

2022

Sustainability Report

What Is Your Legacy



Notice to readers

This English-version Sustainability Report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.



LUNG YEN

■ Editor's Note - 2022 Sustainability Report

About our report: "Lungyen 2022 Sustainability Report"

Social responsibility is also a part of corporate mission. Because of the particularity of the industry we belong to, we can discover and see social phenomena that are different from other industries, so we have to think about what would be better if we did it.

The practice of corporate social responsibility is a persevering way. With enthusiasm, we are moving forward step by step towards the established corporate social responsibility policy direction.

Main Information of this Report

1. Reporting period and scope:

The subject boundaries of this report include parent-subsidiary companies, affiliated companies and business partners with group organizations. The main body of the group is the Taiwan region. In this report, we will explain the policies, practices and achievements in corporate governance, business performance, environmental protection, and social participation from January 1, 2022 to December 31, 2022.

2. Materiality principle

The board of directors adopts the corporate social responsibility policy to determine the sustainability issues mainly by referring to the GRI guidelines and SDGs norms, to understand the international focus on sustainability issues, and to consider the expectations of stakeholders and the advantages of the group itself. We collect information on issues related to the development of corporate social responsibility from internal and external stakeholders (including employees, customers, shareholders, government, etc.), etc. After review, we propose sustainable projects and goals in E, S, and G aspects, and strive to meet expectations.

3. This report has been prepared in accordance with the "GRI Universal Standards 2021".

■ Publication Information

Since 2012, Lungyen has regularly issued the "Corporate Social Responsibility Report" every year, the most recent issue was in July 2022. Through this report, we will publicly explain our strategies, goals, actual actions and performance in E, S, and G in 2022 to shareholders, customers, and the general public. This report will be published on the Company's website in electronic form. Welcome to the interested parties who care about us to download and read.

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- Issuing by: Lungyen Life Service Corporation
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■ Assurance Statements of this report

For the specific indicators and contents in this report, PwC Taiwan is entrusted to conduct independent limited assurance in accordance with the "TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China.

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I. Strategy and Vision

1. Message from the Chairwoman



2022 has been a remarkable year for the Lungyen to take pride in. We celebrated reaching 30 years as a company and during this time, Lung Yen not only gained external recognition but continued to lead the funeral industry. Marking our 30 year, we've also launched a new branding video redefining Lungyen, showcasing our new interpretation and outlook on life. Asking everyone the important question: What is your Legacy? How do you want to be remembered?

In 2022, we persevered through the severe impacts of the pandemic and the increase in industry competition through teamwork. The team has demonstrated unity and grit in facing these challenges, meanwhile finding new ways to innovate and lead the whole industry. From the environmental aspect, the past two years, Lungyen has continued to accelerate the pace of our digital services and continue to explore new and innovative ways to cater to the diverse needs of our customers with technology. We look for ways to provide a more emphatic approach whilst upholding our pertinent mission of helping people process grief. Utilizing technology to help us provide services helps us increase our environmental sustainability goals by decreasing waste generated from the company. Our continued maintenance of our six cemeteries all across Taiwan, creating national park like resting places exceeds most environmental goals of companies anywhere. Socially, Lungyen and Lungyen Charity continue to promote and educate the public on the beauty of life through merit scholarships, and providing information on autonomous life care: making decisions about death while still alive. Lungyen's preneed funeral contract is a product that we believe exist out of love. It is the love for our family and friends that we want to make sure all details are taken care of when the time comes so the stress on our loved ones is less. From the governance aspect, Lungyen continues to strive to be in the top percentages of governance ranking by being transparent and having a diverse board of directors. I am proud to say at Lungyen, there is a higher percentage of female executives in the company and we continue to strive to be a company that promotes equal opportunity for all.

Lungyen's paramount mission is to help people deal with grief. Everything that we do as a company is to provide the best services and care for our customers and their loved ones. Whether it is through our cemeteries that resemble national parks, our preneed contract, or the many funeral related services we provide, our goal is to alleviate the physical and emotional pain and suffering that can come from losing a loved one. With this mission in mind, I believe our mission as a company will continue to elevate the funeral industry to new heights of service.

Message from the General Manager



Introducing digital technology to upgrade services

In response to changes in social patterns, under the impact of aging population and declining birthrate, the concept of "preparation" has become more prevalent. This involves making arrangements for one's own end-of-life affairs, rather than leaving decisions to the next generation, ensuring a proper farewell. As a result, the life industry is advancing with the times, constantly introducing innovative services without violating traditional customs. These services include learning from Japan's development of "preneed funeral contracts" and reducing religious overtones, focusing on the feelings and needs of family members as the core of our services. Lungyen is a business that touches and comforts people's hearts. We have always taken professionalism and compassion as the core of our service, taking care of the deceased wholeheartedly while paying even more attention to the needs of their family members, allowing relatives and friends to say goodbye through rituals, and continuously providing worship services.

Since 2020, we have been promoting digital service innovations, starting with first-line services for family members. We have introduced "Digital Obituaries" and "Multimedia Auditoriums" to deliver a new memorial service experience. We have also developed an "online mall" for our cemetery services to offer 24-hour online worship and shopping services, so that the memory of loved ones is not limited by time and distance, and brings a new upgrade to funeral services within the life industry. This year, we have invested more extensively in technology applications, pioneering the "Robot Leading the Way" helper service, which provides customers with immediate guidance services upon arriving at the Sanzhi BaiSha Bay Life Memorial Hall, directing them to the location they wish to remember their ancestors. Additionally, our official website underwent a comprehensive revamp at the beginning of the year, which includes the integration of the "Customer Service Zone" function. This allows customers to log in online at any time to inquire about personal purchase information, and is equipped with AI "smart customer service" to provide 24-hour online consulting services. The newly added real-time dialogue function with live customer service greatly improves customer satisfaction, delivering a more friendly and convenient experience.

We aim to develop more human-centered technology applications, integrating funeral services and cemetery services as the core of the complete life industry. Our goal is to make technology more convenient for

people, bring more positive changes to the future of the industry, and continue to advocate the beauty of life.

Technology doesn't have to be impersonal; instead, it can create more heartfelt services

After introducing digital technology, how can we maintain the warmth of physical services? The application of new technology aims to meet the more diverse needs of customers, providing timely services that might not be possible due to constraints in manpower or time. Rather than saying that technology replaces physical services, what we pursue is the combination of technology and physical services aiming to offering more opportunities for companionship and the creation of heartfelt experiences.

Aiming for corporate sustainability

Lungyen is a company that treats life with care, not only focusing on end-of-life matters but also implementing care for employees and extending it to customer service. We adopt a humanized management style that respects the opinions and suggestions of employees and supervisors. Chairwoman KELLY often reminds the team to serve life and inherit love as the core, treating every customer with the same sincerity as family members, ensuring Lungyen's services truly resonate with customers. In the future, we will continue to develop life technology "Life-Tech" and focus on corporate sustainability as our main goals, leading industry innovation and constantly pursuing high-quality services to meet the needs of customers at different stages.

2. Corporate Sustainability Policy and Commitment

To create a more dignified and better life enterprise environment, we treat all people and things with integrity and have a good learning spirit: keep working hard, keep learning. Gradually, we have earned the recognition from the public in the life business which is deeply related to people, and it is our responsibility to make the lives living in this society more respected.

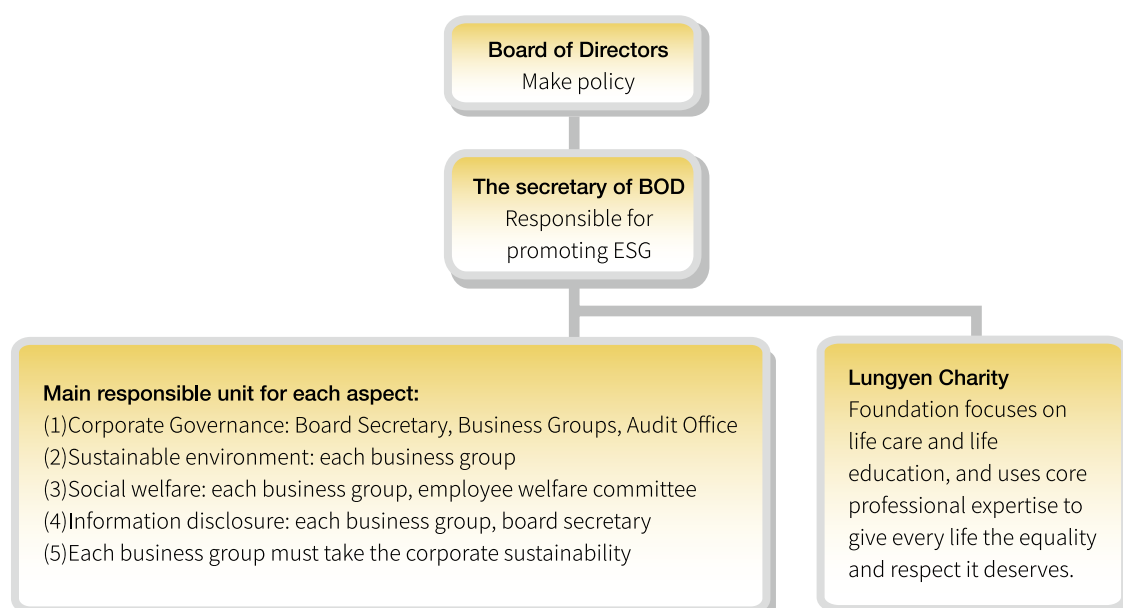
Lungyen's corporate social responsibility: we do not change the original intention of starting a business, adhere to the core values of "professionalism, integrity, compassion", and practice it in corporate governance, environmental protection, social welfare and strengthening corporate social responsibility information disclosure. We work with all stakeholders to create an optimal environment for survival.

