: Inflation, Interest Rates, and Business in the United States	3.0	3.0					
Aug 10	TCGA/ Corporate Growth Strategies and Innovation Strategies					3.0		
Aug 21	TCGA/ Net-Zero Emission Trends in the Paper Industry: Carbon Rights Management and Net-Zero Development					3.0		
Aug 21	TCGA/ Taiwanese Opportunities in the Generative AI Industry: Digital Transformation and Manufacturing					3.0		
Sept 1	TCGA/ Corporate Risk Management: Reputation						3.0	
Sept 1	TCGA/ The impact of Climate Change on Corporate Financial Disclosures						3.0	
Sept 8	TCGA/ Employee Benefits Reward Plan and Equity Inheritance				3.0			
Oct 24 & 25	Securities & Future Institution (SFI)/ 12 Hour Seminar for New Directors and Corporate Governance Managers							12.0
Nov 6	Taiwan Academy on Banking and Finance (TABF)/ Corporate Governance-Sustainable Social Local Creation and Circular Economy				3.0			
Dec 27	Chinese Institute of Independent Directors (CIID)/ Trends and Development of Artificial Intelligence Safety Governance and Supervision Standards in Digital Transformation		3.0					

### Mechanisms to Avoid Conflicts of Interest

The Board of Directors hold meetings at least quarterly each year according to government regulations. In 2023, the 23<sup>rd</sup> Board of Directors meeting was convened 3 times, and the 24<sup>th</sup> Board of Directors meeting was convened 5 times. The company has stipulated the terms of directors' conflict of interest avoidance in "Rules of Procedure for Board of Directors Meetings": if directors have conflict of interest towards topics of the meeting with themselves or the legal persons they represent; they shall explain the important contents of their interests during the meeting. If it inflicts harm on the interests of the company, one shall not participate in and abstain from discussion and voting, and they shall not exercise their voting rights on behalf of other directors.

### The Remuneration Committee

To assist the Board of Directors in evaluating and supervising the compensation level of directors and managers, UCCTW established the Remuneration Committee in 2011, and the members and attendance of the committee are as follows:

<div>Qualification</div> <div>Identity Name</div>		Professional Qualification and Experience	Independence	Number of Companies in which the member served as member of Remuneration Committee
Independent Director, Chairman	HO, Felix	Mr. Ho is currently the Chairperson of YFY Consumer Products Co. Ltd. and has served in Kearney and former Citigroup Salomon Brothers. Mr. Ho has held various executive positions within the group of YFY, including Chairperson of YFY Holdings, Acting Chairperson of E-Ink Technology and Vice Chairperson of SinoPac Bank. Mr. Ho contributes to the Board with his expertise in operation management, financing, corporate governance and expansion of oversea business. Mr. Ho does not possess any of the conditions listed by Article 30 of Company Act.	The members of the committee meet the independence requirement stipulated by Art. 6 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock	None

<div>Qualification</div> <div>Identity Name</div>		Professional Qualification and Experience	Independence	Number of Companies in which the member served as member of Remuneration Committee
Independent Director	CHAN, Yi-Jen	Dr. Chan is currently the Managing Director and Chief Officer of Technology of Cytotec Co., Ltd., a Delta Group Company, and held the office of Chief Officer of Strategy of Hermes-Epitek Corp. from 2016 to 2018 and office of CEO of EPISIL Holding Inc. from 2013 to 2016. Dr. Chan is the renowned expert of high-speed and power semiconductor and contributes to the governance of the enterprise with his abundant experience in strategical planning. During his time serving as independent director, he also assists in cooperation between the electronic production section of the Company and internationally renowned manufacturers. Dr. Chan does not possess any of the conditions listed by Article 30 of Company Act.	Exchange or the Taipei Exchange.”	None
Independent Director	SU, Yen-Hsueh	Ms. Su served at ABN AMRO and UBS as Asia-Pacific Chief Analyst in technology industry before she was appointed the first Chief Investment Officer in ASUSTek in 2004. Ms. Su spearheaded the ASUSTek and Pegatron restructuring in 2009 and retired from Pegatron as senior VP for investment and business development in 2013. Ms. Su’s abundant experience in technology industry and investment and merger can offer the Company with her visionary advice. Ms. Su does not possess any of the conditions listed by Article 30 of Company Act.		2

Member	CHANG, Wen-Chang	Dr. Chang holds a PhD degree in Pharmacy from Dept. of Pharmacy of Tokyo University, Japan and was elected as Academician of Academia Sinica. Dr. Chang is currently the Chairman of the Board of Taipei Medical University and former Vice-Chairman of National Science Council. Under the leadership of Dr. Chang, TMU has become the top private medical school in Taiwan and expand the number of hospitals to seven which contribute to the economic scale of the researches conducted. Dr. Chang's abundant experience has offered valuable assistance to the Company.	None
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Position	Name	Gender	Frequency of Expected Attendance	Frequency of Actual Attendance	Frequency of Proxy Attendance	Actual Attendance Ratio (%)
Chairperson	HO, Felix	Male	3	3	0	100%
Member	CHAN, Yi-Jen	Male	3	3	0	100%
Member	SU, Yen-Hsueh	Female	2	2	0	100%
Member	CHANG, Wen-Chang	Male	3	3	0	100%

The term of the fourth term of the Remuneration Committee expired on June 15<sup>th</sup>, 2023. A new member was added to the fifth term, with the term starting from June 16<sup>th</sup>, 2023. All committee members were present.

### **The Auditing Committee**

UCCTW established the Auditing Committee in 2017, and the members and attendance of the committee in 2023 are as follows:

Position	Name	Gender	Frequency of Expected Attendance	Frequency of Actual Attendance	Frequency of Proxy Attendance	Actual Attendance Ratio (%)
Chairperson	HO, Felix	Male	6	6	0	100%
Member	CHAN, Yi-Jen	Male	6	6	0	100%
Member	SU, Yen-Hsueh	Female	3	3	0	100%
Member	WANG, Yong-Chun	Male	3	3	0	100%
Member	YEN, Jeffry	Male	3	3	0	100%

The term of the second company's auditing committee expired on June 15<sup>th</sup>, 2023. A new member was added to the 5<sup>th</sup> term, starting from June 2023. Starting on the 16<sup>th</sup>, all members were present.

### **Regulatory Compliance**

UCCTW has established the "Code of Ethical Conduct" and the "Ethical Corporate Management Best Practice Principles", requiring all colleagues to handle de facto or apparent conflicts of interest between individuals and their positions fairly with an honest and non-deceptive attitude and abide by professional standards; Stakeholders shall not knowingly violate any laws for personal gain. In addition, the company strengthens the promotion of ethical principles and encourages employees to report to competent authorities when they suspect or discover behaviors that violate laws and regulations or the code of ethics; If there are violators or other major proceedings, conditions should be reported to the Board of Directors and be rewarded or punished according to the relevant rules. If the disciplined person believes that the company's improper handling has caused their legitimate rights and interests to be infringed, they may file a complaint through channels of complaints for relief.

As a listed company, UCCTW should comply to laws and regulations; However, there are still a total of 2 violations of environmental regulations in 2023. We have added relevant equipment and strengthened educational training, and in the future, pay close attention to environmental issues to avoid similar situations.

Reason of Violation	Fine	Improvements
<ol style="list-style-type: none"> <li>1. Waste not stored in designated areas in accordance with regulations.</li> <li>2. Failure to implement waste removal plan in accordance with regulations.</li> </ol>	1 Fine: NT\$6,000	<ol style="list-style-type: none"> <li>1. Modify waste storage locations in accordance with regulations.</li> <li>2. Apply for changes to the abolition certificate.</li> </ol>
<ol style="list-style-type: none"> <li>1. The pressure drop condition of the dust collector did not match the operating permit symbol</li> </ol>	1 Fine: NT\$100,000	<ol style="list-style-type: none"> <li>1. Applying for an operating license in accordance with the law. The operating conditions have already been fixed.</li> </ol>

## 2.2 Economic Performance

Consolidated operating income in 2023 was NT\$7.80 billion, and 11% increase compared to 2022's.

Observing the current economic condition, cement can still maintain the existing price-volume balance and continue to earn profits; Ready-mixed concrete will continue to increase production capacity and target excellent customers to expand market share; gypsum board will also increase production capacity and optimize manufacturing efficiency to raise product value.

Consolidated Company Financial Performance	Item	Amount (thousands)		
		2021	2022	2023
Operational Economic Value	Operating revenue	6,079,107	7,055,789	7,802,362
	Profit /loss from operations	710,202	841,090	974,411
	Non-operating income and expenses	530,060	1,542,239	1,608,181
Distributed Economic Value	Operating Cost	4,947,290	5,689,489	6,260,222
	Earnings Per Share	1.66	3.03	3.13
	Cash Dividend Per Share	1.00	1.5	1.8
	Cash Dividends	653,609	980,414	1,211,791
	Stock Dividends	0	0.3	0.2
	Number of Shares Issued for Stock Dividends	0	19,608,275	13,464
	Income Tax Expense	126,036	199,837	235,340
	Employee Compensation and Benefits	643,750	683,852	780,903
	Social Expenditure	840	3,346	4,292
Retained Economic Value	Net Profit for the Year	1,114,226	2,183,492	2,347,252
Note: Consolidated revenue statistics include the parent company and its affiliated entities.				



## 2.3 Risk Management

Abiding by the principles of material issues, our risk management covers governmental, environmental, and economic topics, and we'll further implement relevant risk management policies and strategies.

