

Green Procurement Policy

The Green Procurement Policy of Taiwan Cement Corporation and its affiliates ("**TCC Group**") aims to incorporate environmental and social factors into the decision-making process for its procurement, to address global environmental issues, and to exert TCC Group's influence to persuade the upstream and downstream vendors on its supply chain to follow suit and create positive impact on the environment and society. To achieve this goal, the Green Procurement Policy has been formulated as the basis for the management and implementation of the relevant measures.

TCC Group will evaluate the necessity of individual procurement activities and give priority to the products and services that meet the definition of green procurement, of which the definition should be consistent with those prescribed under the laws and regulations of the countries in which TCC operates. The products and services that fall within the scope of green procurement include, but are not limited to, those with low energy consumption, produce low pollution, made with recycled materials, or are recyclable.

Supplier Management

TCC Group announces its Green Procurement Policy to its suppliers, and prioritizes green products in its procurement, requiring suppliers' products and services to meet environmental and energy-saving performance requirements. TCC Group gives priority to suppliers with environmental certifications, requiring suppliers to consider environmental issues, long-term energy saving and carbon reduction plans, and future environmental protection strategies in the mining of raw materials, production, and research and development of new equipment. Meanwhile, equipment suppliers must ensure that the energy performance of their equipment meets or exceeds TCC Group's standards. TCC Group conducts regularly evaluations on suppliers' potential for sustainable partnerships and includes environmental indicators in its supplier performance evaluations.

Local Procurement

TCC Group continues to strengthen its partnerships with local suppliers. Through the localization of its supply chain, TCC Group is able to improve the service efficiency of its suppliers, shorten lead times, reduce the transport distances of raw materials and carbon emissions, increase local employment opportunities and contribute to the socio-economic development of local communities.

Environment-Friendly Materials and Facilities

TCC Group prioritizes the use of eco-labeled and energy-efficient office equipment, décor and supplies, eliminates the purchase of over-packaged products, and promotes the use of renewable resources and the recycling and reuse of materials. TCC Group is committed to reducing the use of products that contain toxic, hazardous and other harmful substances in our operations.

Green Transportation

TCC Group requires that all vehicles used for transportation in and out of its plant must comply with national environmental regulations or be equipped with diesel particulate filter, and the use of bunker fuel by the vessels must comply with international and local regulations where it operates its business. In transportation planning, TCC Group gives priority to the use of back-haul trucks/vessels, promotes localization of procurement, and gives priority to suppliers that are able to work with green logistics to reduce greenhouse gas emissions during transportation.

Education on Green Procurement

TCC Group ambitiously implements green policies in every aspect of its business, and will continue to promote environmental education and the concept of green procurement through internal action plans, and evaluate the Group's green procurement performance on a regular basis.