Therefore, we promise:

- (1). Maintain good corporate governance and continuously improve the management of corporate governance
- (2). Strictly abide by business ethics and laws
- (3). Take care of the physical and mental health of employees and provide reasonable benefits and remuneration
- (4). Actively respond to the issues of environmental protection, energy saving and carbon reduction, and encourage all Lungyen employees to participate together
- (5). Create company value and enhance shareholders' equity
- (6). Transparency of business information.
- (7). Actively participate in social welfare, give support to the disadvantaged, and give back to the local community

3. Corporate Sustainability and Organizational Structure

Lungyen currently has the board of directors as the highest organization leading the corporate sustainable development, and established a functional committee "Corporate Governance and Nomination Committee" on June 20, 2018, taking corporate sustainable development as one of the goals of the committee. The secretary of the board of directors serves as the main responsible unit, and according to the strategy and commitment of corporate sustainable development, managers at all levels are the practitioners, and it will be implemented to everyone.



II. Company Overview

1. Company Profile

Company Name: Lungyen Life Service Corporation
 Date of establishment: March 27, 1987
 Capital: NT\$4,200,841,990
 Number of Employee: 560 (including contract staff)
 Stock Code: 5530

Sound Operation and Financial Transparency

Lungyen has always adopted a prudent financial policy and adhered to legitimate business principles, and set aside the trust fund for the preneed funeral service contract in accordance with the relevant laws and regulations of the funeral industry. As of December 31, 2022, the total amount of trust provided by the preneed funeral service contract was 18.132 billion (Source: Trust Association of R.O.C.), of which nearly 14.166 billion was allocated by Lungyen (about 78.12% of the total trust amount provided by preneed funeral service contract).

信託資產餘額證明書

經查本行受託龍巖股份有限公司信託財產專戶，截至民國 112 年 03 月 31 日止，信託資產餘額合計新臺幣 14,166,510,705 元整。

此致 龍巖股份有限公司

受託人：彰化商業銀行 信託處

中華民國 112 年 03 月 31 日



Trust Statistics of Receipts in Advance

Item	2019	2020	2021	Q1, 2022	Q2, 2022	Q3, 2022	Q4, 2022
1. trust fund for the preneed funeral service contract	15,051	15,947	16,701	17,017	17,401	17,880	18,132
2. E-ticket deposit trust	11,477	12,360	14,095	0	0	0	0
3. Electronic payment institution payment trust (Deposit)	1,768	3,592	6,459	21,031	21,564	22,179	23,544
4. Gift Certificate Advance Receipt Trust	13,729	14,579	14,372	14,537	13,716	14,460	15,387
5. Pre-sale House Price Trust	26,881	43,754	65,522	72,091	75,219	77,513	78,584
6. Other advance receipt trusts	5,977	5,740	6,058	6,956	5,966	6,047	6,097
Total	74,883	95,972	123,207	131,632	133,866	138,079	141,744

Note:

- When (Electronic payment institution payment trust) refer to the agent of receiving and paying accounts, it shall be listed in "Money Trust - Others (including items not listed).
- E-ticket deposit trust has been incorporated into electronic payment institution payment trust since 2022.

Responsible Investment

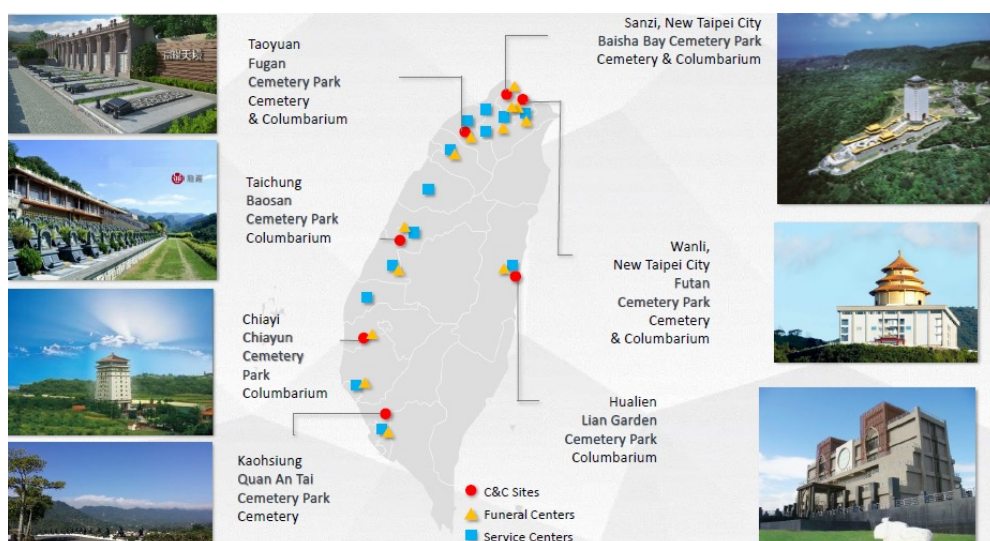
Responsible investment has become the trend of global financial investment institutions in recent years. Lungyen actively responds to the UN Principles for Responsible Investment, PRI. In 2021, we began to incorporate ESG factors into the evaluation and selection process of investment targets when managing the preneed funeral service contract funds and self-owned funds, and then construct an investment portfolio with high profit potential willing considering various aspects of "environmental, social and corporate governance".

Integrate ESG thinking into investment strategies before investing: conduct an overall assessment of the company's operating profile and industry dynamics by visiting the company's factories or attending company investor conference. We simultaneously evaluate corporate integrity management and ESG risks, and take into account the ESG-oriented risks and performance of investment targets. If the company has caused harm to human rights, society, and the environment, improper influence, or frequent negative news, or there is specific evidence of serious violation of ESG aspects, we will not invest in the company in principle.

Continue to pay attention to the invested target after the investment: The staff of the securities investment department of Lungyen usually pay attention to the website of the listed company, the website of the stock exchange and Taiwan Depository & Clearing Corporation (TICC), as well as the Bloomberg ESG index score and Bloomberg Information, etc., to update the ESG of the industry or the invested company information. At the same time, we refer to the ESG information disclosure requirements of the local competent authorities, including but not limited to CSR reports and integrity management rules, to review and pay attention to the major ESG-related issues of the invested companies. We also communicate with the company's management through phone calls, online meetings, or dispatching staff to participate in investor conferences, shareholders' meetings, etc. When the investee company violates the ESG principles and damages the company's rights and interests on a specific issue, we will exercise voting rights or other shareholder rights, express appeals to the management of the investee company, and then affect the behavior of the investee company. In 2022, the target companies invested by Lungyen have not violated ESG issues and caused us to stop investing.

2. Major Product and Service Locations

Mainly provides sales of columbarium, cemeteries, preneed funeral service contract, funeral services, funeral boutiques, etc., and is a direct supplier of products and services.



Cemetery locations throughout Taiwan

Name of Cemetery	Location
Baisha Bay Cemetery Park	No.38-2, Mujiliao, Sanzhi Dist., New Taipei City
Futan Cemetery Park	No.22-3, Yuantan, Wanli Dist., New Taipei City
Fugan Cemetery Park	No.16-2,13rd Neighborhood, Shiwujian, Xinwu Dist., Taoyuan City
Baosan Cemetery Park	No.225, Nanguo Ln., Sec. 2, Changlong Rd., Taiping Dist., Taichung City
Chiayun Cemetery Park	No.112-4, Niuchoupu, Shuishang Township, Chiayi County
Quan An Tai Cemetery Park	No.9-26, Baolin, Neimen Dist., Kaohsiung City
Lian Garden Cemetery Park	No.100, Sec. 1, Huacheng Rd., Ji'an Township, Hualien County

Funeral service locations throughout Taiwan

Name of service office	Location
Taipei Service Office	No.166, Sec. 2, Minquan E. Rd., Zhongshan Dist., Taipei City
Keelung Service Office	No.105, Ren 1st Rd., Ren'ai Dist., Keelung City
Banqiao Service Office	1F., No.40, Sec. 1, Changjiang Rd., Banqiao Dist., New Taipei City
Taoyuan Service Office	No. 177, Sec. 1, Nanshan Rd., Luzhu Dist., Taoyuan City
Hsinchu Service Office	No.10, Chengde Rd., North Dist., Hsinchu City
Miaoli Service Office	No.35, Weigong Rd., Miaoli City, Miaoli County
Taichung Service Office	No.255, Xueshi Rd., North Dist., Taichung City
Changhua Service Office	No.154, Dapu Rd., Changhua City, Changhua County
Chiayi Service Office	No. 112-5, Niuchoupu, Shuishang Township, Chiayi County
Tainan Service Office	No.213, Sec. 1, Zhonghua S. Rd., South Dist., Tainan City
Kaohsiung Service Office	No. 322, Benguan Rd., Niasong Dist., Kaohsiung City
Yilan Service Office	2F., No. 215, Guangrong Rd., Luodong Township, Yilan County
Hualien Service Office	No.100, Sec. 1, Huacheng Rd., Ji'an Township, Hualien County

Lungyen Exquisite Works

A world-class art palace of life industry: Continuing to promote industrial innovation, and writing a landmark chapter for global cross-border architecture

We always believe that life deserves better treatment. Since establishment, we have cooperated with many famous artists and architects to launch many amazing innovative columbariums, cemeteries and funeral boutiques. Our products such as Heinrich Wang 's flawless, Tain-Dow Lee 's Xiangri, Zhong-Han Tang 's Jiqing, Feng-Chen Yang and Polin Yang 's beautiful realm are all works of art in cooperation with masters (The product name of columbariums and cemeteries is transliterated from Chinese). Lungyen constantly creates new perspectives of life aesthetics in the planning of products.

In recent years, we have focused on the development of artistic cemeteries and high-quality funeral service, and the construction projects of life memorial halls in various places have also been launched one after another. In the era of rapid Internet technology, the progress of science and technology comes from the needs of human nature. The life industry is a business that needs to develop close to people's hearts. We strive to use technology, combined with our core value of respecting life, to create touching and caring services.

Tadao Ando's first green building in Taiwan: “Realm of the Light Service Center”

Ten years ago, Lungyen announced that it would invite the Japanese architectural art master Tadao Ando to design several light series life halls for Lungyen. It has spent tens of billions to promote various construction projects. Now the first finished product: Realm of the Light Service Center was officially opened in February 2023.

