

Execution of corporate social responsibility and the variation from the “Corporate Social Responsibility Best-Practice Principles for Listed/OTC Companies” and the root cause

Item	Status of implementation			The variation from the “Corporate Social Responsibility Best-Practice Principles for Listed/OTC Companies” and the root cause						
	Yes	No	Summary							
I. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies	✓		<p>The Company's risk management policies and procedures were approved by the board of directors in 2020. The Company is a provider of funeral services and cemetery facilities. It evaluates the risk level based on the significance of environmental, social and corporate governance issues related to the company's operations, and formulates risk policies and procedures based on the risk level as follows:</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Risk assessment item</th> <th>Risk management strategy</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Climate change and environmental protection</td> <td>The company is committed to the maintenance of the ecological landscape. The development of the cemetery is aimed at conforming to the natural environment. At the same time, the supplier's materials are also required to comply with the</td> </tr> </tbody> </table>	Issues	Risk assessment item	Risk management strategy	Environment	Climate change and environmental protection	The company is committed to the maintenance of the ecological landscape. The development of the cemetery is aimed at conforming to the natural environment. At the same time, the supplier's materials are also required to comply with the	None
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				<p>relevant green building materials. Faced with the possible impact of climate change on companies, in addition to formulating specific strategies for energy conservation, carbon reduction and greenhouse gas reduction, and regularly reviewing the implementation status, we also strive for digital transformation to reduce the possible impact of climate change on the industry.</p>
			<p>Social</p>	<p>Community care</p> <p>Since its establishment, the Company has always focused on the development of the life industry, continuously invested in industrial innovation, and has never forgotten</p>

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			to shoulder social responsibilities, with its own expertise and resources, and continuous actions to support social welfare and deepen local cultivation.	
			<p>Governance</p> <p>Implementation of the functions of the board of directors, communication with stakeholders, compliance with laws and regulations, and information disclosure</p>	<p>The Company puts great importance to the implementation of corporate governance. Prior to the regulation of laws and regulations, it appointed dedicated corporate governance supervisors in 2019 to strengthen the implementation of the functions of the board of directors, comply with laws and regulations, improve information transparency, and strengthen communication with all</p>

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			stakeholders.	
II.Does the company establish a dedicated (concurrent) unit to promote CSR with authorization from top management and to report the effectiveness of implementation to the board?	✓		The company has established a “Board Secretary” under the Board of Directors on May 10, 2018, and the unit is responsible for promoting the corporate social responsibility on a full-time basis. The Board Secretary, Liang Jian-Yun, is the convener and is responsible for assisting the board of directors and the management team to formulate and supervise the implementation of the integrity management policy and prevention program to ensure the implementation of the Ethical Corporate Management Best Practices. The Company also established the “Corporate Governance and Nomination Committee” on June 20, 2018, which will be held at least twice a year and will be held irregularly with the Board Secretary to review the effectiveness of corporate governance and corporate social responsibility operations. After the committee was held, the Board Secretary the chairman of the corporate governance and nomination committee reported the situation to directors in the latest BOD meeting.	None
III. Environmental issues (1) Whether the company establishes an appropriate environmental management system according to its	✓		(1) The Company is a funeral service provider. For the development of the cemetery with the purpose of conforming to the natural environment, it	None

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<p>industrial characteristics?</p> <p>(2) Whether the company is committed to improving the efficiency of the use of various resources and using recycled materials with low impact on environmental load?</p>	✓		<p>continues to carry out greening and soil and water conservation, and entrusts a professional monitoring company to regularly carry out water quality and water and soil conservation monitoring of the park. For the planning of construction commodities, it is necessary to meet the standards of green buildings, and the engineering materials must also meet the specifications of green building materials. In addition, in order to strengthen the implementation of beautification of the environment and energy conservation, the headquarters office formulates specific environmental protection actions, such as turning off lights, environmental protection and energy-saving air-conditioning management, the full use of LED lamps and automatic induction faucets, etc., and regularly reviews abnormal conditions.</p> <p>(2) The Company is committed to the maintenance of ecological landscapes. The century cemetery is located in the ecological conservation area which has rich vegetation resources. The Company only uses 20% of the land to build the graveyard and public facilities, and retains the remaining 80% the ecological landscape. Meanwhile the Company also established policies of planting plans, optimizing tree species, planting various trees according to</p>	