Material Issues	Relevant Risk	Risk Management
Company operations and ethical management	Company Operations Risk	<ol style="list-style-type: none"> <li>1. The managers of corporate governance will implement rules governing listed companies, regularly hold board meetings, discuss and resolve proposals, and strictly abide by relevant laws and regulations to avoid violations.</li> <li>2. Hold monthly corporate governance meeting.</li> </ol>
	Ethical Management Risk	<ol style="list-style-type: none"> <li>1. On August 11, 2020, the "Ethical Corporate Management Best Practice Principles" was approved by the Board of Directors, and the office of the president was designated as the special unit responsible for the formulation and supervision of the "Code of Ethical Conduct".</li> <li>2. On November 13, 2020, the "Procedures for Ethical Management and Guidelines for Conduct" and the "Whistleblowing Procedures of Unethical Behaviors" were approved by the Board of Directors.</li> <li>3. Educational training on ethical management, covering internal and external regulations and common risk cases for directors, managers, and all employees.</li> <li>4. Conduct evaluations on ethical management and clearly stipulate the terms of ethical management in contracts before establishing business relationship with customers, suppliers, and other business partners.</li> </ol>
Regulatory Compliance	Regulatory Compliance Risk	<ol style="list-style-type: none"> <li>1. Sign legal contracts with external law firms, assist the handling of corporate legal affairs.</li> <li>2. The company's legal professionals cooperate with external legal consultants to assist each unit in responding to current changes in social economy, environmental protection, and other regulations.</li> </ol>
Operational and Financial Performance	Operational Performance Risk	<ol style="list-style-type: none"> <li>1. Each division holds monthly production and sales meetings to discuss issues regarding production and sales and propose corresponding strategies.</li> <li>2. Each division holds monthly performance review meeting in order to help the management team grasp economic performances and market changes.</li> <li>3. The office of the president will convene relevant divisions to improve internal management systems by setting up a special team to efficiently provide management information required to improve operational performance.</li> </ol>

Material Issues	Relevant Risk	Risk Management
	Financial Performance Risk	<ol style="list-style-type: none"> <li>1. Strengthen the relationship between financial units and industry divisions and always be aware of changes in business operations and their impact on profit, loss, cash flow, asset allocation, etc.</li> <li>2. Strengthen the relationship with financial institutions to improve the efficiency of fund allocation and fund utilization.</li> <li>3. Regularly pay attention to the influence of the global economy, such as monetary policy, inflation, raw material index, and other economic trends, on The company.</li> </ol>
Product Quality and Customer Satisfaction	Quality and Satisfaction Risk	<ol style="list-style-type: none"> <li>1. Customers can file complaints through sales representative, coordinator, and quality control personnel. When relevant personnel receive customer complaints, they will notify relevant divisions to clarify responsibilities and provide proper solutions.</li> <li>2. Each division conducts customer satisfaction surveys each year and analyze results to propose plans for improvements.</li> </ol>
	Circular Economy and Environmental Protection Risk	<ol style="list-style-type: none"> <li>1. Explain gypsum board recycling system on The company website and offer environmental incentives to encourage customers to recycle gypsum board and reduce waste disposal costs.</li> <li>2. Invest in R&amp;D and improvement of production process to increase the recycling rate of raw materials.</li> <li>3. Each division regularly applies for relevant certifications to ensure that the company's product quality meets the requirements of domestic and foreign green building materials.</li> </ol>
Occupational Health and Safety	Employee Physical and Mental Health	<ol style="list-style-type: none"> <li>1. Entrust health agencies to conduct regular health checks on employees in accordance with the "Labor Health Protection Regulation".</li> <li>2. Division managers take the initiative to look after the physical and mental state of their employees and assist in arranging special vacations appropriately.</li> </ol>
	Occupational Health and Safety	<ol style="list-style-type: none"> <li>1. Implement the management principles of "three cares and five techniques": self-care, mutual care, supervision and pay attention with eyes, mouths, ears, hands, hearts.</li> <li>2. Regular safety and health assessments, strictly control deficiencies and actively track improvements.</li> <li>3. Create a safe and hygienic working environment through three types of safety measures: inspection by supervisors, guards, and self-inspection.</li> </ol>

#### Risk Management Execution Status:

The company regularly (at least once a year) reports its implementation status to the Board of Directors. The risk management execution status in 2023 has been disclosed on the company's website, please view the company's website: Corporate Governance→ Risk Management.

## 2.4 Cyber Security Management

### 1. Cyber Security Risk Framework

On November 9, 2022, The company's board of directors passed a resolution and announced the establishment of a Chief Information Security Officer (CISO) and a dedicated information security team. The team includes a CISO and a dedicated information security personnel responsible for promoting, coordinating, and supervising the company's cyber security management affairs. A "Cyber Security Management Committee" was also established to hold regular meetings every month to review policies and goals, effectively communicate with employees, and raise awareness of their importance. The committee will regularly report on the implementation of cyber security management to the board of directors at least once a year.

### 2. Cyber Security Policy

This policy applies to Universal Cement Corporation, its subsidiaries, and other group companies that are under its substantial control (hereinafter referred to as "the organization"). The scope includes the organization's employees and vendors who have access to internal information. The purpose of this policy is to provide guidelines for cyber security and to ensure that all employees and vendors adhere to them in order to facilitate the smooth operation of business processes and ensure that information and communication systems are properly protected.

#### 2.1 Definition of Terms:

- A. Information and communication system: That refers to the system to be used to collect, control, transmit, store, circulate, delete information or to make other processing, using and sharing of such information.
- B. Information and communication service: That refers to the service to be used to collect, control, transmit, store, circulate, delete information or to make other processing, use and sharing of such information.
- C. Cyber security: That refers to such effort to prevent information and communication system or information from being unauthorized access, use, control, disclosure, damage, alteration, destruction or other infringement to assure the confidentiality, integrity and availability of information and system.
- D. Confidentiality: It ensures that only authorized personnel can use the information.
- E. Integrity: It ensures that the information used is correct and has not been doctored.
- F. Availability: It ensures that authorized personnel have access to the required information.

#### 2.2 Cyber Security Policy Objectives

- A. Take appropriate protection and preventive measures for organization's sensitive data to reduce the risk of cyber security incidents.
- B. Reduce the impact of cyber security incidents such as damage, theft, leakage, tampering, abuse, and infringement.
- C. Continuously improve the confidentiality, integrity, and availability of the organization's cyber security operations.

### 2.3 Cyber Security Management Policy

- A. When a cyber security incident happens, it can be timely informed, dealt with and restored within the specified time. The information system structure will gradually establish a high-availability backup and off-site data backup mechanism according to its risk level to ensure uninterrupted services. It will also strengthen system recovery drills to ensure that the system recovery time meets the expectation.
- B. In response to changes in the cyber security threat, cyber security education and training will be conducted to boost the staff's awareness of cyber security. Most of the cyber security incidents come from the negligence and lack of cyber security awareness of staff. Thus, regular cyber security publicity and education training is necessary.
- C. Please do not open emails from unknown sources or unidentifiable senders. Regular email social engineering drills will be conducted every year. Colleagues who open such emails or links by mistake will receive further training and records of the training will be recorded for future reference.
- D. We aim to enhance the level and mechanism of cyber security equipment, improve defense capabilities, and prevent virus or intrusion and extortion events. At the event of a cyber security incident, the relevant unit should be notified immediately to reduce subsequent losses caused by the cyber security incident.
- E. Be alert to security bugs notices, patch high-risk bugs in real time, and regularly assess and handle security bugs repairs for equipment, system components, database systems, and software.

The cyber security risk framework and execution status has been disclosed on the company's website, please view the company's website: Corporate Governance→ Cyber Security.

## 2.5 Responsible Business Operation

Committed to the core value of business integrity, UCCTW promises to actively implement ethical management strategies and incorporate integrity into our corporate culture.

To establish ethical corporate culture and setting it as our basis for sustainable operations, the Board of Directors approved the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” to specifically regulate employees when managing business operations; we also formulated the “Code of Ethical Conduct” to guide the behaviors of directors and managers in order to comply to ethical standards.

Relevant Codes and Regulations	Summary
UCCTW Ethical Corporate Management Best Practice Principles	Article 10 - Prohibition of Active and Passive Bribery When carrying out business operations, company’s directors, managers, employees, appointees, and substantial controllers shouldn’t directly or indirectly request or accept any form of bribery from customers, retailers, suppliers, public officials, or other shareholders
UCCTW Code of Ethical Conduct	Article 4 - Conflict of interest arises when personal interests intervene or may intervene with the overall interests of the company: When company directors or managers are unable to conduct business in an objective and efficient manner, or due to their position in the company, they themselves, their spouses, parents, children, or relatives within second degree of kinship receive improper benefits. The company should pay special attention to the loan or guarantee of funds, major asset transactions, and purchase (sales) transactions with the related enterprises to which the above-mentioned persons belong. The company should formulate policies to prevent conflicts of interest and provide appropriate channels for directors and managers to voluntarily declare whether they have a potential conflict of interest with the company.
UCCTW Procedures for Ethical Management and Guidelines for Conduct	The company's “Procedures for Ethical Management and Guidelines for Conduct” contains a clear code of behavioral conduct, which emphasizes employee self-discipline in management. Usually, the department supervisors are responsible for education, persuasion, and leadership, so that employees can fully understand behavioral and ethical standards. The summary is as follows: Article 4 Types of Interest The interests mentioned in this operating procedure and behavior guideline refer to cash, offers, gifts, commissions, positions, services, preferential treatment, rebates, facilitation payments, entertainment, and other things of value in any form or name. However, when it is regarded as normal social etiquette and

	<p>incidental without any risk of affecting specific rights and obligations, then it won't be counted.</p> <p>Article 23 Internal Promotion, Establishment of Reward and Punishment, Grievance System, and Disciplinary Action</p> <p>The company should incorporate ethical management into employee performance assessment and human resources policies and establish clear and effective reward and punishment and grievance systems. In accordance with relevant laws or regulations, the company should punish or dismiss any person who violates ethical guidelines.</p>
Whistleblowing Procedures of Unethical Behaviors	<p>In order to implement ethical management of business affairs, the company has established multiple reporting channels. The audit office allows internal and external personnel to report unethical behavior. There are "Guidelines to Employee Grievances" and "Sexual Harassment Complaints and Punishment Measures", and colleagues can also utilize complaint hotline, fax, or mailbox. The management department will evaluate the complaints and protect the legitimate rights and interests of employees.</p>

### **Ethical Operations Units and Their Performance**

The Office of the President is responsible for formulating ethical corporate management policies and prevention plans, reporting the operation of ethical corporate management and its status of implementation to the Board of Directors regularly (at least once per year). The performance of the integrity management in 2023 has been disclosed on the website. To find the information, the path is through "Corporate Governance" -> "Integrity Management".

### **Anti-Competitive Behavior and Handling Situation**

The Company has designated The Office of the President to support ethical corporate management and be responsible for devising and overseeing the ethical corporate management policy and prevention programs against unethical conducts. The frequency of report is at least once a year. Please view the corporate website: "Corporate Governance" → "Integrity management."

On April 29, 2019, the Fair Trade Commission determined that five ready-mixed concrete companies, including UCCTW, violated the Fair Trade Act and imposed penalties. After the company filed an administrative lawsuit on June 26, 2019, it's revoked by the Taipei High Administrative Court on June 30, 2020. On August 18, 2020, the Fair Trade Commission filed an appeal. On August 11, 2022, the Supreme Administrative Court ruled to remand the case back to the Taipei High Administrative Court for further review.

## 2.6 Supplier Management

### Supplier Management Policies

In order to ensure that our suppliers have consistent standards in terms of quality, cost, delivery, service quality, environmental safety, hygiene, and production, work with suppliers to implement environmental protection, labor rights protection, and sustainable development as our social responsibilities, and establish a comprehensive supply chain, we stipulated “Supplier Management Policies”.

1. We formulated management measures corresponding to the difference in the number of products, services, or purchases provided by suppliers
2. We have established a supplier management mechanism to get hold of the operations of suppliers, reduce operational risks, and prevent the impact of those risks. Our supplier management mechanism is as follows:

(1). New Supplier Evaluation System:

Before collaborating with new suppliers, it is necessary to conduct comprehensive evaluations to understand their production line, operational status, etc. Reviewing of written materials and on-site inspections are included in the evaluation.

(2). Existing Supplier Risk Assessment System:

Targeting current suppliers, we conduct risk assessment on three different aspects – economy, society, and environment. We will assist high-risk supplier to make improvements.