Master Ando's design combines architectural aesthetics and environmental protection, which is exactly the same as Lungyen's concept. Therefore, this very representative ecological cemetery design will become an iconic work in Master Ando's design career.

“Realm of the Light Service Center” has won the silver-level green building label based on the indicators of "greening amount", "base water retention", "daily energy saving", "carbon dioxide reduction", "waste reduction" and "water resources", a truly sustainable building. This is the intention of Master Ando and Lungyen to preserve sustainable architecture for Taiwan.



Realm of the Light Service Center is designed with the architectural concept of "accommodating guests as if they were family members"

This cube with three floors above ground and one floor below ground uses large triangular and square floor-to-ceiling windows to introduce light and shadow, and the design of the water tray on the ground reflects the beautiful scenery of the sea and sky. Its architectural appearance is calm and magnificent, harmoniously blending into the landscape of the entire park. It also integrates Sanzhi's "light", "memory" and "scenery" into the architectural design, and matches with Sanzhi's charming four-season scenery. With the changes of light and shadow reflected on the building, it presents a tranquil atmosphere of light and shadow flowing and endless life, creating a space that people yearn for to rest and remember the ancestors, and also brings a visual experience of physical and mental stability. The building enters the "reception hall" from the reception entrance on the second floor. Special personnel are arranged on-site for reception and guide services. The second to third floors are planned to have a multi-functional "exhibition hall" with a height of two floors, which can hold various cultural activities or serve as a memorial hall. In addition, the corridor space can provide a bird's-eye view of the outdoor park landscape.



There is a "Multimedia Exhibition Hall" on the first floor, which is equipped with a 300-inch three-dimensional large screen to display the park plan of the Century Cemetery, allowing customers to have an overview of the park's landscape and eight-zone planting and cemetery planning through the big screen. Among them is the "Ando

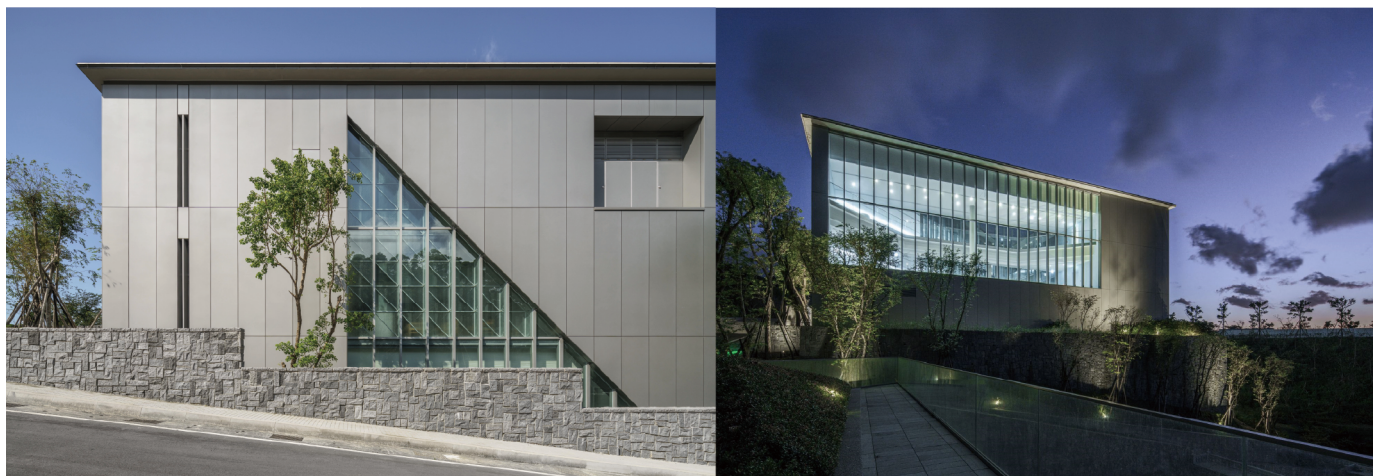
Art Gallery", which displays the famous architectural works of Master Ando and the manuscripts recording the development process. The VIP area on the third floor provides VIP services such as light food and tea service and a resting and negotiating space with a view, so that visitors can relieve physical and mental fatigue, and can also cherish the memory of the dead.



Show the changes of architectural light and shadow through the elements of light, water and wind

The design uses classic triangular elements. The architectural appearance of the Realm of the Light Service Center, from the large triangular window frame on the facade of the exterior wall to the triangular skylight design on the roof, and even the corners of the stairs entering the interior are all right-angled triangles. Through the design of every detail, when the light shines on the ground through the aluminum frame, the line beauty of light and shadow changes with the flow of time. The ground is made of a kind of granite, and the distance between it and the main glass aluminum frame is precisely calculated and equidistant. Therefore, the planning and construction of ground stone laying is a test of the entire building construction team. When the sun shines, the triangular sky reflects the light and shadow, which makes the building full of vitality. From day to night, it shows a variety of fashion styles.





Life-Tech -Sustainable development of life science and technology, with enterprise sustainability as the main goal

Since 2020, we have started to promote digital service innovation, launching "Electronic Obituary News", "Multimedia Auditorium", "Online Mall" and "Lungyen Easy-Signing System - Digital Signing System" to bring more intimate customer experience to the life industry. In 2022, we invested more extensively in the application of science and technology, and pioneered the guidance service of "Robot Leading the Way". When customers arrive at the Sanzhi Life Memorial Hall, we can provide instant guidance services to guide customers to the place they want to commemorate their ancestors. In addition, the official website of Lungyen integrates a new version of the "Customer Service Zone", which is equipped with AI "Smart Customer Service" function service to provide 24-hour online consulting services. At the same time, the real-time dialogue function with real customer service personnel is added, which greatly improves customer satisfaction. The use of technology not only brings more convenient and friendly customer service, but also reduces the carbon emissions generated during the service process, and contributes to the sustainability of the environment.

3. Operational Performance and Shareholders' Equity

The 2022 Russia-Ukraine War led to rising global energy and raw material prices. Coupled with China's epidemic prevention and control measures, inflation in major countries around the world has exceeded the tolerance of the central bank. In order to deal with inflation, the central banks of major countries have begun to adopt tightening monetary policies by aggressively raising interest rates or reducing the scale of bond purchases. But at the same time, it has exacerbated the volatility of the global financial market, depreciated non-US dollar currencies, and caused the pressure of imported inflation to surge in many countries. Taiwan's performance in the world is relatively good. As the impact of the epidemic gradually disappears, the performance of domestic consumption and related industries has improved. The annual economic growth rate in 2022 is estimated to be 2.43%. Taiwan's annual CPI increased by 2.95% year-on-year, and inflation pressure was



relatively small compared to the global level, which supported the economy and remained stable on the whole. Looking forward to 2023, as the duration and extent of interest rate hikes by the central banks of major European and American countries affect the global economic and financial situation, coupled with the fact that the conflict between Russia and Ukraine will not be resolved in the short term and the cooling of Sino-US relations, there are still many downside risks to the global economy, and the momentum of Taiwan's economic growth is also facing challenges. Taiwan's export performance has slowed down since the second half of 2022, and exports turned negative in the fourth quarter. Although the performance of consumption-related industries has improved, as well as the positive factors of domestic demand supporting the economy, such as the continued positive growth of retail and catering sales, it is still necessary to observe the extent of the impact of the recovery or soft landing of the world's major economies to judge the time when the economy will bottom out.

Facing the uncertainty of economic and political situation, the Company's management team and all employees still adhere to the spirit of the Company, focusing on the improvement of product and service quality, deepening brand value, and continuously pursuing steady growth.

Operating results for 2022

2022 is an important milestone for the 30th anniversary of the establishment of the Company. In this meaningful year, we launched a brand new brand image, continued to deepen the brand value, provided a number of innovative services, and adhered to the original intention to provide customers with the best quality service. In addition to a number of major constructions continued in 2022, the usage of various life technology services such as digital auditoriums, digital obituaries, and online live broadcasts of conferences has also gradually increased, and we will continue to strive towards the goal of net zero carbon emissions. In addition to continuing to develop more humanized technology application services, we also strengthen quality management and improve customer satisfaction, pursue service quality differentiation in order to achieve the goal of sustainable operation.

The net profit for the period was NT\$1.457 billion, of which the net profit attributable to the owners of the parent company was NT\$1.329 billion. The net profit for the current period decreased by 0.36% compared with the previous year, the after-tax net profit rate was 36.7%, and the earnings per share was NT\$3.16.

As of December 31, 2022, the total consolidated asset was NT\$66.82 billion, decreased by 0.41% compared to the previous year; the total liability was NT\$45.30 billion and debt ratio was 67.8%. It includes contract liabilities of NT\$41.68 billion. These contract liabilities are the nature of advance receipts and booked as unrealized income, and will be recognized as operating income once the funeral service is delivered or the permanent right of columbarium and cemetery is transferred to the client upon completion. The debt ratio was 14.4% if the company deducted the contract liabilities and relative asset amounts.

The Company's development strategy

With the change of society's cognition of life service industry and the change of consumers' concept, it is an inevitable trend to integrate demand and diversify commodity planning. The society's perception of the life service industry and the concept of consumers are constantly changing. The demand for integration and diversified product planning is a certain trend. The Company is committed to the improvement of industrial quality, continues to reform the funeral industry and solidify the concept of pre-need funeral service contracts, through the diversification of sales methods and products, to achieve the goal of sustained growth.

The Company has always put great emphasis on the sustainable development of the enterprise, incorporating the implementation of ESG into the Company's strategy and linking it with the core business. In addition to continuously promoting life service education, conveying the correct concept of life and death, worship, and caring for the disadvantaged groups in society, in terms of environmental protection, in the development and maintenance of the cemetery park, the Company has introduced environmentally sustainable and green strategies and measures, striving to reduce the generation of waste, and advocates the industry jointly promote the issue of environmental sustainability, hoping to make concrete contributions to reducing the risk of global climate change. In addition, in order to improve the operational efficiency of the Company and strengthen corporate governance, the Company started to formulate plans for corporate upgrading and succession several years ago. The current chairman takes the new generation of thinking and international outlook combined with the general manager's information technology talents, jointly led the management team to accelerate digital transformation and industrial upgrading, and launch a number of innovative services successively, which are closer to customer needs and widen the gap with peers.