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(1) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take measures to address climate-related issues?	✓		<p>different landscape plans, expanding the absorption of greenhouse gases such as carbon dioxide, and implementing carbon sequestration. The Company attaches great importance to the use of materials by suppliers. In the contract with suppliers, the relevant materials are all expressly stipulated that they must comply with the regulations on green building materials in the "Technical Building Design and Construction Code".</p> <p>(3) In the face of the possible impact of climate change on the Company, the Company has formulated specific strategies for energy saving and carbon reduction and greenhouse gas reduction, and regularly reviews the implementation. Climate change does not pose a major risk to the Company's industries. However, in order to reduce the impact of global climate change and increase the carbon sink function, the company strictly implements the planting plan of the cemetery, and makes the green required by government regulations and diligently plants trees. At the same time, we are also striving for digital transformation. We have successively launched life technology funeral services such as "Digital Ceremony Hall", "Electronic Obituary" and "Online Conference" to reduce the use of paper and general</p>	

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(2) Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	✓		<p>supplies. The combination of technology and human nature helps the upgrade of life services and further enhances industrial competitiveness and fulfills sustainable corporate social responsibility</p> <p>(4) The Company regularly counts greenhouse gas emissions, water consumption and total weight of waste, and implements them in the work and life of employees through relevant measures, and tracks abnormal situations. In addition to using environmentally friendly energy-saving equipment such as LED lamps, office machines, building air-conditioning ice storage systems, and automatic sensory faucets, posters are also posted to remind employees to turn off the lights and take more stairs to indeed implement environmental protection actions based on target management. The Company is a funeral service and cemetery facility provider, and the waste is mainly from daily life, which will not bring significant risks or impacts to the Company, so it is not included in the statistics. However, the Company implements resource recycling management for waste and food waste to reduces garbage in the headquarter building to contribute to environmental protection.</p>	

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IV. Social issues (1) Has the company established relevant management policies and procedures with reference to relevant international regulations and international human rights treaties?	✓		(1) The Company emphasizes on integrity of employees and business conduct through promotion brochure and the assessment of discipline and rules. To protect the human rights of our employees and ensure every employees is fairly treated, the Company formulated the “Sexual Harassment Prevention Regulation” and provide whistleblower reporting system to protect female rights. a. The Company complies with labor-related regulations, support and respect International Norms of Human Rights. b. Employment Relationship is based on agreement of two parties, no forced labor and illegal human trafficking. c. Working time will not exceed the limit of local regulation, and payments comply with all suitable acts. d. The Company treats employees in a humanitarian way, sexual harassment, sexual abuse, corporal punishment, physical and mental intimidation, and insulting.	None

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(2) Has the company formulated and implemented reasonable employee welfare measures (including compensation, vacation and other benefits), and appropriately reflected the operating performance or results in employee compensation?	✓		<p>e. The Company forbids any sexual harassment and discrimination, the Company will not judge the performance and employment by race, gender, age, marriage, political position, and religion.</p> <p>(2) The Company has formulated personnel management measures to clearly regulate the rights and obligations of employees, and has established an employee welfare committee in accordance with the law to provide complete employee benefits, such as health checks, wedding and funeral subsidies, and group insurance. In addition, in order to strengthen communication with employees, seasonal events are held regularly, and a safe and healthy lunch and leisure sports center are provided for employees, so that employees can maintain a healthy body and mind and achieve a work-life balance. In addition, according to the company's charter, if there is a profit in the year, no less than 1% should be allocated for employee compensation; the Company also has a remuneration committee to reasonably combine employee performance evaluation to formulate the Company's salary and compensation policy. The personnel management measures also clearly define employee code of conduct and link reward and punishment system.</p>	