(3). Reward and Punishment System:

After complete evaluation, suppliers with high results will be listed as prioritized partners; If high-risk suppliers fail to improve within time limit even after assistance, partnership will be terminated

3. Legal Raw Material Statement

We thoroughly check for supplier's legal license and prohibit cooperation with suppliers who use unknown sources and do not have legal licenses.

4. Supplier's Joint Responsibility

We jointly carry the responsibilities of environmental protection, labor rights protection, health and safety, ethics, and systemic company management with our suppliers, and we also request suppliers to sign the “Commitment Letter of Supplier Corporate Social Responsibility”.

5. Local Procurement

Local suppliers are our main priority as we value local development and procurement, which can reduce management and operations cost and greenhouse gases from long-distance shipping, create more working opportunities, and give back to our communities.

## 6. Green Procurement

To minimize environmental impact, not only do we require our suppliers' products, procurement, and services to adhere to laws and regulations, we also encourage suppliers and retailers to offer environmental-friendly and sustainable products and services

### **Supply Chain Management Measures and Implementation Status**

#### **Establish Supplier Tier System**

We select suppliers that need to be managed and evaluated according to their characteristics: Critical Tire 1 - suppliers who have significant impacts on the quality and delivery time of company's product manufacturing, or when purchase have reached a certain amount or proportion. Condition of supplier management in 2023:

1. Number of Critical Tier 1 Suppliers: 17, procurement percentage: 78.84%.
2. New Supplier Evaluation: total of 11 suppliers, passing rate 100%.
3. Existing Supplier Risk Assessment System: total of 39 suppliers, passing rate 100%.
4. Supplier Self-Evaluation Survey: total of 67 suppliers, response rate 100%.
5. Local Procurement of Raw Materials: Our expense on local procurement covers 96.67% of total expense on procurement.
6. Signing of the "Commitment Letter of Supplier Corporate Social Responsibility": total of 67 suppliers signed the letter.
7. Supplier Grievance System.

If suppliers find that any of the company's personnel violated workplace discipline and ethical codes, they can report such violations through the complaint mailbox - [uccaudit@ucctw.com](mailto:uccaudit@ucctw.com).



### 3 Excellent Customer Service

The R&D Expenses of the Company in recent years are as follows:

Unit (NT\$)	2021	2022	2023
R&D Expenses	78,683	92,355	72,623

#### 3.1 Innovative Research and Development

##### Gypsum Board

Our Gypsum Boards comes from raw materials, product, manufacturing, application process, to recycling to reduce the waste of natural materials. Our Gypsum Boards uses desulfurized and natural gypsum, which has the smallest impact on the environment, and is also harmless to human health. During its production process, no harmful substances (e.g., asbestos, formaldehyde, and volatile organic compounds) are added. It is a fireproof building material that complies with green material standards. Our Gypsum Boards complies with the national CNS standards of the Republic of China, the American ASTM, and the Japanese JIS standards, and has obtained the approval from the Commodity Inspection Bureau of the Ministry of Economic Affairs. It has ISO9002 international standard quality assurance system certification, passed the U.S. UL Accreditation Certification; and obtained various green product certifications. Relevant certifications in this field include the Ministry of Environment's environmentally friendly products, the Ministry of the Interior's Green Materials Label, and LEED ® U.S. Green Building Council Certification. It is expected to obtain the Ministry of Environment's product carbon footprint label certification in 2024.

- In 2023, the Gypsum Boards sold by the company did not violate health and safety regulations, nor did it violate product information or labels.
- In 2023, our company sold products that complied with LEED ® (U.S. Green Building Council) sustainable building or construction certification. Gypsum Boards account for about 7%
- The company is the only Gypsum Board Manufacture in the country. All series of products are circular economy innovations that can reduce environmental impact. New products and innovative products hold 100% market share in 2023.

## **Ready-Mixed Concrete**

### Product Profile:

The Ready-Mixed Concrete by our company adopts a special proportion design, which has the best cementation and chloride reaction, and can achieve the high strength levels. Concrete reduces the amount of cement and appropriately uses recycled materials to effectively utilize resources and significantly reduces carbon dioxide emissions. This product thereby improves the life cycle of the building and achieves sustainable development. Our company's Nanzi ready-mixed concrete plant has been established and green concrete certification is expected to be obtained in April 2023, along with other certifications for other plants in 2024. The plan seeks to obtain product carbon footprint labels from the Ministry of the Environment in 2024.

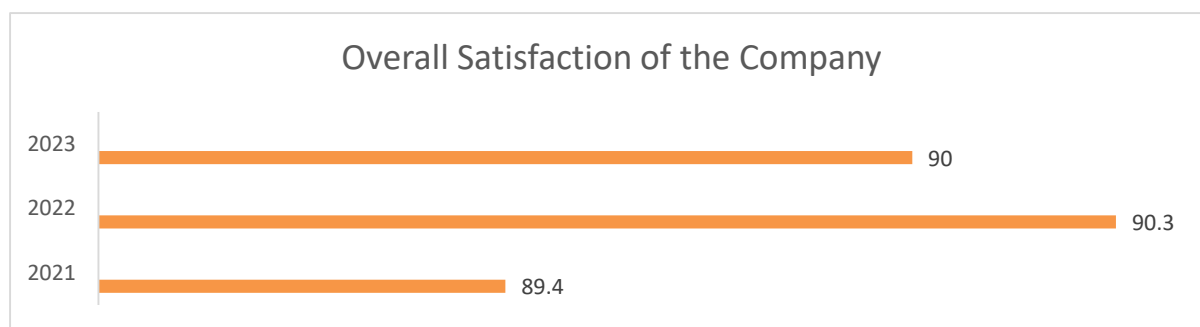
- In 2023, the ready-mixed concrete sold by the company did not violate product health and safety regulations, nor did it violate product information or have discrepancies.
- In 2023, the company's sales of green concrete that met sustainable building or construction certification sits at 37%.

## 3.2 Customer Service

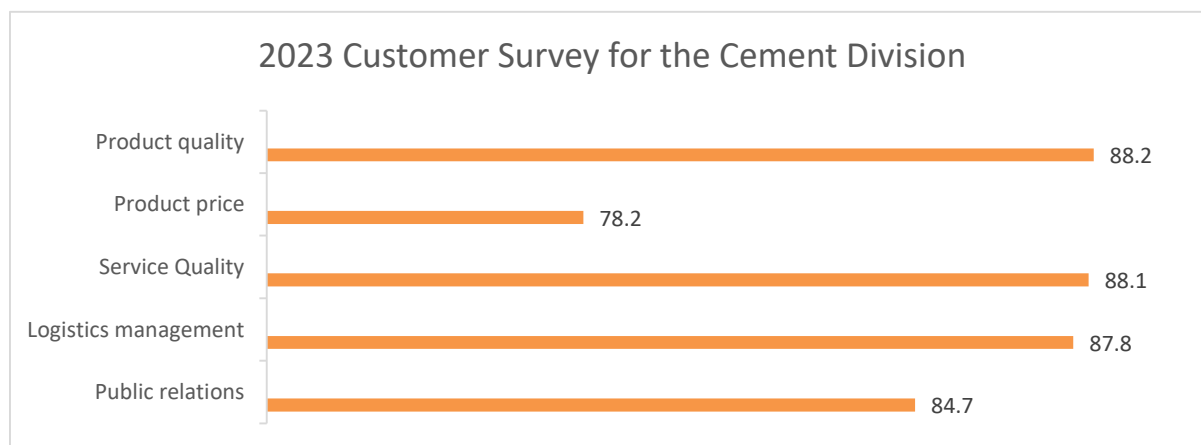
### Customer Satisfaction Survey

We established a customer-oriented quality system and company principle and are committed to providing the best service, actively maintaining customer relationships, strengthening loyalty, and utilizing word of mouth to attract more customers and expand our market. The scope of customer satisfaction survey in 2023 mainly focuses on the divisions of our main operations - cement division, ready-mixed concrete division, and building materials division.

The overall satisfaction of the company over the past three years is as follows: an average score of 89.4 points in 2021, 90.3 points in 2022, and 90 points in 2023.

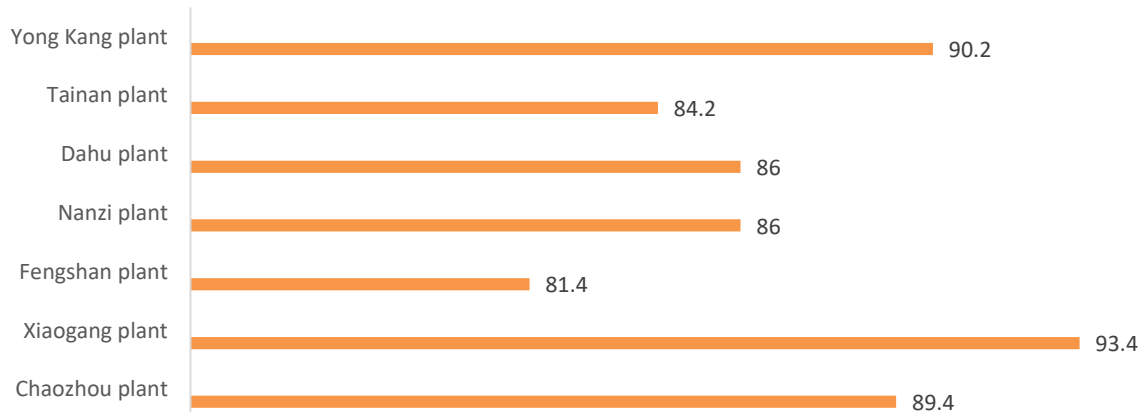


The customer survey for the cement division collects feedback for product, price, service, etc., which can be later analyzed for strategic marketing and improvements. In 2023, we sent out 24 surveys and received 17 replies; response rate 71% with an average of 85.5.



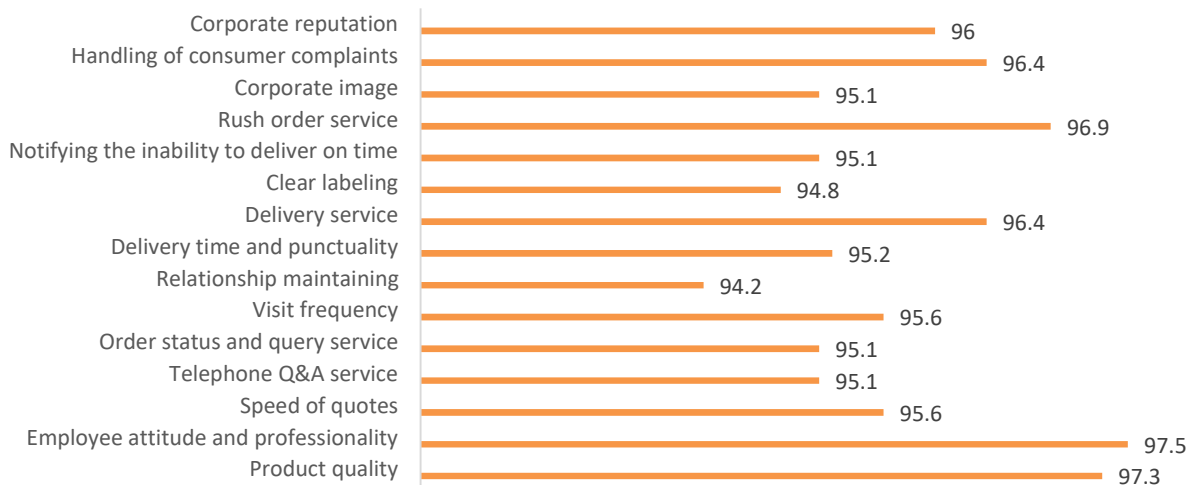
The customer survey for the ready-mixed concrete division collects feedback for product quality, delivery time, service quality, etc. In 2023, seven ready-mixed concrete plants sent 352 surveys and received 352 replies; response rate 100% with an average of 87.2.