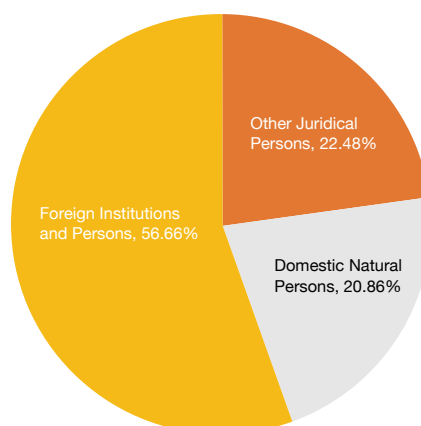
Our 2023 development strategy will still focus on the planning and design of the cemetery and columbarium in Taiwan and integrate the needs of the pre-need funeral service contract. With the combination of product sales, it is expected to bring integration to customers with one-stop service for funeral and burial across the country. In addition, we will continue to strengthen service quality improvement, actively promote digital transformation to provide customers with more technological life services, implement energy saving and carbon reduction, and drive the industrial chain to jointly pursue sustainable development. At the same time, we will also improve the implementation of corporate governance, deepen brand value, and then penetrate into a wider consumer base. Therefore, the Company can effectively affect consumers by its brand value and continue to expand the market share of the funeral industry, to achieve the economies of scale and increase its profitability.

As Taiwan moves towards an aging society, and the problem of lower fertility rate becomes more serious, the importance of being "prepared" for the last journey of life becomes increasingly apparent. In addition to the life service business as the foundation, the Company will gradually expand its operation into related businesses in the life service industry with a steady spirit.

Shareholders' shareholding percentage

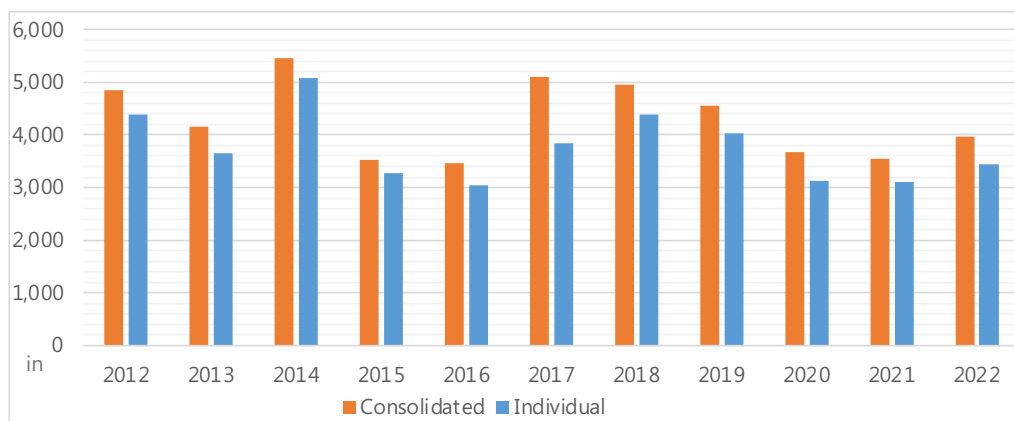
	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Persons	Total
Number of shareholders	0	0	77	17,184	144	17,405
Shareholding	0	0	94,438,411	87,636,917	238,008,871	420,084,199
Holding Percentage	0.00%	0.00%	22.48%	20.86%	56.66%	100.00%

2023.03.28 Unit: Share; %

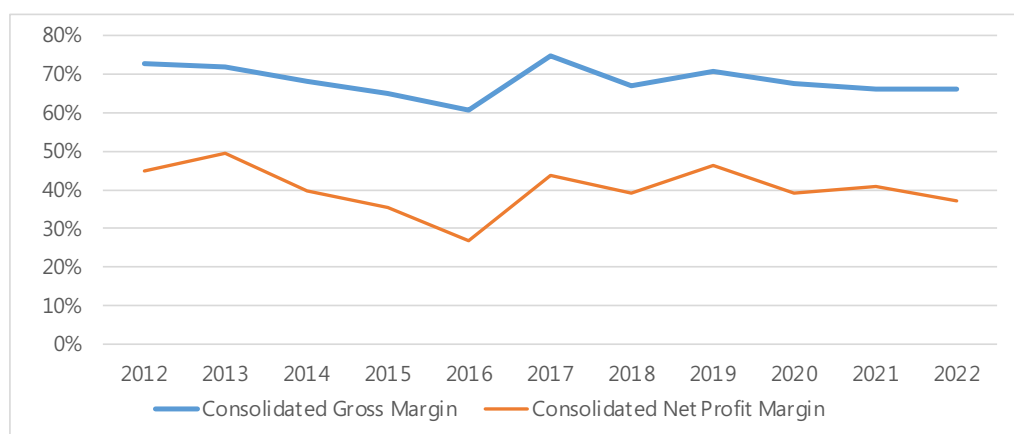


Financial Data

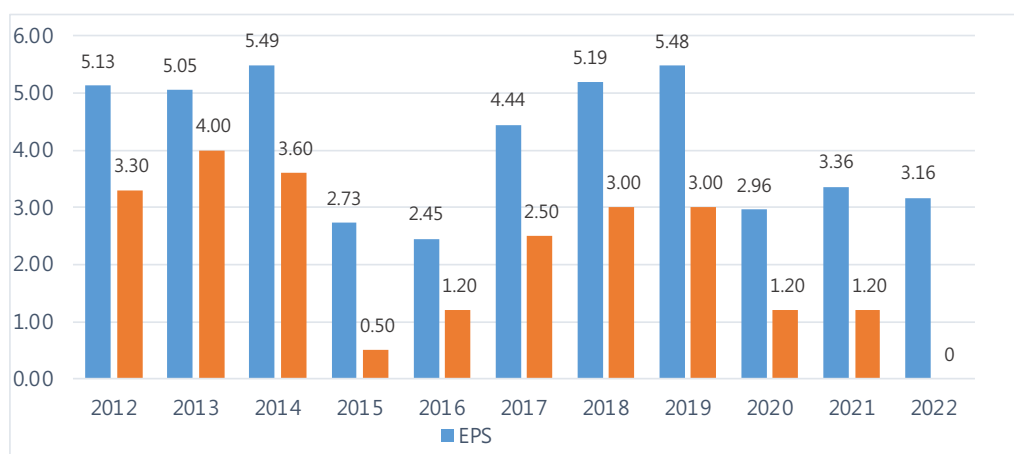
i. 2012-2022 Operating Income



ii. 2012-2022 Consolidated Gross Margin & Consolidated Net Profit Margin



iii. 2012-2022 EPS & Cash Dividend



4. Important Milestones and Honors

■ In 2022, the results of the "Taiwan Top 2000 Survey" of "CommonWealth Magazine" were released, and Lungyen is still the top one in the life service industry!

- Ranked 12th the most profitable company in service industry
- Ranked 350th in the service industry
- Ranked 31th in Construction industry

Entering its 30th anniversary, Lungyen has not forgotten its original intention, and continues to improve all aspects of service, promote digital transformation, and have achieved outstanding results in "Sprint Project Series", bringing customers more instant and convenient services.

■ 2022 awards for various evaluations

Funeral Service and Cemetery Evaluation Award

- ✓ Antai Memorial Park was rated as excellent in the "2022 Annual Kaohsiung City Funeral Facilities Evaluation"
- ✓ Chiayun Memorial Park was rated as excellent in the "2022 Annual Chiayi County Funeral Facilities Evaluation"
- ✓ Baoshan Memorial Park was rated as excellent in the "2022 Annual Taichung City Funeral Facilities Evaluation"
- ✓ Kaohsiung Funeral Service Office was rated as excellent in the "2022 Annual Kaohsiung City Funeral Service Industry Evaluation"
- ✓ Banqiao Funeral Service Office was rated as excellent in the "2022 Annual New Taipei City Funeral Service Industry Evaluation"
- ✓ Tainan Funeral Service Office was rated as excellent in the "2022 Annual Tainan City Funeral Service Industry Evaluation"
- ✓ Miaoli Funeral Service Office was rated as excellent the "2021 Miaoli City Funeral Service Industry Evaluation"



2022年 ESG / USR 年鑑
天下永續公民100強 × 大學公民25強

決戰 ESG 新密碼
多元 平等 共融

Diversity, Equity, Inclusion

從EPS改追ESG，永續100強名次大洗牌
大缺工時代，職場革新跟減碳一樣急迫
且看30家企業在DEI做對哪些事！
混亂時代，企業永續經營必備的ESG競爭力
那些大學是淨零陣隊友？

龍巖
傳愛到偏鄉 引領學童探索生命教育

文 | 吳姿儀 圖 | 龍巖

CSR心法

- 推廣生命教育，散播正向力量。
- 人性關懷為本，鼓勵員工參與。

身為 為生命產業領航的龍巖，陪伴客戶歷經了無數次別離，察覺生命教育，能改變人們看待生命的方式，因此發揮本業精神，針對不同族群，發展多元公益專案，以「生命教育」、「生命關懷」為最高宗旨，散播正向能量。

從在學學童、青年學子，到規劃退休生活的銀髮族，龍巖都依據各年齡層所需，提供最適合的社會參與專案，每一位參與專案其中的龍巖同仁，皆享有「有薪志工假」，鼓勵員工投入社會參與。

從關注教育面為起點，龍巖捐助兩華大學生死學系獎學金，培養生命產業的專業人才，資助台灣大學醫學人才，投入醫學研究。此外，2021年更首度攜手台大創立「台大龍巖園藝研究發展基金」，與園藝暨景觀學系合作，以雙重的生命面積極推廣學術研究，藉由產學合作，提升全台灣園藝的景觀技術，實踐環境「與自然共生」的理念。

位在雲林縣褒忠鄉與集團同名的龍巖國小，全校一至六年級僅有42名學生，村裡高達七成屬於隔代教養、單親與新住民，因此學生的課後學習儼然成為一大問題。於是，龍巖協助辦理「低年級課後照顧班學習」計畫，提供經費聘請專業師資，讓偏鄉孩子的課後學習，同樣不落人後。