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(3) Does the company provide safe and healthy work environment to employees; also, provide employees on a regular basis with the safety and health education?	✓		(3) Safety and sanitation inspection and education is regularly implemented for either working spaces or recreational spaces in all workplaces. Furthermore, a patrol for all of our properties is conducted every year for regular review and improvement.	
(4) Has the company established effective training plans for employees to develop employability?	✓		(4) In addition to stipulating personnel management measures, the Company regulates and completes the employee promotion and evaluation system, and continuously improves the knowledge and skills of employees in accordance with the education and training methods. For details, please refer to Chartper V " Labor Relations Explanation" in this annual report.	
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?	✓		(5) The Company prepares all-directional opinion exchanging channels such as the 0800 special line, official website, FB, to serve all interested parties. (6) The Company's qualified suppliers shall comply with the "PU-2-002 Suppliers Management Regulations" in the selection and performance appraisal. According to the "Labor Safety and Health Act" and the "Contractor's Site Safety and Health Management Rules", the project	
(6) Does the company formulate supplier management policies that require suppliers to follow relevant	✓			

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regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?			builders must specify the "Building Technology Rules" for the interior decoration manufacturers, and the wood materials must be approved as "Building materials stamp and Taiwan's CNS standard formaldehyde emission level F1 certificated by the Ministry of the Interior, and indoor air pollutants testing standards must comply with the relevant regulations of the Environmental Protection Department of the Executive Yuan, No. 1010106229. The Company also promotes environmental cremation with suppliers, participates in the promotion of measures such as using electronic couplets The Company shall work with suppliers to develop toward environment protection, quality, green product, personnel safety and ethical guidelines and to establish a sustainable cooperative supply chain management system to rest assure and satisfy customers. Meanwhile, the Company shall also work with suppliers to stop bribery and tips, in hopes of establishing a positive circulation.	
V. Does the company refer to the internationally-prepared reporting standards or guidelines for preparing corporate social responsibility reports that disclose the	✓		The Company's corporate social responsibility report is prepared in accordance with the GRI standard: core options, and the corporate social responsibility report for 2019 was assured by the third-party verification unit.	None

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company's non-financial information? Whether the pre-report report obtained the confidence or assurance opinion of the third-party verification unit?				
VI. If the company has the corporate social responsibility code defined in accordance with the "Corporate Social Responsibility Best-Practice Principles for Listed/OTC Companies," please describe the operational differences from the Code: No difference.				
VII. Other important information to facilitate better understanding of the Company's corporate social responsibility practices:				
<p>1. Since the establishment of the company, we have always focused on the development of the life industry, continuously invested in industrial innovation, and successfully created software and hardware facilities and high-quality funeral services that are superior to the industry. In recent years, we continuously expand business abroad. We have never forgotten our social responsibilities, and continue to support social welfare and deepen cultivation of the communities. In 2011, Lungyan Charity Foundation was established to promote the service of "Sponsored Funeral" and invested in "Silver Care", and also implemented local feedback to long-term donations to the disadvantaged groups in the Sanzhi area, counseling the middle-aged and elderly silver-haired ethnic group origami lotus to create second-degree employment and promote life education to help the poor and disadvantaged students. Besides, during major disasters, Lungyan donate up to 25 million for the 88 wind disasters, Kaohsiung gas explosion, Tainan earthquake disaster, etc. and invest more manpower and materials to help disaster victims get through. In 2020, the Company again won the "CSR Corporate Citizenship Award" : "Little Giant" award, and the score continued to grow. The Company has invested in a number of social welfare projects and youth training projects in an attempt to build the benchmark as a happy enterprise. We continue to self-motivate to implement corporate social responsibility in the pursuit of sustainable operation and development. (For more information about the company's participation in social welfare, please refer to the company's corporate social responsibility report.)</p>				

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2.				The Company is a funeral service provider dedicated to providing customers with columbarium and funeral services. Therefore, ISO14001 or similar environment management system certification is not applicable to the Company.	