### 2023 Customer Survey for the Ready-Mixed Concrete Division



The customer survey for the building materials division collects feedback for corporate reputation, handling of consumer complaints, corporate image, etc. In 2023, we sent out 45 customer satisfaction surveys and received 45 replies; response rate 100% with an average of 95.5.

### 2023 Customer Survey for the Building Materials Division



### Complaints and Responses

Customers can file complaints through sales representative, coordinator, and quality control personnel. When relevant personnel receive customer complaints, they will notify relevant divisions to clarify responsibilities and provide proper solutions.

There are no significant customer complaints in 2023.

## 4 Environmental Management

### 4.1 Climate Change

TCFD Core Recommendations			
Governance	Strategy	Risk Management	Metrics and Targets
<p>UCCTW Climate Change Governance Framework:</p> <ol style="list-style-type: none"> <li> <u>Board of Directors</u>  Highest decision-making entity, responsible for evaluating and approving risk management strategies and plan countermeasures and improvement plans. </li> <li> <u>Risk Management Committee</u>  Hold annual meeting, composed of company's senior executives, reports directly to the board of directors. Responsible for supervising climate change-related issues, regularly review climate-related risks and opportunities, and integrate management reports. </li> <li> <u>Risk Management Team</u>  Each division's manager is responsible for evaluating, analyzing, and planning strategies, implement countermeasures for climate-related risks and opportunities. </li> </ol>	<p>We adopt the management framework of TCFD and in consideration of industry characteristics and location of operations, systematically identify 13 risks and 11 derivative opportunities. For details, please refer to "Climate Change's Potential Risks and Opportunities for UCCTW and Countermeasures" in this report.</p>	<p>Risk Assessment and Management Process:  Our risk management team will hold at least one internal and external systemic risk identification every year to evaluate, analyze, identify major risks and opportunities, and plan countermeasures.</p> <p>Integrated risk system:  We have incorporated climate change risks into our overall risk management procedures.</p>	<p>Greenhouse Gas Scope 1, 2, 3 Emissions and Goals:  Inventory greenhouse gas scope 1, 2 emissions of the parent company in 2023. The parent company completed the assurance in 2024</p> <p>Other Climate and Environment-Related Management Indicators and Targets:  Formulate management policies and reduction measures for energy, water resources, and industrial waste; find alternative fuels and sources of renewable energy; obtain domestic and foreign certifications for low environmental impact products and continue to research and develop environmental-friendly product technologies.</p>

## **Risks and Opportunities from Climate Change, and Company's Countermeasures (Task Force on Climate-Related Financial Disclosures | TCFD)**

Item	Execution Status
1. The supervision and governance of climate risks and opportunities by the board of directors and management teams.	<ol style="list-style-type: none"> <li>1. The board of directors serves as the highest decision-making unit for risk management within the company, in charge of risk management.</li> <li>2. Risk Management Committee: The Risk Management Committee executes the risk management decisions approved by the board of directors. It is responsible for establishing the risk management framework of the company, reviewing the company's risk management policies, integrating and promoting risk management, as well as overseeing and coordinating the overall implementation of risk management operations. Additionally, the committee provides regular (at least once a year) reports to the board of directors on the execution status.</li> </ol>
2. How identified climate risks and opportunities impacts the company's business, strategy, and finances (short-term, medium-term, long-term).	<ol style="list-style-type: none"> <li>1. Extreme Climate Risks: <ol style="list-style-type: none"> <li>(1) Extreme weather causing prolonged heavy rainfall may result in concentrated customer demand, heightened challenges in production and transportation scheduling. This could lead to order losses and necessitate improving production management efficiency. The potential occurrence of this risk is in the short term.</li> <li>(2) Continued rise in average temperatures due to extreme climate conditions could escalate electricity demand and lead to increased electricity prices. This might result in elevated electricity costs for the company, need to enhance energy usage efficiency. The potential occurrence of this risk is in the long term.</li> </ol> </li> <li>2. Transition Risks: <ol style="list-style-type: none"> <li>(1) Government impose a carbon fee on the company in 2025 could result in increased regulatory expenses. The potential occurrence of this risk is in the short term.</li> <li>(2) Government's push for a 2050 net zero emissions policy might require the company to seek alternative energy sources to replace traditional ones, or to explore alternative fuels to replace coal. The potential occurrence of this risk is in the long term.</li> </ol> </li> </ol>
3. The financial impact of extreme climate and transition actions.	<ol style="list-style-type: none"> <li>1. Extreme Climate Risks: <ol style="list-style-type: none"> <li>(1) Continuous heavy rainfall could potentially lead to the decrease in approximate NTD 180 million of the annual revenue.</li> </ol> </li> </ol>

	<p>(2) The rise in average temperatures could potentially lead to the increase in approximate NTD 19 million of the annual electricity expense.</p> <p>(3) The rise in average temperatures could potentially lead to the increase in approximate NTD 71 million of the annual expenses for investing in process equipment improvements.</p> <p>2. Transition Risks:</p> <p>(1) Imposition a carbon fee on the company could potentially lead to the increase in approximate NTD 5.4 million of the annual regulatory expense.</p> <p>(2) Seeking alternative electricity could potentially lead to the increase in approximate NTD 130 million of the annual electricity expense.</p> <p>(3) Seeking alternative fuel could potentially lead to the increase in approximate NTD 2 million of the annual fuel expense.</p>
4. How to integrate the climate risk of recognition, assessment, and management process into the overall risk management framework.	The risk management committee convenes regular monthly meetings to identify potential climate risks, assess their specific impact on finances in terms of clarity and significance, and review the implemented management measures.
5. When conducting a scenario analysis to assess resilience against climate change risks, should describe the usages of scenarios, parameters, assumptions, analysis factors, and key financial impacts.	<p>1. Extreme Climate Risks:</p> <p>(1) Prolonged heavy rainfall leads to order losses : Based on the cancelled order amount due to heavy rainfall, and assume yearly increase 1%.</p> <p>(2) The rise in average temperatures lead to increased electricity prices : Assume the price in 2030 is higher than current electricity price for 15%.</p> <p>(3) The rise in average temperatures necessitates the company to enhance energy usage efficiency : Assume an annual investment of 1% of revenue is required for process equipment improvement.</p> <p>2. Transition Risks:</p> <p>(1) Imposition a carbon fee on the company leads to increased regulatory expenses : Multiply the carbon emission amount by the assumed carbon price rate of NTD 300 per ton.</p> <p>(2) Purchase the green electricity leads to increased electricity price : Assume the company replaces 100% of its electricity consumption with green electricity.</p> <p>(3) Purchase the biofuels leads to increased fuel cost : Assume the company replaces 10% of its fuel consumption with biofuels.</p>
6. If there is a transition plan for adapting to related risks of climate	1. Enhance energy usage efficiency : Annually invest 1% of revenue for process equipment

management, describe the plan, and along with the indicators and goals used for identifying and managing physical risks and transition risks.	<p>improvement.</p> <ol style="list-style-type: none"> <li>2. Seeking alternative energy for replacing traditional energy : Achieve 100% green electricity usage before 2050.</li> <li>3. Seeking alternative fuel for replacing fire coal : Achieve 100% to replace fire coal before 2050.</li> </ol>
7. If using internal carbon pricing method as a planning tool, should describe the basis for price formulation.	Not using internal carbon pricing method.
8. If climate-related goals have been established, should describe the information regarding covered activities, greenhouse gas emission scopes, planning timeline, the progress of annual achievement: if use carbon offsets or Renewable Energy Certificates (RECs) to achieve these goals, should describe the carbon offsets sources and amount, or the amount of RECs.	<ol style="list-style-type: none"> <li>1. Carbon Intensity (CO2 Emissions tons / production value of NTD Thousand ): The company will strive to maintain its current intensity and continuously reduce emissions.</li> <li>2. Water Intensity (Water Usage tons / production value of NTD Thousand): The company will strive to maintain its current intensity and aims to reduce it to 0.025 tons / NTD in thousands of output by 2025.</li> <li>3. Total Business Waste Weight: The company is committed to maintaining its current waste weight and aims to achieve a zero-waste goal.</li> </ol>
9. Greenhouse gas investigation and assurance status (as filled in the table below)	<ol style="list-style-type: none"> <li>1. Future annual quantitative targets for carbon intensity (tons of Carbon Dioxide Emissions/Millions of NTD produced in value): Maintain existing ratio and continue to reduce emissions.</li> <li>2. Implementation Results of 2023: Carbon intensity will be 12.0 tons/NTD, compared to with 2022. The annual increase is 1.2% in improvement, because the data from the Luzhu Gypsum Board Factory in 2023 will be included in the scope of the data.</li> <li>3. Since 2022, the Company has been conducting third-party greenhouse gas assurance for the parent company. In accordance with the Financial Supervisory Commission's schedule for sustainable development of listed companies, the Company will complete the inventory operations for the group (including subsidiaries) in Apr., 2025. Therefore, we have set 2024 as the baseline year for carbon reduction and aim to gradually reduce carbon emissions annually.</li> <li>4. Reduction Targets: A reduction of 60% compared to 2024 by 2040, and 100% reduction compared to 2024 by 2050.</li> <li>5. Concrete action plan: Through improving processes, replacing traditional energy</li> </ol>



	<p>sources with green energy, implementing green transportation, and regularly maintaining and replacing old high-energy-consuming equipment.</p> <p>Please refer to the next page, "Climate Change's Potential Risks and Opportunities for UCCTW and Countermeasures," section 4.2 Energy Conservation and Carbon Reduction Management Policies.</p>
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**Greenhouse Gas Emissions and Expectations for the Last 2 Years:**

**Figure 1: Greenhouse Gas Inventory Information**

Greenhouse Gas Inventory Information					
Describe the emission volume (tons CO2e), intensity (tons CO2e/NT\$ million), and data coverage of greenhouse gases in recent 2 fiscal years:					
1. Individual entities of the parent company shall complete the inventory by 2023.					
2. Subsidiaries included in the consolidated financial statements shall complete the inventory by 2025.					
		2022		2023	
		the emission volume (tons CO2e)	intensity (tons CO2e/NT\$ million)	the emission volume (tons CO2e)	intensity (tons CO2e/NT\$ million)
the parent company	Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company)	33,099.1056		36,156.3199	
	Indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam)	20,111.9807		19,673.9336	
	Total	53,211.0863	11.8	55,830.2535	12.0

Note 1: The output value of millions of NTD is the cement, ready-mixed concrete and gypsum board production of the parent company of UCCTW in 2023.