提升偏鄉教育的行動，仍不僅如此。在寒冷的冬季，龍巖發起暖心的「鞋盒傳愛 聖誕圓夢」物資募集計畫，動員全台內、外勤同仁自主捐出物資，以鞋盒做為外包裝，總共募集到200多份聖誕禮物，為龍巖國小與其他偏鄉學校的孩子，送上最誠摯的節日祝福。

銀髮族的晚年規劃，也是龍巖關心的重點。與新北市社會局合作，舉辦兩場「晚美人生 讓愛無憾」講座，活動座無虛席，帶領樂齡族群，規畫老年生活、再次找回自我價值。

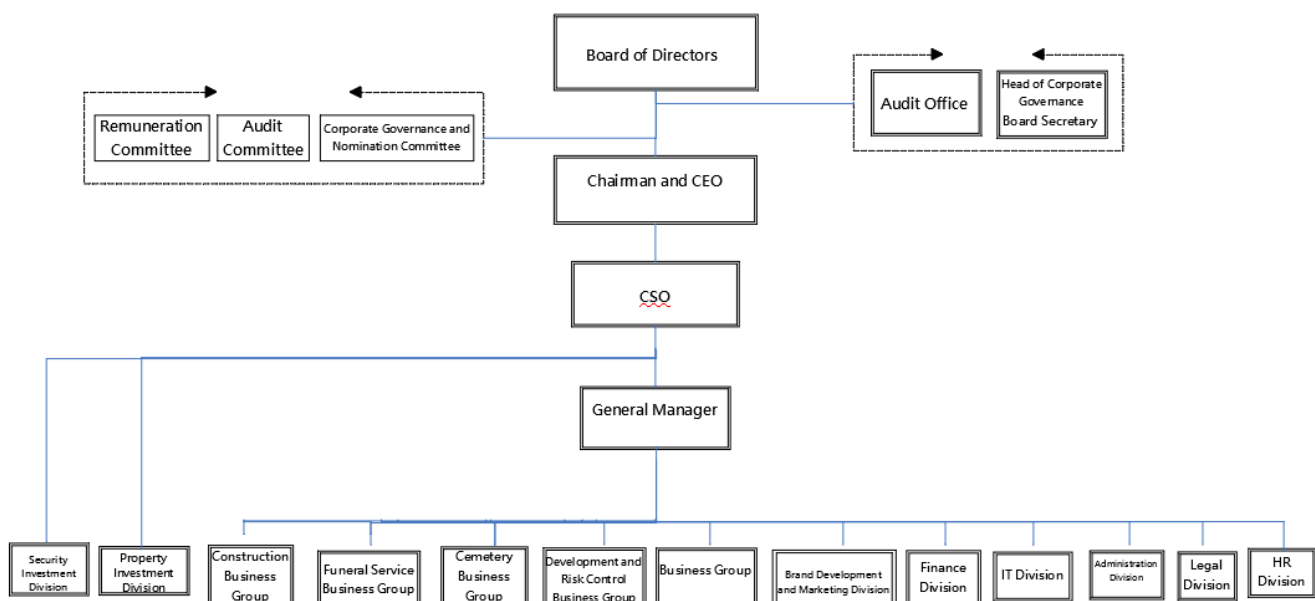
「龍巖最重要的使命，是能夠幫助社會促進人文的昇華及永續精神的傳承。」龍巖董事長李凱莉在2021年CSR報告書中，闡述龍巖推動ESG的理念。

小檔案

2022年天下永續公民獎小巨人組第15名

董事長	Kelly Lee
CSR最高負責人	公司治理主管梁建芸
在員工人數	600人
2021年營收	新台幣35.51億元

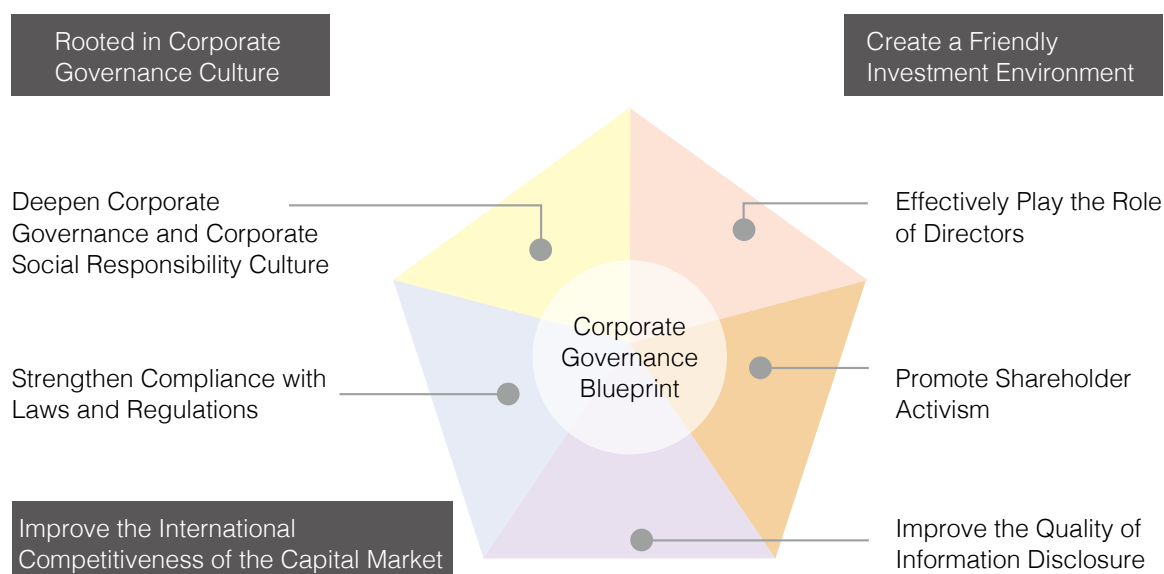
5. Organization Structure



III. Implementation of Corporate Governance

The connotation of corporate governance is how to make the company's investors and stakeholders receive reasonable and fair treatment to ensure the trust of investors and consumers. Lungyen's corporate governance mainly focuses on implementing and strengthening the functions of the board of directors, striving for transparent financial information, building the integrity of managers and strict internal audit. The goal is to improve the Company's operations and pursue sustainable development. The composition of Lungyen's board of directors not only depends on the shareholding ratio. We also recruit different professionals and introduce independent directors to the board of directors, emphasizing their independence and professionalism, which helps to supervise the operation of the Company and protect the rights and interests of shareholders who do not own the right to operate.

Whether there are various "committees" of the board of directors of a company and how they operate is an important indicator in corporate governance evaluation. In addition to the legally established committees, Lungyen has set up a corporate governance and nomination committee with higher standards to ensure the impartiality and independence of the board of directors, and to prevent directors, the general manager and the management team from taking advantage of themselves to take into account the interests of all shareholders.



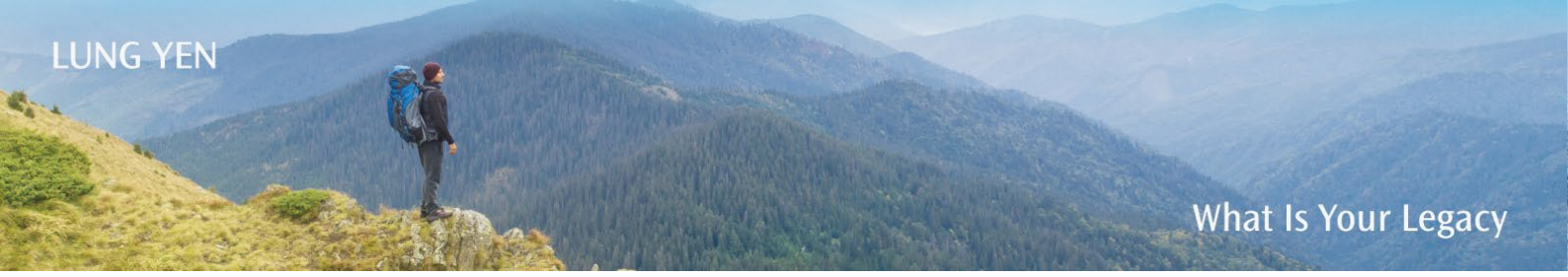
1. Board of Directors

The Company has 7 directors, including 3 independent directors.

Involvement of directors: In 2022, a total of 7 board meetings were held, with an actual attendance rate of 98%.

Independence of the Board of Directors: The current board of directors of the Company has seven directors, consisting of three independent directors (42.9%) and four non-independent directors (57.1%).

The Company has formulated the "Rules of Procedure for the Board of Directors", and the content of all discussions, meeting operating procedures, matters to be stated in the minutes of the meeting, announcements and other matters to be followed are all handled in accordance with the rules. The Company has a "Corporate Governance and Nomination Committee" and adopts a "Candidate Nomination System". All director candidates are nominated and qualified by the "Corporate Governance and Nomination Committee", and after the resolution of the board of



directors is passed, they are sent to the shareholders' meeting for election. According to Article 20 of the Company's Code of Practice on Corporate Governance, the members of the board of directors should focus on gender equality and generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the composition of the board of directors should take into account the Company's business needs and future operational development direction, and comprehensively consider the basic composition (such as gender, nationality, age, etc.), professional knowledge and skills, and industrial experience. It is hoped that diverse backgrounds and viewpoints can enhance the overall operational effectiveness of the board of directors. The Company's 2021 General Meeting of Shareholders fully re-elect members of the 14th Board of Directors. The background of the board members is not only to consider the professional and experience related to financial accounting, operation management, and law, but also to meet the Company's future development needs to recruit people with expertise and rich experience in corporate governance, talent cultivation, etc. to serve as board members. The members of the board of directors have cross-field industry experience, and also have a diversity of nationalities and ages, which further strengthens the implementation of the functions of the board of directors. In the future, the diversification policy will be updated in a timely manner depending on the operation of the board of directors, the type of operation and the development needs, including but not limited to the two major standards of basic conditions and values, professional knowledge and skills, so as to ensure that board members should generally have the necessary knowledge, skills and literacy to perform their duties. In addition, the board members aim to include at least one female director, the directors who concurrently serve as company managers do not exceed one-third of the board seats, and at least one director has a professional background in financial accounting and at least one has practical experience in corporate governance.