## Figure 2: Greenhouse Gas Assurance Information

### Greenhouse Gas Assurance Information

Describe the status of assurance in recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.			
1. Individual entities of the parent company shall complete the assurance by 2024.			
2. Subsidiaries included in the consolidated financial statements shall complete the assurance by 2027.			
The scope of assurance		Emission volume (tons CO2e)	
		2022	2023
the parent company	Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company)	33,099.1056	36,156.3199
	Indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam)	20,111.9807	19,673.9336
	Total	53,211.0863	55,830.2535
	The percentage of disclosed inventory data as mentioned in the preceding paragraph.	100%	100%
Assurance institution		SGS	DNV
Assurance standards		ISO14064-3:2006 reasonable level of assurance	ISO14066:2011 、ISO14065:2020、 ISO14064-3:2019 reasonable level of assurance
Assurance opinion		unmodified opinion	unmodified opinion

### Climate Change's Potential Risks and Opportunities for UCCTW and Countermeasures

Climate change is a global issue. We adopted the disclosure and management framework prescribed in the task force on climate-related financial disclosures (TCFD), in consideration of industry characteristic and location of operations, systematically assess climate-related risks and opportunities and propose corresponding countermeasures.

Type	Climate-related topics	Potential Risk	Derived Opportunities	Countermeasures
Transition Risks	Policy	• GHG emission control and carbon tax	• Low-carbon equipment and input of management cost .	• Join carbon emission trading.
		• Renewable energy development policies: Compulsory installation of renewable energy facilities up to a certain percentage.	• Cost of renewable energy equipment or renewable energy certificates .	• Opportunities to plan for renewable energy adoption • Opportunities to expand new energy business.
	Technology	• Trend of low carbon emission/low environmental impact technologies.	• Invest in relevant technologies which increases operational cost.	• Opportunities of innovation.
	Market	• Environmental-friendly green products R&D and customer needs.	• Unable to satisfy customer need, which reduces profits.	• Develop new green products. • Optimize circular economy and the competitiveness of green building materials.
				<ul style="list-style-type: none"> <li>• Organize and implement internal energy conservation and carbon reduction corporate policies.</li> <li>• Obtain renewable energy certificates.</li> <li>• Install renewable energy facilities.</li> <li>• Continue to enhance energy use efficiency.</li> <li>• Waste to recycled resources: actively optimize the recycling system of gypsum boards/circular economy.</li> <li>• Encourage employees to propose low carbon emission/low environmental impact technologies.</li> <li>• Continue to promote existing UCCTW green building materials.</li> <li>• Actively expand customer service of UCCTW gypsum board recycling system, collaboratively respond to product reuse and recycle.</li> <li>• Analyze product substitute risks and the advantages and disadvantages of other products.</li> <li>• Actively respond to customer need, invest in R&amp;D of new products.</li> </ul>

		<ul style="list-style-type: none"> <li>• The increase of carbon tax and the cost of raw materials for importing countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Operational cost increases.</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to develop substitutes of raw materials</li> <li>• Motivation to develop and optimize product ratio.</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritize the purchase of domestic raw materials.</li> <li>• Set up long-term contracts and system for second suppliers to stabilize prices.</li> <li>• Research on the procurement of other substitutes to raise product diversity.</li> </ul>
	Operations and Reputation	<ul style="list-style-type: none"> <li>• ESG sustainable investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on company image.</li> <li>• Customers take corporate social responsibility into consideration when purchasing products.</li> <li>• Invest, fundraise, and finance.</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities to move towards low carbon economy and corporate sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish special ESG department</li> <li>• Communicate results to stakeholders via company website, annual report, and CSR report.</li> </ul>
Physical Risks	Acute	<ul style="list-style-type: none"> <li>• Typhoons, floods, and other natural disasters.</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to our plant equipment/ Disruption in product delivery/ staff off duty results in operational lost.</li> <li>• Disruption of foreign supply chain due to natural disasters.</li> </ul>	<ul style="list-style-type: none"> <li>• Extreme weathers cause rockslides, destroy bridges and highways, which raises demand for The company's products.</li> <li>• Strengthen operational resilience.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity Planning: -Continue to optimize inventory and flexible transportation scheduling.</li> <li>- Maintain stable operations to support public construction needs.</li> <li>• Monitor water regime information and formulate water shortage countermeasures through real-time information from the Water Resources Department.</li> <li>• Advocate and implement energy saving and carbon reduction environmental protection measures.</li> <li>• Prioritize the use of high-efficiency and energy-saving products.</li> <li>• Conduct periodic inspections and dispose old equipment to reduce energy burden.</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>• Droughts.</li> </ul>	<ul style="list-style-type: none"> <li>• Water shortage hinders production process.</li> </ul>		
		<ul style="list-style-type: none"> <li>• Rising global temperature.</li> </ul>	<ul style="list-style-type: none"> <li>• In order to avoid overheating of equipment due to high temperature and maintain working environment of plants, the energy consumption of air conditioners increases, which also increases operational costs.</li> </ul>		
		<ul style="list-style-type: none"> <li>• Rising sea level..</li> </ul>	<ul style="list-style-type: none"> <li>• Disruption of drainage systems, causing potential flooding.</li> </ul>		

## 4.2 Energy Management

We follow domestic environmental protection regulations, and our active initiatives comply with ESG indicators, and reflects United Nation's Sustainable Development Goals (SDGs). We adhere to sustainability, with energy conservation and carbon reduction as the core of our business operations, paying equal attention to environmental protection and economy by actively managing the use of energy resources and waste output, formulating relevant measures and continuously tracking improvement status. We aim to minimize negative environmental impact, fulfilling corporate social responsibility. The disclosed information under mainly covers location of operations from our parent company.

### Energy Conservation and Carbon Reduction Management Policies

1. Use energy-saving LED lamps, expected to save electricity by 30%.
2. Turn lights off when not in use, during lunch breaks, and after work
3. Regularly check and replace old high-power consuming equipment, and use higher-efficiency equipment to reduce power consumption.
4. Cooperate with the Environmental Protection Administration to promote the implementation of large-scale diesel vehicle replacement plan.
5. Support local procurement, reduce long-distance shipping.

GJ=1 billion J		Parent Company		
		2021	2022	2023
Total Energy Consumption	GJ	541,550	545,167	605,294
Outsourced electricity	GWh	36.4	39.8	39.7
	GJ	131,068	143,158	143,082
	Consumption Ratio	24.20%	26.30%	23.6%
	Outsourced electricity/ Total Energy Consumption			
Diesel	L	2,235,610	2,062,338	2,164,128
	GJ	78,243	72,517	76,096
Gasoline	L	76,417	78,065	107,209
	GJ	2,495	2,549	3,500
Fuel	KL	4,707	6,570	5,728
	GJ	189,154	264,019	230,183
Coal	T	5,524	2,472	5,346
	GJ	140,591	62,924	136,052
LPG	KL	-	-	4,372
	GJ	-	-	121
Natural Gas	Meters Cubed/Degree	-	-	485,528
	GJ	-	-	16,259

**Quantitative target for energy intensity in the future (energy calorific value GJ/production value of NTD Thousand)** Implementation Results of 2023: The energy intensity is 0.1296 GJ/NTD thousand in 2023, which represents a 7% increase compared to 2022, because the data from the Luzhu Gypsum Board Plant in 2023 will be included in the scope of the data.

Note 1: The output value of \$1,000 NTD is the cement, ready-mixed concrete and gypsum board production of the parent company of UCCTW in 2023.

Note 2: LPG and natural gas data are not calculated in 2021 and 2022, and will be presented starting in 2023.

Note 3: The unit calorific value of energy products in 2023 refers to the energy calorific value published by the Energy Bureau of the Ministry of Economic Affairs:

Electricity: 1 degree = 860 kcal; Diesel: 1 liter = 8,400 kcal; Automobile gasoline: 1 liter = 7,800 kcal; Fuel oil: 1 liter = 9,600 kcal; Coal (Bituminous Coal as Fuel Medium): 1kg = 6,080 kcal; Liquified Natural Gas: 1 Cubic Meter = 9,000 kcal; (Self-Produced) Natural Gas: 1 Cubic Meter = 8,000 kcal; liquified petroleum gas (LPG) 1 liter = 6,635 kcal.

## 4.3 Water Management

### Water Use Management Policies

According to the Water Risk Atlas by the World Resources Institute(WRI), the water sources of The company are located in the not water resource stress area. The company's water intake of various categories is mainly tap water and groundwater, all of which are fresh water (TDS  $\leq$  1,000 mg/L).

1. Promote the value of water resources and make maximizing water efficiency in plants as our main principle.
2. Processed wastewater is recycled and reused in the factory and used for road watering, dust suppression, etc. to reduce air pollution.
3. Prioritize the use of water-saving equipment, reduce inefficient water use.

Water Intensity (Water Usage tons / production value of NTD Thousand): The company will strive to maintain its current intensity and aims to reduce it to 0.025 tons / NTD in thousands of output by 2025.

Implementation Results of 2023: The water intensity is 0.062 tons / NTD thousand in 2023, which represents a 6% reduction compared to 2022.

1,000 m <sup>3</sup> =1 million liter	Parent Company		
	2021	2022	2023
<b>Total Water Intake (Water Usage)</b>	167.1	297.2	287.9
<b>Total Water Consumption</b>	The company conserves water resources and recycles wastewater for reuse in our plants. There is no official data available in 2021. Has incorporated water resource recycling-related statistics starting from 2022.	297.2	287.9
<b>Tap Water</b>	101.3	119.8	102.2
<b>Underground Water</b>	65.8	134.2	148.7
<b>Reused Water</b>	The company conserves water resources and recycles wastewater for reuse in our plants. There is no official data available in 2021. Has incorporated water resource recycling-related statistics starting from 2022	43.2	37.0
<b>Percentage of Reused Water</b>		15%	13%



## 4.4 Pollution Prevention

### Air Pollution

Air Pollution Management Policies and Goals: Emissions of air pollutants are all below regulatory standards.

Tons	Parent Company		
	2021	2022	2023
CO	None		
NOx (N <sub>2</sub> O not included)	21.7	15.3	16.6
	NOx calculation method: emission pipeline (material consumption * average discharge coefficient of 3 times of testing)		
SOx	2.7	1.9	2.0
	SOx calculation method: emission pipeline (material consumption * average discharge coefficient of 3 times of testing * sulfur content 0.04%)		
Airborne Particles/Particulate Matter	Particulate Matter Pollution : 28.61	Particulate Matter Pollution : 30.3	Particulate Matter Pollution : 27.7
	<p>【Cement Plant】 Particulate matter emission coefficient, source, and calculation method are as follows:  Airborne particles (chimneys 、 storage yard):  Consumption X (1 - (control efficiency) X emission coefficient = emission amount</p> <p>【Gypsum board plant】 Particulate matter pollution calculation method:  Discharge pipeline (activity intensity * average discharge coefficient of 3 times of testing) + (those from in vehicle, loading, unloading, wind-erosion of loading and unloading in inventory)</p>		
MnO	None		
Pb	0.002	0.0018	0.0024
	Pb calculation method: Emission pipeline (announced emission coefficient * activity intensity * (1 - control efficiency)		
VOCs	0.042	0.2065	0.1655
	VOCs calculation method: production, storage tank (raw material consumption * VOC content 0.5%)		
PAHs	None	None	None
Cd	0.0003	0.0003	0.0003

<b>Hg</b>	0.0001	0.0001	0.0001
<b>As</b>	0.0009	0.0011	0.0011
<b>PCDD/Fs(t I-TEQ)</b>	2.2E-09	1.7E-09	2.4E-09

## Waste Management

### Waste Management Policies

In accordance with the certified standards of hazardous industrial waste promulgated by the Environmental Protection Administration, our operations mainly produce general industrial waste and factory domestic waste, no hazardous industrial waste is produced.

### Waste Management Policy

#### 1. Practice reduction at source:

- (1) Promote paperless operations, recycle and reuse paper.
- (2) Encourage colleagues to bring their own tableware and reduce the amount of garbage.

#### 2. Recycle and reuse:

- (1) Comply with the recycling standards of the Environmental Protection Administration, implement domestic waste recycling in plants
- (2) Comply with the “Criteria Governing Methods of and Facilities for Storage, Clearance and Disposal of Industrial Wastes”, prioritize recycle and reuse. Wastewater and used oil are recycled and reused in plants; waste wood, waste plastic, wastepaper containing gypsum, waste iron, waste tires, etc. are entrusted to qualified manufacturers certified by the Environmental Protection Administration for removal and recycling.

Quantitative goals for waste management in the future: The company will be committed to maintain the total weight of current output and hopes to achieve the zero waste goal.

Implementation results in 2023: Recycling ratio has reached 99.5%.

	Parent Company		
	2021	2022	2023
General industrial waste (tons)	10,751	16,244	12,203
Percentage of recycled waste	99.9%	98.2%	99.5%
Hazardous industrial waste	None		

## 5 Employee and Benefits

### 5.1 Human Rights

#### **UCCTW Human Rights Policy**

We support and abide by human rights standards and principles, such as United Nations' Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, United Nations Global Compact, and International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and refrain from any violations on human rights.

We have formulated human rights policy to protect employees (including contract and temporary employees) and expect our suppliers, distributors, partners, and other business organizations with substantial control capabilities to strictly abide by the following principles to safeguard human rights:

1. Follow each location of operations' labor and environmental policies.
2. Provide reasonable working conditions and healthy and safe working environment.
3. Provide a working environment free from discrimination and harassment and treat everyone equally regardless of race, nationality, age, gender, marital status, political affiliation, and religious beliefs.
4. Prohibit forced labor.
5. Prohibit child labor.
6. Respect employees' privacy and freedom of assembly.
7. Keep channels of labor-management communication open and provide a grievance channel.

Human Rights Topic	Management Plans
<b>Follow each location of operations' labor and environmental policies</b>	<p>Follow laws and regulations, establish relevant rules and mechanisms.</p> <p>Adopt any changes in laws and regulations.</p>
<b>Provide reasonable working conditions and healthy and safe working environment</b>	<p>Set workplace safety and hygiene codes, protect employees from industrial harm, and offer healthy and comfortable working environments.</p> <p>Provide protection facilities, equipment, and tools needed in industrial operations to protect employees' safety.</p> <p>Workplace safety monitoring inspections: On-site supervisor (division head) and environmental safety officers will patrol the plants every day.</p> <p>Equipment safety management: We list and inspect dangerous mechanical equipment in accordance with the law to ensure safe operations.</p> <p>Implemented system of occupational health and safety at company's location of operations:</p> <ol style="list-style-type: none"> <li>Practice "three cares and five techniques": self-care, mutual care, and supervision, pay attention with eyes, mouths, ears, hands, and hearts.</li> <li>Regular safety and hygiene evaluations, strictly control deficiencies and track improvement status.</li> <li>Build safe and healthy working environment through supervisor patrols, safe protective gears, and self-inspections.</li> </ol> <p>Fire safety inspections: At least once per year, commission external professional manufacturer to conduct inspections, then re-inspected by the Fire Department.</p> <p>Security:</p> <ol style="list-style-type: none"> <li>The main entrance of our office is set up with access control system to prevent outsiders from invading and destroying private property. We also maintain the effectiveness of our fire alarm system.</li> <li>In the unfortunate event of an employee's death due to work, compensations will be provided before the law.</li> </ol> <p>Goal:</p> <ol style="list-style-type: none"> <li>Aim for "zero disasters".</li> <li>Continue to hold safe and healthy environmental management educational training and effectively communicate relevant principles to each plant's employees.</li> </ol>

	c. The President will host monthly meetings to review deficiencies and suggest improvements based on inspections.
<b>Equal treatment, prohibit all workplace discrimination and harassment</b>	<p>According to the Labor Standards Act, international regulations, and UCCTW Human Rights Policy, our recruitment process is open, equal, and fair.</p> <p>Salary is determined based on the academic background required for the position, and there will be no discrimination based on race, nationality, age, gender, marital status, political stance and religious belief.</p>
<b>Prohibit forced labor</b>	According to the Labor Standards Act, international regulations, and UCCTW Human Rights Policy, won't force anyone to perform involuntary labor.
<b>Prohibit child labor</b>	According to the Labor Standards Act and UCCTW Human Rights Policy, won't employ any children.
<b>Respect employees' privacy and freedom of assembly</b>	According to the Labor Standards Act, allow the formation of unions.
<b>Keep channels of labor-management communication open and provide a grievance channel</b>	<p>When the company has major operational changes, they will be notified in accordance with the Labor Standards Act and other laws.</p> <p>Employees can submit suggestions and questions through the welfare committee, labor-management conference, labor union, other units, or through the internal electronic communication system.</p> <p>If there is any violation of human rights, it will be immediately investigated and conditions will be improved.</p>

## Human Rights Due Diligence

Relevant human rights issue	Results of the 2023 annual survey
<b>Human rights policy training</b>	Implemented during training every quarter.
<b>Follow the policies</b>	The company complies with the Labor Standards and adheres to relevant laws and regulations.
<b>Safe working environment</b>	At least once a year, the company invites external professional vendors to conduct inspections, and then the fire department to check safety. There were 3 occupational disasters in 2023.
<b>Equal treatment</b>	Starting from December 2023, the company has scheduled to conduct human rights training at least once a year. Salary standards are established based on the qualifications and experience required for each position, and will never discriminate based on race, nationality, age, gender, marital status, political stance, or religious beliefs.
<b>Forced labor</b>	According to the Labor Standards Act, international regulations, and UCCTW Human Rights Policy, won't force anyone to perform involuntary labor.
<b>Child labor</b>	No relevant incidents.
<b>Employees' privacy and freedom of assembly</b>	No incidents of employee privacy infringement or interference preventing the freedom of association have occurred.
<b>Channels of labor-management communication</b>	<ol style="list-style-type: none"> <li>1. When the company has major operational changes, they will be notified in accordance with the Labor Standards Act and other laws.</li> <li>2. Employees can submit suggestions and questions through the welfare committee, labor-management conference, labor union, other units, or through the internal electronic communication system. There is also an anonymous whistleblower mailbox available for protection and complaints. The mailbox can be reached at <a href="mailto:ucc@ucctw.com">ucc@ucctw.com</a>.</li> <li>3. If there is any violation of human rights, it will be immediately investigated and conditions will be improved.</li> </ol>

## 5.2 Talent Management

### 2023 Employee Profile

In order to retain outstanding talents and give employees the opportunity to develop their potential and show their best achievements, we continue to guide employees through various communication channels, such as meetings, internal emails, announcements, and occasional meetings with supervisors, etc., to deepen company culture and operations, strengthening the two-way commitment between the company and its employees. The following calculations are based on the figures as of the end of 2023.

	Supervisor		Non-supervisor		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 29	5	1%	59	13%	64	14%
30-50	122	26%	172	36%	294	62%
Above 51	71	15%	44	9%	115	24%
Total	198	42%	275	58%	473	100%

	Supervisor		Non-supervisor		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Female	30	6%	63	13%	93	19%
Male	168	36%	212	45%	380	81%
Total	198	42%	275	58%	473	100%

Note 1: The proportion of female managers in 2023 was the same as the previous year.

Note 2: Gender identification is self-determined by employees.



	Female	Male	Total
Permanent Employees	93	380	473
Temporary Employees	1	9	10
Zero-Hour Contract Employees	0	0	0
Total	94	389	483
Note 1: Temporary employees refer to retired employees who are rehired as contract workers.			

	Female	Male	Total
Full-time Employees	94	389	483
Part-time Employees	0	0	0
Total	94	389	483

New employee hires						
Age	Female		Male		Total	New entry rate
	Number	New entry rate	Number	New entry rate		
Under 29	4	6%	13	20%	17	27%
30~50	17	6%	47	16%	64	22%
Above 51	0	0%	3	3%	3	3%
Total	21	4%	63	13%	84	18%

Note: UCCTW only consists of 3 summer interns and by the end of 2023, there will be no non-employed workers.

Employee turnover						
Age	Female		Male		Total	Turnover rate
	Number	Turnover rate	Number	Turnover rate		
Under 29	2	3%	7	11%	9	14%
30~50	16	6%	57	20%	73	25%
Above 51	2	2%	9	8%	11	10%
Total	20	4%	73	15%	93	20%
Note: New Entry Rate= Number of New Entrants in Category in the Current Year/ Total Number of Employees in this Category at the End of the Year. Turnover Rate = The number of people who resigned in this category in the current year/ Total Number of Employees in this Category at the end of the Year.						

## **Salary System**

We provide competitive salaries and give out bonuses to reward employees with outstanding performances. New colleagues decide their salaries based on their educational background, experience, ranking, and responsibilities, regardless of gender or age. We employ talents based on skills, value the efforts and contributions of employees, and regard performance and attitude as the basis for salary and promotion. All full-time colleagues are required to accept performance evaluations, and together, pursue better improvements.

In 2023, our employee remuneration package mainly includes three parts: fixed salary, bonus, and welfare. The previous employee remuneration policy is based on individual performance and contribution to the company, the market value of their positions, and future operational risks; If the company earns profit in the current year, according to company regulations, at least 1% of it shall be allocated as the remuneration of colleagues. The remuneration of senior executives is determined by the Remuneration Committee, and all members of the committee are external experts. The standard of remuneration for managers is determined according to their personal performance, contribution to the overall operation of the company, and the market rate salary.

- The annual total remuneration of the company's highest-paid individual is the same as the annual total remuneration of other employees of the same organization (excluding the highest-paid individual). The median salary is approximately 51.9 times.
- The annual total salary of the company's highest paid individual is 1.23 times that of last year.
- The median annual total compensation of other employees of the organization (excluding the highest paid individual), this year is 1.03 compared to last year's compensation.