2. Audit Committee

The Company consists of 3 independent directors to form the audit committee. In 2022, a total of 6 audit committee meetings was held, and the actual attendance rate reached 94%.

The Audit Committee assists the Board of Directors to review and supervise major issues. The company has formulated the "Audit Committee Charter", and the operation of various rules of procedure is handled in accordance with this charter. During the meeting, accountants, external professional consultants, etc. were invited to provide the most objective and accurate opinions for the audit committee members' reference for various major issues. It enables the audit committee members to assist investors to ensure the credibility of the company in terms of corporate governance, information transparency, etc., so as to protect the rights and interests of shareholders.

The audit committee of the Company has the personnel power of the internal audit unit and appoints lawyers, accountants or other professionals on behalf of the Company to conduct necessary audits or provide advice on matters related to the exercise of its functions and powers. Through the internal and external audit units, the function of the independent director system is fully exerted.

3. Compensation Committee

The Company established a compensation committee in 2011 ahead of the regulations of the competent authority, which consists of 2 independent directors and 1 human resources expert. Regular meetings are held to strengthen a sound remuneration system for directors and managers.

In 2022, a total of 4 Compensation Committee was held, and the actual attendance rate reached 100%.

4. Corporate Governance and Nomination Committee

In 2018, the Company voluntarily established a corporate governance and nomination committee, which is the third company among all OTC companies to establish a corporate governance committee. On July 23, 2021, the members of the second committee was appointed after the re-election of directors, which consists of 1 independent director, 1 external member and the chairman of the Company, a total of 3 members. In 2022, a total of 4 corporate governance and nomination committee meetings was held, and the actual attendance rate reached 100%.

The Company has formulated the "Corporate Governance and Nomination Committee Charter", and the operation of various rules of procedure is handled in accordance with this charter. The committee may convene meetings at any time as needed, and within its terms of authority, may appoint lawyers, accountants or other experts by resolution to provide consulting assistance, with the aim of strengthening corporate governance and enhancing the effectiveness of the board of directors and functional committees, and the planning and succession of senior managers matter.

5. Audit Office

The internal audit unit of the Company is directly subordinate to the board of directors and is implemented in accordance with the audit plan approved by the board of directors, and the plan is also drawn up based on the degree of risk assessment and identification. The scope of audit includes all operations of the Company and the supervision of subsidiaries. The task of internal audit is to check and evaluate the deficiencies of the internal control system and measure the efficiency of operations, and to provide improvement suggestions in a timely manner to ensure the continuous and effective implementation of the system, and to assist the board of directors and management to fulfill their responsibilities.

The auditors of the Company submit the completed audit report to the audit committee members for review every month, and present the report to the audit committee and the board of directors at least once a quarter.

The Company gives the auditors an independent and objective position, so that the auditors have no fear, they can follow the root cause of each audit work, never hide the defects, reveal corrections in a timely manner and track improvements to control risks. Auditors have such an attitude to give back to the Company's support and protect the rights and interests of investors.

6. Anti-corruption

The internal audit unit of the Company is directly subordinate to the board of directors and is implemented in accordance with the audit plan approved by the board of directors, and the plan is also drawn up based on the degree of risk assessment and identification. The scope of audit includes all operations of the Company and the supervision of subsidiaries. The task of internal audit is to check and evaluate the deficiencies of the internal control system and measure the efficiency of operations, and to provide improvement suggestions in a timely manner to ensure the continuous and effective implementation of the system, and to assist the board of directors and management to fulfill their responsibilities

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7. Stakeholder Communication

How to identify stakeholders

For stakeholders, the Company has its own professional communication channels according to the nature.

The official website provides all stakeholders company-related information. In 2019, a corporate governance area was established on the official website, mainly to provide more convenient and transparent corporate governance implementations and sharing of achievements.

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
Shareholders Investors	✓ Market Image ✓ Corporate Governance ✓ Operational Performance ✓ Customer Service and Products ✓ Personal Data Protection	1. There is a dedicated unit for investor relationship maintenance to provide investors with the information they need, including financial information, corporate governance systems, etc. 2. Irregularly hold investor conference, and actively conduct two-way communication with shareholders and investors 3. Hold regular shareholders' meetings to explain the Company's operating results and future development 4. Annual report is issued every year according to regulations and sent at the shareholders' meeting 5. The official website has an investor area to provide investors with the information they need 6. Regarding the monthly revenue information, in addition to being disclosed in the Market Observation Post System (MOPS), it is also simultaneously announced in the investor page on the Company's official website 7. Set up an email box and contact number on the Company's website to establish a smooth communication channel between investors and the Company
		Shareholder Services Contact: Fubon Securities Co., Ltd. Stock Agency Department (02)2361-1300 Investor Relations Contact: Trista Wan (02)6615-9999 ext.88823 IR@yls.com.tw

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
Employee	✓ Non-discriminatory ✓ No Forced Labor ✓ Anti-corruption ✓ Labor Relations ✓ Occupational Health and Safety ✓ Compliance with Social Laws and Regulations ✓ Career Development and Talent Cultivation ✓ Personal Data Protection	1. Employee Opinion Mailbox: If employees have any opinions on the Company, they can report to the general manager through the lycares@lyls.com.tw mailbox. 2. Irregular thematic questionnaire survey 3. 5186 mailbox: Providing a channel for employee complaints, which is handled by the supervisor of the audit office to protect the rights and interests of employees 4. The supervisors of each unit will share with all employees through meetings and announcements in accordance with actual cases arising from work, so as to educate employees on correct concepts. 5. The general manager holds briefings on the policies launched from time to time, and personally explains the purpose and direction of the policies to employees.
Supplier	✓ Supplier Evaluation (No discrimination) ✓ Supplier Audit, Punishment and Praise ✓ Supplier Training	The Company has set up a dedicated procurement unit to implement the requirements of sustainability in the daily management of suppliers through supplier selection, audit guidance, performance evaluation, training, and supplier conferences based on cooperation. 1. Supplier evaluation: • Newly developed suppliers with a certain transaction scale need to be evaluated by relevant units to see if their capabilities and conditions meet the needs of the Company. Only after they are qualified can they perform procurement operations. Regulate the supplier's behavior while signing the contract. (Suppliers must abide by: social regulations, supplier procurement and management regulations, product liability regulations) • The Company and suppliers have signed integrity clauses to protect the rights and interests of both parties. Suppliers can also use the 5186 complaint hotline to lodge complaints with the Company. • Construction-related suppliers must comply with engineering safety regulations and material safety regulations.

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
		2. Supplier audit: - Irregular random checks on the service quality and regulatory compliance provided by suppliers (including integrity clauses, engineering safety specifications, and material safety specifications) - Provide encouragement to suppliers with good performance, and provide necessary education and punishment to suppliers with poor performance. We expect suppliers to stand on the same position as the company, grow together, and provide a satisfactory service together. - Hold a supplier interactive meeting to promote the consistency of the ideas of both parties. 3. Supplier training: - Organize training to enhance the knowledge and concepts of suppliers in related fields such as environment and planting.
Customer	✓ Personal Data Protection ✓ Customer Service and Products ✓ Social Regulatory Compliance ✓ Corporate Governance ✓ Product Liability Regulatory Compliance	1. The Company has a customer satisfaction department, which provides 0800 toll-free customer service line to protect customers' rights and interests. 2. Unscheduled sampling customer satisfaction with the services provided by the Company. 3. Each service case provides a customer care letter, through which customers can report service problems to the Company. 4. The Company attaches great importance to the opinions of customers. For each customer's feedback, the general manager will personally review each case. Any major customer comments will be notified to the general manager by instant text message, and it is stipulated to contact the customer within 30 minutes and respond to the customer questions within 12 hours. 5. Auditors conduct spot checks from time to time to ensure that the services customers receive meet or even exceed expectations. 6. Lungyen Talking Love Facebook fan group announces many Company activities.

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
Society	✓ Personal Data Protection ✓ Social Care ✓ Energy Saving and Carbon Reduction ✓ Workplace Health and Safety	1. Lungyen Charity Foundation carries out relevant social care issues and actions. 2. All the parks carry out related good-neighborly activities, and the materials after holding the conferences are provided to the institutions in need of the community. (District Police Station, Sanzhi District Office, School, Related Neighborhoods, etc.)

IV. Sustainable Environment Development

1. Environmental Protection Policy

Continuous Greening and Soil and Water Conservation: Each cemetery park continues to implement the planting plan, and entrusts a professional monitoring company to continuously and regularly conduct water quality testing in the park, as well as monitor the soil and water conservation status of the park (rain gauge, water level observation well and inclinometer) and geological drilling to truly grasp the geological situation, to provide the basis for the selection of engineering geological parameters, so as to truly grasp the safety of buildings in the park and ensure the safety of personnel.

(Table 1) Sanzhi Baisha Bay Cemetery Park is monitored by Land Engineering Consultants Co., Ltd.

List of monitoring dates over the years:

Year	Month / Day	Monitoring Times	Note
2002	8/29, 12/23	2	previous plan
2003	5/2, 7/7, 9/16, 11/19	4	
2004	4/5, 7/6, 11/5	3	
2005	1/6, 3/15, 5/27, 8/2, 10/12, 12/30	6	
2006	3/15, 5/23, 8/2, 10/19, 12/22	5	
2007	3/30, 5/23, 8/14, 9/29, 12/20	5	
2008	2/22, 3/21, 5/6, 7/4	4	
2009	11/10	1	
2010	10/12	1	
2011	8/16, *11/4	2	
2012	1/3, *4/17, 7/5, *10/12	4	
2013	1/8, *4/1, 7/2, *10/7	4	
2014	1/17, *4/10	2	
2015	10/15	1	
2016	*1/14, 4/18, *7/18, 10/23	4	
2017	*1/16, 4/17, *7/10, 10/11	4	
2018	*1/9, 3/21, *7/11, 10/23	4	
2019	*1/29, 4/22, *7/25, 10/31	4	
2020	*1/16, 4/15, *7/15	3	
2021	4/29, *7/20, 10/22	3	this year's plan
2022	*1/19, 4/18, *7/28, 10/28	4	

"*" represents manual monitoring in some areas (C, G, H, I, J, K area)

(Table 2) Futan Cemetery Park is monitored by Do It Engineering Consultants, Inc.

List of scheduled/actual monitoring dates:

Item	Scheduled Monitoring Date	Actual Monitoring Date	Note
1	2021/10/23	2021/10/23	This time was the initial value measurement
2	2022/01/23	2022/01/22	Phase II Monitoring
3	2022/04/23	2022/04/27	Phase III Monitoring
4	2022/07/23	2022/07/27	Phase IV Monitoring

Note: The actual monitoring date can be adjusted according to the on-site conditions and climate. According to the contract requirements, monitoring is carried out every quarter.

• **Risks and opportunities brought by climate change to the Company and related countermeasures taken by the Company:**

- (1). Climate change governance procedures and organization: The Company takes the board of directors as the highest organization leading sustainable development. The governance procedures are evaluated and supervised by each management unit on the risks and opportunities brought by climate change to the Company, and are submitted to the board of directors for discussion based on importance, and formulate business strategies accordingly.
- (2). Climate change risk identification project: The Company is in the funeral facility service industry, and some cemeteries are located on hillsides. The change in rainfall caused by climate change may bring the risk of landslides. In addition to causing financial losses, it may also affect the sales of the business.
- (3). Actions in response to climate event risks: The Company continues to carry out greening and water and soil conservation, and regularly monitors water quality. The development of the cemetery is aimed at adapting to the natural environment and mitigating the impact of climate change. Monitoring can also detect changes early and take timely action corresponding measures to prevent the occurrence of risks.
- (4). Facing the impact that climate change may have on the Company, in addition to formulating specific strategies for energy conservation, carbon reduction and greenhouse gas reduction, and regularly reviewing the implementation situation, we also strive for digital transformation, launching a number of life technology services successively, and the usage rate growing year by year, reducing the possible impact of climate change on the industry.

2. Planting and Maintenance

The Century Cemetery, located in the ecological conservation area, has rich vegetation resources and a good natural environment. Lungyen hopes that by retaining the original ecological landscape, the entire park will be surrounded by nature, in line with the design purpose of adapting to the environment and respecting life, and achieving the goal of co-prosperity with the natural ecology. We also hope that in addition to greening, we will further plant trees to increase the carbon sink function and make concrete contributions to reducing the risk of global climate change. The whole area of Century Cemetery is 26.56 hectares, only 20% of the land is used to build the columbarium and cemetery area and public facilities, and the remaining 80% is reserved for ecological landscape.

■ Planting planning:

In 2022, according to the project schedule, no new trees will be planted. However, good maintenance work has been done on the previously completed plantings. The total expenditure of all horticultural maintenance in 2022 was NT\$8,880,817 (tax included).

Note: Planting and maintenance include the implementation of landscape design, construction supervision and subsequent horticultural maintenance by subcontractors. Cemeteries that have undergone horticultural maintenance in 2022 include: Baisha Bay Cemetery, Futien Cemetery, Fugun Cemetery, Baoshan Cemetery, Chiayun Cemetery, Antai Cemetery, and Century Cemetery.

Baisha Bay Cemetery Landscape Maintenance Project Calendar													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Lawn mowing around buildings	√	√	√	★	★	★	★	★	★	★	√	√	at least once a month
Weed and vine removal	√	√	√	★	★	★	★	★	★	★	√	√	Strengthen weeding from the rainy season to summer
shrub pruning	√	√	√	★	★	★	★	★	★	★	√	√	Control at fixed height, range and shape
modeling arbor pruning				√	√	√	√	√	√	√			The banyan trees beside the driveway are the main ones, shaped during the growing season
artificial hydration						√	√	√	√	√			Strengthening water supply in areas with insufficient shade in summer
Apply growth fertilizer (nitrogen fertilizer)			√	√	√					√	√		Rhododendron is a temperate plant, and autumn is also the growing season, and it can be fertilized again, and osmanthus can also be fertilized in autumn. The rest of the planting is mainly based on the application of growth fertilizer during the spring growth period.
Flower fertilizer (potassium fertilizer)	√	√	√	★	★	★	★	★	★	★	√	√	Application during flower bud differentiation, before flowering season and flowering period
Pest Control	√	√	√	★	★	★	★	★	★	★	√	√	It is carried out throughout the year, with spring and autumn being the most significant period

Baisha Bay Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Arbor pruning	√	√	√	★	★	★	★	★	★	★	√	√	The wounds of cherry blossoms are not easy to heal, so unnecessary pruning is avoided. The rest of the plants are properly thinned in accordance with the typhoon season
Pruning of trees above 3 meters				√	√	√	√	√	√	√			Apply once a year to create a beautiful tree shape, and remove branches that have safety concerns and affect traffic
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

Futien Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Lawn mowing around buildings	√	√	√	★	★	★	★	★	★	★	√	√	at least once a month
Weed and vine removal	√	√	√	★	★	★	★	★	★	★	√	√	Strengthen weeding from the rainy season to summer
shrub pruning	√	√	√	★	★	★	★	★	★	★	√	√	Control at fixed height, range and shape
modeling arbor pruning				√	√	√	√	√	√	√			The banyan trees beside the entrance driveway are the main ones, shaped during the growing season
artificial hydration						√	√	√	√	√			Strengthening water supply in areas with insufficient shade in summer
Apply growth fertilizer (nitrogen fertilizer)			√	√	√					√	√		Rhododendron is a temperate plant, and autumn is also the growing season, and it can be fertilized again, and osmanthus can also be fertilized in autumn. The rest of the planting is mainly based on the application of growth fertilizer during the spring growth period.

Futien Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Flower fertilizer (potassium fertilizer)			√	√	√	√	√	√	√	√			at least once a month
Pest Control	√	√	√	√	√	√	√	√	√	√	√	√	Strengthen weeding from the rainy season to summer
Arbor pruning				√	√	√	√	√	√	√			Control at fixed height, range and shape
Pruning of trees above 3 meters										√	√		The banyan trees beside the entrance driveway are the main ones, shaped during the growing season
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

Fugun Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Lawn mowing around buildings	√	√	√	★	★	★	★	★	★	★	√	√	at least once a month
Weed and vine removal	√	√	√	★	★	★	★	★	★	★	√	√	Strengthen weeding from the rainy season to summer
shrub pruning	√	√	√	★	★	★	★	★	★	★	√	√	Control at fixed height, range and shape
artificial hydration						√	√	√	√	√			Strengthening water supply in areas with insufficient shade in summer
Apply growth fertilizer (nitrogen fertilizer)			√	√	√					√	√		Rhododendron is a temperate plant, and autumn is also the growing season, and it can be fertilized again, and osmanthus can also be fertilized in autumn. The rest of the planting is mainly based on the application of growth fertilizer during the spring growth period.
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

Fugun Cemetery Landscape Maintenance Project Calendar													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Flower fertilizer (potassium fertilizer)			√	√	√	√	√	√	√	√			Application during flower bud differentiation, before flowering season and flowering period
Pest Control	√	√	√	√	√	√	√	√	√	√	√	√	It is carried out throughout the year, with spring and autumn being the most significant period
Arbor pruning				√	√	√	√	√	√	√			Plants are properly thinned in accordance with the typhoon season
Pruning of trees above 3 meters										√	√		Apply once a year to create a beautiful tree shape, and remove branches that have safety concerns and affect traffic
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

Baoshan Cemetery Landscape Maintenance Project Calendar													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Lawn mowing around buildings	√	√	√	★	★	★	★	★	★	★	√	√	at least once a month
Weed and vine removal	√	√	√	★	★	★	★	★	★	★	√	√	Strengthen weeding from the rainy season to summer. In September and October, the eradication of Eupatorium microflora should be strengthened before the flowering and breeding season to prevent large-scale spread.
shrub pruning	√	√	√	★	★	★	★	★	★	★	√	√	Control at fixed height, range and shape
artificial hydration	√	√	√	√	√	√	√	√	√	√	√	√	
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

Baoshan Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Apply growth fertilizer (nitrogen fertilizer)			√	√	√					√	√		Rhododendron is a temperate plant, and autumn is also the growing season, and it can be fertilized again, and osmanthus can also be fertilized in autumn. The rest of the planting is mainly based on the application of growth fertilizer during the spring growth period.
Flower fertilizer (potassium fertilizer)			√	√	√	√	√	√	√	√			Application during flower bud differentiation, before flowering season and flowering period
Pest Control	√	√	√	√	√	√	√	√	√	√	√	√	It is carried out throughout the year, with spring and autumn being the most significant period
Arbor pruning				√	√	√	√	√	√	√			Plants are properly thinned in accordance with the typhoon season
Pruning of trees above 3 meters										√	√		Apply once a year to create a beautiful tree shape, and remove branches that have safety concerns and affect traffic
Low Maintenance Area Conservation				√			√			√			Apply once every 3 months from spring to summer, comprehensive mowing, vine removal, weed removal
Front slope maintenance				√			√			√			Apply once every 3 months from spring to summer, comprehensive mowing, vine removal, weed removal

Note: √General maintenance of the month ★ Enhanced maintenance of the month

Antai Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Lawn mowing around buildings and products	√	√	√	★	★	★	★	★	★	★	√	√	at least once a month

Note: √General maintenance of the month ★ Enhanced maintenance of the month

Antai Cemetery Landscape Maintenance Project Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Note
Weed and vine removal	√	√	√	★	★	★	★	★	★	★	√	√	Strengthen weeding from the rainy season to summer. Strengthen the eradication of vines before the breeding season to prevent large-scale spread.
shrub pruning	√	√	√	★	★	★	★	★	★	★	√	√	Control at fixed height, range and shape
modeling arbor pruning				√	√	√	√	√	√	√			Mainly around the main road and buildings, shaped by the growing season
artificial hydration	√	√	√	★	★	★	★	★	★	★	√	√	Increased hydration during high temperatures
Apply growth fertilizer (nitrogen fertilizer)			√	√	√					√	√		Fertilization is mainly for plants that are growing in spring
Flower fertilizer (potassium fertilizer)			√	√	√	√	√	√	√	√			Application during flower bud differentiation, before flowering season and flowering period
Pest Control	√	√	√	√	√	√	√	√	√	√	√	√	It is carried out throughout the year, with spring and autumn being the most significant period
Arbor pruning					√	√	√	√	√	√			Apply once a year to create a beautiful tree shape, and remove branches that have safety concerns and affect traffic. Plants are properly thinned in accordance with the typhoon season.
Pruning of trees above 3 meters										√	√		Apply once a year to create a beautiful tree shape, and remove branches that have safety concerns and affect traffic
Tombstone Area Maintenance		√		√		√		√		√		√	Apply once every 2 months, comprehensive mowing, vine removal, weed removal
Note: √General maintenance of the month ★ Enhanced maintenance of the month													

■ Industry-Academia Collaboration:

2021 is the first year that Lungyen and National Taiwan University jointly established the "National Taiwan University Lungyen Horticultural Research and Development Fund" to support the cultivation of environmental talents and increase mutual exchanges between the two sides.