## **Welfare System**

In order to build collaborative relationships between employees, cultivate and lead outstanding talents who uphold company's core values, and strive towards the goal of success, all full-time employees are entitled to the following benefits:

Type	Benefits
Festivals	<ol style="list-style-type: none"><li>1. Establish an Employee Welfare Committee to allocate welfare funds according to the law. Provide bonuses for Moon Festival, Dragon Boat Festival, Chinese New Year, and Labor Day.</li><li>2. Provide travel money and birthday bonus.</li><li>3. Plants hold model worker commendation every year.</li><li>4. Year-end dinner party lottery.</li><li>5. Meal allowances.</li></ol>
Family Care	<ol style="list-style-type: none"><li>1. Marriage allowance, death condolences for immediate family members.</li><li>2. Scholarship for employees' children education; children can apply for childcare leave without pay before they reach the age of three, maximum two years.</li><li>3. Provide employees study leave without pay to encourage academic pursuits, maximum one year.</li></ol>
Health Insurance	<ol style="list-style-type: none"><li>1. Provide annual health check.</li><li>2. Provide labor insurance, health insurance, and other insurances.</li><li>3. In the event of a natural disaster, when the local government announced work cancellations, then employees who work on that same day will be paid as usual for the day's salary, and overtime will be paid according to the extra hours of work.</li></ol>
Work Bonus	<ol style="list-style-type: none"><li>1. Production competition bonus</li><li>2. Attendance bonus</li></ol>
Seniority Benefits	<ol style="list-style-type: none"><li>1. Employees who have worked for a certain period of time will be given special leave in accordance with the Labor Standards Act. In addition, special leave is added for new employees in the same year to encourage employees to stay</li><li>2. Present commemorative gold medal to retired employees and thank them for their hard work and years at UCCTW</li></ol>

For employees who choose the new system, we will allocate 6% of the employees' salary to the individual account of the Bureau of Labor Insurance in accordance with the pension system of the "Labor Pension Act".

### **Salary of full-time employees who are not in supervisory positions**

In 2023, the company has 442 full-time employees who are not in supervisory positions, with an average salary of \$864,000 NTD and a median salary of \$735,000 NTD. The above data is in accordance with the regulations of Taiwan Stock Exchange, deducting supervisors' (managers) and those who meet exclusion and exemption requirements. Salary for those who have worked less than one year is calculated based on their number of working days, and employee remuneration is calculated on an accrual basis.

Year	Number of full-time employees	Average salary	Median salary
		NTD Thousand	
2023	442	864	735
2022	437	796	724
2021	437	760	678

Note: This data set excludes assistant vice president and above.

### **Statutory maternity leave**

In accordance with the “Act of Gender Equality in Employment”, employees who meet the qualifications for childcare leave without pay can apply in accordance with the regulations. In 2022, out of a total of 2 employees who applied for parental leave without pay, both returned to work, leaving a retention rate of 100%. In 2023, out of a total of 10 employees who applied for parental leave without pay 4 employees returned to work; thus the retention rate is 40%. During the reporting period, 6 members were scheduled to be reinstated.

Description	2021		2022		2023	
	F	M	F	M	F	M
Number of people eligible for parental leave.	3	0	1	1	7	3
Number of people who applied for parental leave.	3	0	1	1	7	3
Number of people who returned to work during the reporting period after taking parental leave.	2	0	1	1	2	2
Number of people still employed 12 months after reinstatement from parental leave.	2	0	1	1	2	2

## **Communication Channels**

We adhere to the principles of harmonious communication, form labor unions, and hold regular labor-management meetings to jointly create a friendly working environment and safeguard the rights and interests of union members. The labor union of Alian Cement Plant was established in 1978, and the labor union of Haihu Gypsum Board Plant was established in 1996. In the past three years, there have been 0 complaints from colleagues.

The composition of labor union includes: management representatives (plant manager, vice plant manager, general affairs section manager) and members (employees). Management representatives interact with members by participating in union membership meetings. On weekdays, operational plants and unions will maintain a smooth communication channel; When employees report labor-related matters, the management representatives will respond and coordinate as soon as possible, record the content of the meeting in detail, and submit it to senior managers. The communication channel between employers and employees must remain clear and well-organized, and we strive to achieve information transparency at all times. Therefore, the internal electronic bulletin board is used to post important messages to proactively inform employees operating policies and changes, creating a real-time, synchronous, and peer-to-peer space for communication and coordination.

Members of labor unions are granted leave with pay to attend meetings, allowing trade unions to attend external education, training, and events with other labor unions. We also provide independent offices for labor unions to handle union matters. The company has the Universal Cement Corporation Alian Plant Labor Union and the Universal Cement Corporation Haihu Gypsum Board Plant Labor Union. Currently, no collective agreements have been established, and all related activities are conducted in accordance with regulations.

Items to be discussed in 2023 trade union meetings are proposal for salary adjustment, meal subsidies, retirement benefits for former employees, and recruitment process simplifications. Other important topics of labor union meetings include:

Plant operations report: report on the current employees, salary, management, and company-related publicity matters in plants.

Proposal and discussion: The content of the proposal, such as working hours, benefits, training, company, shift system, company trip, etc., as well as related affairs or feedback, can be proposed by the union.



### 5.3 Talent Development

In order to ensure the sustainable development of employees' careers, we regard employees as important assets and stakeholders of the company, strive to maintain a good workplace environment and system, and provide competitive employee compensation and benefits. If the company earns profit, no less than 1% will be allocated as employee remuneration as we share the success of the company. We have invested in relevant resources to create a safe working environment and provide education and training courses. We hope that colleagues and working partners can enjoy a safe and happy working environment, progress and grow with the company.

UCCTW Educational Background of Permanent Employees				
Year		2021	2022	2023
Number of Employees	Total	462	487	473
Average Age		45.40	41.61	42.05
Average Seniority		10.92	9.90	10.38
Education	PhD	0.43%	0.62%	0.63%
	MA	11.26%	10.68%	9.73%
	BA	50.43%	58.73%	59.62%
	High School	35.50%	27.93%	27.91%
	Below High School	2.38%	2.05%	2.11%



## **Recruitment**

One fundamental factor of The company's stable growth in recent years is the recruiting and training of talents in the right conditions, so that employees can perform their duties efficiently. The main business sector of UCCTW is the building materials industry. We have not only extended our profession into the microelectronics business, but also committed to corporate sustainability and technological upgrades and transformation. Therefore, our recruitment focuses on talents with international mindsets, excellent language abilities, and electronic professional backgrounds.

We have always recruited in an open and transparent manner and sent out relevant contents through recruitment websites, online communities, and entity briefings, so that job seekers can better understand our corporate culture and principles, company operating policies, and each division's job content and skill requirements. We believe human effort is the most important factor. Our selection of talents is never solely based on academic background, nor is there any difference due to factors such as religion, political party, gender, sexual orientation, etc. We integrate the opinions of division managers to find the most suitable talents. We hope that every colleague agrees with the business principles of UCCTW: diligence, integrity, stability and practicality, and work hard to improve together.

<b>External recruitment</b>	Recruitment through various external channels
<b>2023 School recruitment</b>	National Taiwan University, National Taiwan University of Science and Technology, Cheng Shiu University, National Cheng Kung University
<b>Employee referral</b>	To encourage our colleagues to refer outstanding talents to join UCCTW, we have established the "Talent Referral Bonus Program." Aims to expedite the recruitment process, enhance employee engagement in talent acquisition, reduce recruitment costs, and grow together.

## **Training**

<b>New Employee Training</b>
Strengthen new employee's understanding of job content and workplace environment, implement necessary training.
<b>Current Employee Training</b>
Arrange current employees to participate in the company's internal education and training and external units' courses occasionally to enhance professional abilities. In order to encourage colleagues to pursue further studies, there are options for colleagues' tuition, loans, and measures to take leaves without pay.
<b>Workplace Health and Safety Training</b>
Arrange operation supervisors to check on first aid training, lifting equipment, stackers, dangerous machinery and equipment, and employee safety and health.
<b>Fire Safety Training</b>
In order to strengthen the ability to respond to disasters, fire drills and other drills are held regularly to reduce the risk of damage in the event of a disaster.

To provide employees required knowledge and skills and increase production efficiency, we conduct internal and external educational training in accordance with the “Training Management Procedures of Educational Training Program”. According to relevant needs, it can be divided into two types: annual training needs and temporary training needs. The annual training needs should be submitted before the end of the current year, and the training plan for next year can only be processed after approval; the temporary training needs can be submitted according to the needs of each division.

In 2023, NT\$ 0.634 million was invested in education and training. After the supervisors receive external training, they will arrange internal training courses. The total number of training hours for colleagues is 2,100hours. The average education and training hours for female employees is about 2.3 hours, and the average education and training hours for male employees is about 6 hours; the average education and training hours for supervisors is about 5.5 hours, and the average education and training hours for non-supervisors is about 5.8 hours. In 2023, a total of 206 participants attended occupational safety courses, accumulating a total of 654 person-hours.

## 5.4 Health and Safety

### **Security**

Establishing a safe and equal workplace environment is our commitment to our colleagues. The company is committed to creating a safe and friendly working environment, and requires strict standards for fire safety and sanitation of labor and buildings, and implements maintenance in order to comply with laws and regulations. In order to eliminate potential dangers in the workplace, the company formulates relevant regulations, provides complete protective equipment and equipment, and conducts education and publicity on accident prevention measures. The following are the relevant work environment safety measures promoted.

Safety measures	Abstract Explanation
Supervisor Inspection	Supervisors at all levels supervise and inspect the site to eliminate all potential workplace hazards and ensure the personal safety of employees.
Safety Gear	According to the needs of different work areas, provide all employees with personal protective equipment such as safety shoes, safety helmets, respiratory protection equipment, eye protection equipment, earplugs, earmuffs and gloves to ensure the occupational safety and occupational hygiene of employees.
Self-inspection	Workplace safety needs to be jointly maintained by both the employer and the employee. The company invests in resources to establish a safe working environment. Colleagues also actively and independently inspect machinery and equipment, perform work environment measurements, and other industrial safety affairs; regularly inspect and upgrade software and hardware equipment, and formulate strict supervision system to create a good workplace.

In accordance with the "Labor Health Protection Rules" every year, the company entrusts medical institutions approved by labor physical and health examinations to conduct regular health examinations for employees; in addition to referring to the prescribed items, the company also provides additional items (such as electrocardiogram, ultrasound, etc.), to ensure that the employees in the factory can detect and prevent early, and protect their personal health. The company arranges special health checks for employees who work in workplaces that are particularly harmful to health such as noise and dust. If there is a major abnormality in the results of the health examination, the medical institution that cooperates with the implementation of the inspection will give priority to notifying the undertaker by phone or email as soon as possible, and those with major abnormalities must carry out re-examination operations and continue to track and manage. Talent is an important asset of an enterprise. The company will assist employees to strengthen health education knowledge and improve health.

The number of employee occupational accidents in 2023: 3

In 2023, the total working hours amounted to 958,272 hours. The total recordable incident rate was calculated as 0.626 ( $3 * 200,000 / 958,272 = 0.626$ ).

Recordable silicosis among full-time and contract employees in 2023: 0.

The company's management of occupational accidents requires reporting for both severe cases and minor injuries or illnesses. Currently, there is no mechanism for reporting false alarms related to accidents.

# GRI Standards Content Index

Statement of Use		UCCTW has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.				
Usage of GRI 1		GRI 1 : Foundation 2021				
Applicable GRI industry guidelines.		Not applicable.				
GRI Standards	Disclosure	Page	Skip			Reference numbers for disclosure items in GRI industry Standards.
			Request for Skip	Reason	Explanation	
General Disclosures						
GRI 2 : General Disclosures 2021	2-1 Information of the organization	1	Not applicable.			Not applicable.
	2-2 Entities included in the organization's sustainability reporting	1				
	2-3 Reporting period, frequency, and contact person	1				
	2-4 Restatements of information	No reorganization of information this year				
	2-5 External assurance	1				
	2-6 Activities, value chain, and other business relationships	7	-	-	-	
	2-7 Employees	79	-	-	-	
	2-8 Non-employee workers	79	-	-	-	
	2-9 The management approach and its components	33	-	-	-	
	2-10 Nomination and selection of the highest governance body	34	-	-	-	
	2-11 Chair of the highest governance body	35	-	-	-	
	2-12 Role of the highest governance body in overseeing impact management	20	-	-	-	

	2-13 Person responsible for impact management	20	-	-	-	
	2-14 Role of the highest governance body in sustainability reporting	21	-	-	-	
	2-15 Conflict of benefits	18	-	-	-	
	2-16 Communication of key significant events	Note: Refer to chapter 3 of UCCTW annual report for the report on corporate governance	-	-	-	
	2-17 Collective intelligence of the highest governance body	31	-	-	-	
	2-18 Performance assessment of the highest governance body	31	-	-	-	
	2-19 Compensation policy	31	-	-	-	
	2-20 Compensation determination process	32	-	-	-	
	2-21 Annual total compensation ratio	82	-	-	-	
	2-22 Statement of sustainable development strategy	48	-	-	-	
	2-23 Policy commitments	48	-	-	-	
	2-24 Incorporation of policy commitments	48	-	-	-	
	2-25 Procedures for addressing negative impacts	48	-	-	-	
	2-26 Mechanisms for seeking advice and raising concerns	48	-	-	-	
	2-27 Regulatory compliance	46	-	-	-	
	2-28 Membership of associations	10	-	-	-	
	2-29 Stakeholder engagement policy	18	-	-	-	
	2-30 Collective bargaining agreements	18	-	-	-	
<b>Material Topics</b>						

GRI 3 : Material Topics 2021	3-1 Process for determining material topics	20	Not applicable.			
	3-2 List of material topics	20				
GRI 201 : Economic Performance 2016						
GRI 3 : Material Topics 2021	3-3 Management of material topics	20	-	-	-	-
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	47	-	-	-	-
	201-2 Financial implications and other risk and opportunities plans	61	-	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	61	-	-	-	-
GRI 302 : Energy 2016						
GRI 3 : Material Topics 2021	3-3 Management of material topics	20	-	-	-	-
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	69	-	-	-	-
	302-3 Energy intensity	69	-	-	-	-
GRI 303 : Water 2018						
GRI 3 : Material Topics 2021	3-3 Management of material topics	20	-	-	-	-
GRI 303 : Water 2018	303-3 Water withdrawal	71	-	-	-	-
GRI 305 : Emission 2016						
GRI 3 : Material Topics 2021	3-3 Management of material topics	20	-	-	-	-
GRI 305 : Emission 2016	305-1 Direct (Scope 1) greenhouse gas emissions	66	-	-	-	-
	305-2 Indirect energy- related (Scope 2) greenhouse gas emissions	66	-	-	-	-
GRI 401 : Employment 2016						
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	79	-	-	-	-

	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	83	-	-	-	-
	401-3 Parental leave	83	-	-	-	-
GRI 403 : Occupational Health and Safety 2016						
GRI 403 : Occupational Health and Safety 2016	403-3 Occupational health services	89	-	-	-	-
	403-6 Worker health promotion	78	-	-	-	-
GRI 404 : Training and Education 2016						
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	89	-	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	82	-	-	-	-
GRI 405 : Diversity and Equal Opportunity 2016						
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	78	-	-	-	-
GRI 408 : Child Labor 2016						
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	78	-	-	-	-
GRI 409 : Forced or Compulsory Labor 2016						
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	78	-	-	-	-
GRI 416 : Customer Health and Safety 2016						
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	54	-	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54	-	-	-	-

GRI 417 : Marketing and Labeling 2016
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GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	54	-	-	-	-
	417-2 Incidents of non- compliance concerning product and service information and labeling	54	-	-	-	-
GRI 418 : Customer Privacy 2016						
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	59	-	-	-	-



## SASB Standards for Construction Materials

Disclosure topic	Code	Accounting Metric	Page	Note
Activity Metrics	EM-CM-000.A	Production volume of major product lines.	11	Capacity of cement, RMC, gypsum boards of the year of 2023.
Greenhouse Gas Emissions	EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	66	
	EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	67	
Air Quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	72	
Energy Management	EM-CM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	69	The company is not currently utilizing alternative energy or renewable energy sources.
Water Management	EM-CM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	71	
Waste Management	EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	74	
Biodiversity Impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	-	The company has no cement mining process, so this indicator is not applicable.
	EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	-	
Workforce Health & Safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	90	
	EM-CM-320a.2	Number of reported cases of silicosis	90	
Product Innovation	EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	56	RMC, gypsum board

Disclosure topic	Code	Accounting Metric	Page	Note
	EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	56	RMC, gypsum board
Pricing Integrity & Transparency	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	52	Anti-competitive behavior and its handling

## Operational Guidelines for the Preparation and Submission of Sustainability Reports by Listed Companies: Sustainability Disclosure Indicators - Cement Industry

Item	Indicator	Indicator Type	Annual Disclosure Status	Unit	Note (Chapter)
1	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy.	Quantify	605,294GJ 、 23.6% 、 0%	Gigajoules(GJ) , percentage (%)	4.2
2	Total water withdrawal and total water consumption.	Quantify	287.9 kilostere 、 287.9 kilostere	kilostere(m <sup>3</sup> )	4.3
3	Total weight of generated waste, percentage of hazardous waste, and proportion of recycled waste.	Quantify	12,203 metric tons 、 0% 、 99.5%	metric tons (t), percentage (%)	4.4
4	Explanation of occupational accident count and rate.	Quantify	3 people 、 0.63%	person, percentage(%)	5.4
5	Primary product output by product category.	Quantify	Cement 393,104 tons ; RMC 1,554,731 m <sup>3</sup> ; Perforated Gypsum 16,146,837 m <sup>2</sup>	differentiated by product type	1.2

# ISAE 3000 Limited Assurance Report



## 會計師有限確信報告

環球水泥股份有限公司 公鑒：

環球水泥股份有限公司民國 112 年永續報告書，業經本會計師針對所選定之標的資訊執行確信程序竣事，並出具有限確信報告。本次執行確信程序之標的資訊請詳附件一「確信項目彙總表」。

### 管理階層對永續報告書之責任

管理階層之責任係依據臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」、全球永續性報告協會（Global Reporting Initiatives, GRI）發布之通用準則、行業準則及重大主題準則編製永續報告書，且維持與編製永續報告書有關之必要控制，以確保永續報告書所列標的資訊未存有重大不實表達。

### 會計師對永續報告書執行確信程序之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信工作，對上開永續報告書所選定之標的資訊（詳附件一）在所有重大方面是否未存有重大不實表達取得有限確信，並出具有限確信報告。相較於合理確信，有限確信案件所執执行程序之性質及時間與適用合理確信案件不同，其範圍亦較小，因是取得之確信程度明顯低於合理確信。

本會計師係基於專業判斷規劃及執行確信程序，以獲取相關標的資訊之有限確信證據，且任何內部控制均受有先天限制，因此未必能查出所有業已存在之重大不實表達。本會計師執行確信程序包括：

1. 取得及閱讀永續報告書；
2. 訪談管理階層及相關人員，以瞭解公司編製永續報告書有關政策及程序；
3. 訪談相關人員瞭解所選定標的資訊產生之流程、內部控制及資訊系統；
4. 分析及以抽查方式測試標的資訊相關文件及記錄。

- 1 -

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傳承 / 堅定 / 當責

Legendary & Steadfast Accountancy

#### 先天限制

由於諸多確信項目係屬非財務資訊，相較於財務資訊之確信受有更多先天限制，故該等資訊之相關性、重大性與正確性之解釋可能涉及更多管理階層之重大判斷、假設與解釋，不同利害關係人對該等資訊亦可能有不同之解讀。

#### 獨立性及品質管理遵循聲明

本會計師及所隸屬會計師事務所遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。此外，本會計師所隸屬會計師事務所遵循品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

#### 確信結論

依據所執行之程序及所獲取之證據，本會計師並未發現環球水泥股份有限公司民國 112 年度永續報告書中所選定之標的資訊在所有重大方面有未遵循其衡量基準暨臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」、全球永續性報告協會（Global Reporting Initiatives, GRI）發布之通用準則、行業準則及重大主題準則編製而須作修正之情事。

#### 其他事項

本確信報告出具後，貴公司對任何確信標的或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

秉承聯合會計師事務所

會計師 羅 偉 哲

羅偉哲



中 華 民 國 113 年 5 月 15 日

確信項目彙總表

編號	指標編號	指標敘述	對應章節	衡量基準
1.	GRI 302-1：2016	組織內部的能源消耗量	4.2 能源管理	環泥公司水泥廠、石膏板廠、混凝土場、辦公室及營業所之能源消耗量
2.	GRI 303-3：2018	取水量	4.3 水資源管理	環泥公司水泥廠、石膏板廠及混凝土場之取水量
3.	SASB EM-CM-120a.1	空氣污染排放，包含以下污染源： (1)NO <sub>x</sub> (不包括 N <sub>2</sub> O)； (2)SO <sub>x</sub> ；(3)懸浮微粒(PM <sub>10</sub> )；(4)戴奧辛/呋喃；(5)揮發性有機物(VOCs)；(6)多環芳香烴(PAHs)；(7)重金屬	4.4 污染防治	環泥公司水泥廠、石膏板廠及混凝土場之各類別空氣汙染源排放總重量
4.	SASB EM-CM-150a.1	揭露下列廢棄物資訊： (1)廢棄物產生重量； (2)有害廢棄物百分比； (3)回收廢棄物百分比	4.4 污染防治	環泥公司水泥廠、石膏板廠及混凝土場之廢棄物產生重量及有害廢棄物與回收廢棄物百分比
5.	上市公司編製與申報永續報告書作業辦法永續揭露指標－水泥工業 編號四	說明職業災害人數及比率	5.4 安全健康	環泥公司之職業傷害人數及比率



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