In recent years, Lungyen has invested heavily in the landscape planning of large-scale cemeteries, hoping to drive a new wave of tomb sweeping combined with tourism in the future. At the same time, we hope to fulfill our corporate social responsibility and do our best for Taiwan's environment and ecology. Feeling that it is not easy to cultivate horticultural and landscape talents, the "NTU Lungyen Horticultural and Landscape Development Fund" was specially set up to jointly announce that we will work together to pave the way for outstanding students to develop professionally.

In 2022, the number of internal horticultural related colleagues and manufacturers' education and training hours was 42 hours, and the cost was NT\$370,090 (tax included). (The full cost of the manufacturer's training was paid by the Company)

3. Commodity Planning and Environmental Protection

- Planning and design of green buildings:
As long as the products planned by Lungyen belong to the building category, meeting the standard of green building has been listed as one of the necessary review items.
- Material specifications comply with environmental protection
Lungyen attaches great importance to the use of materials by suppliers, not only considering environmental protection, but also the health of users. Therefore, in the contract with the supplier, the part of the material is expressly stipulated that it must comply with the regulations on green building materials in Section VI of the Regulations "Architectural Technical Regulations, Architectural Design and Construction".
- In 2022, there are 31 contracts that meet the requirements of green building materials with a contract value of NT\$4,723,998,835. In addition to the green building certification, the new construction of Nangang Station Office Building will also apply for LEED certification (Leadership in Energy and Environmental Design certification) and WELL certification (Healthy Building Standard™ (a healthy building standard derived from the United States)
- A total of 6 contracts for independent procurement of energy-saving equipment, with a contract value of NT\$3,735,546.

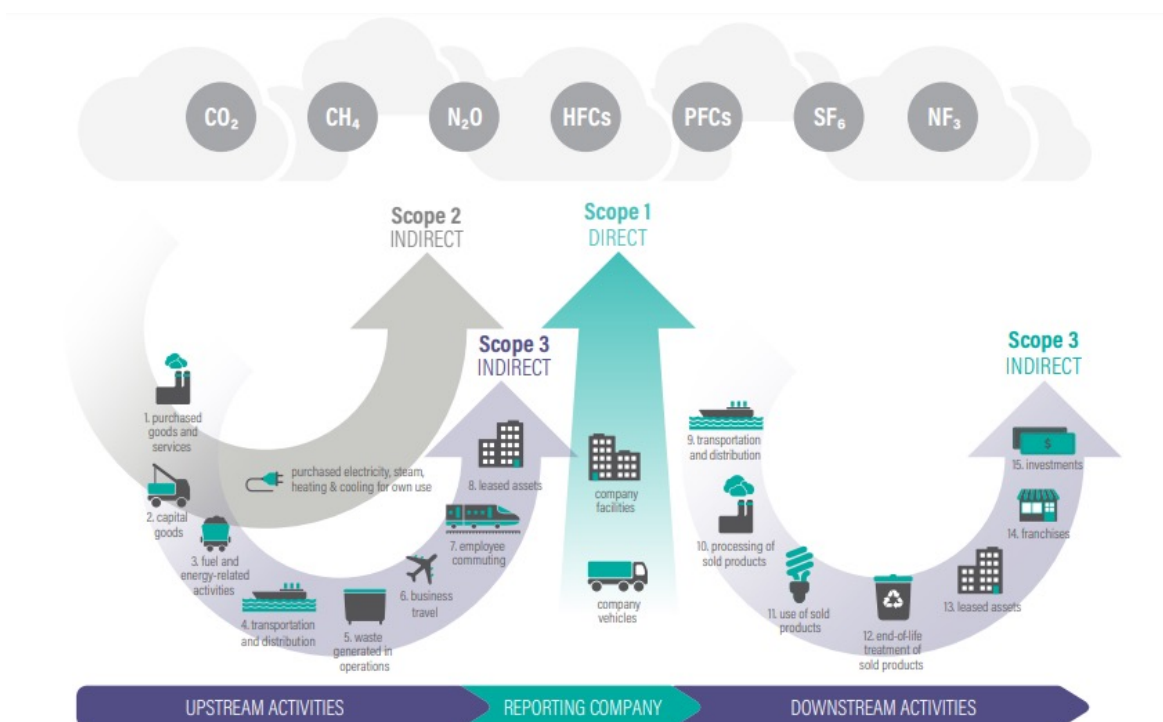
4. Greenhouse gas inspection and verification schedule planning and implementation status

In March 2022, the FSC released the "Roadmap for Sustainable Development of Listed Companies". Listed overseas companies should disclose the results of greenhouse gas inspections and verifications in stages starting from 2023, based on specific industries or the scale of paid-in capital. This roadmap aims to complete the greenhouse gas inspection of all listed companies by 2027. And all listed counter companies (that is, applicable companies regardless of stage) must complete the inspection and verification schedule of the "parent company" before the end of the second quarter of 2022, and the "group (including subsidiaries)" before the end of the first quarter of 2023 and report to the board of directors, and then report the implementation progress of the previous disclosure to the board of directors for control on a quarterly basis.

On May 11, 2022, the board of directors of the company approved the "Company (including subsidiaries) greenhouse gas inspection and verification schedule plan" as follows:

Schedule	Project to be completed
End of June, 2023	Establishment of full-time (part-time) department, personnel and scope of responsibility
End of December, 2023	Make an inspection plan (in line with the completion of the inspection in 2025)
End of December, 2025	Make an verification plan (in line with the completion of the inspection in 2026)

Emission sources of energy direct emissions (Scope 1) and energy indirect emissions (Scope 2) in 2022 (as shown below)



Identify the carbon emission items that should be inspected by the Company as follows:

Scope	Direct emissions			Indirect emissions
Sources of Energy Emissions	Paper/Print usage	Generator oil	Company vehicles	Purchased electricity and water

■ The results of the 2022 indirect energy emission inspections results-Water and electricity explanation

The comparison of the overall electricity consumption and water consumption with revenue and the statistics of carbon emissions are as follows:

Year	2021	2022	Difference from previous period (%)
Revenue (NT\$)	3,550,643,000	3,964,496,000	11.6%
Electricity Consumption(kWh)	9,545,151	9,966,707	4.4%
Water Consumption (ton)	53,227	37,4709,966,707	-29.6%
Revenue per kWh	372	398	7.0%
Revenue per ton of water	66,708	105,805	58.6%
Converted to carbon emissions	4,858,481.86 (Note 1)	4,933,519.97 (Note 2)	1.5%
Note 1: Calculated according to the 2021 electricity emission coefficient announced by the Energy Bureau: about 0.509 kg of CO ₂ per kilowatt-hour of electricity. Note 2: Calculated according to the 2022 electricity emission coefficient announced by the Energy Bureau: about 0.495 kg of CO ₂ per kilowatt-hour of electricity			

Specific measures for energy saving and environmental protection of the headquarters in 2022:

(1). Strategy and Objectives

Lungyen implements energy conservation and carbon reduction education and dissemination, combined with office environmental protection actions, and practically implements it in the work and life of employees, jointly promoting the sustainable operation of the enterprise and the goal of environmental protection and protecting the earth.

- A. Regularly record the electricity consumption, provide the monthly electricity usage of each unit, and track the abnormal situation for review and improvement.
- B. Set up a contracted capacity execution unit with Taipower Company, review and analyze the contracted capacity value and power factor value, regularly adjust the reasonable electricity consumption contract, and apply to Taipower Company for changes.
- C. During consecutive holidays, it is announced that all units must unplug electrical appliances, such as water dispensers, refrigerators, computers, printers, etc.
- D. Promote the control of indoor temperature in each building of the group, adjust the air-conditioning setting (average temperature 26 degrees), use natural ventilation to increase indoor air flow, and make good use of sunshade curtains to reduce outdoor heat from entering the room and increase air-conditioning efficiency.
- E. It is recommended not to take elevators between short-distance floors, take more stairs to save electricity and strengthen your body, and control elevators during off-peak hours.
- F. Fully use energy-saving LED lamps, including evacuation direction indicators and firefighting indicators, and gradually replace old lamps (tubes) such as old incandescent lamps and halogen lamps. For public area lighting, use automatic light-off function lamps (bubbles). In the parking lot, the number of lamps is reduced on the premise of no safety concerns. The above measures can reduce energy consumption and maintenance costs.

- G. The start-up time of the exhaust fan in the underground parking lot of the corporate headquarters is adjusted to the off-peak power consumption time to start operation.
 - H. For buildings with high electricity consumption within the group, apply for Taipower's time-based electricity price billing method, and promote power-saving measures to make good use of the difference in electricity prices from off-peak electricity consumption.
 - I. It is recommended to turn off or partially turn off the lighting in the office during the noon break, and turn off the lights when leaving the bathroom to reduce unnecessary lighting.
 - J. Posting stickers to remind turning off the lights to avoid wasting electricity.
 - K. Adjust the lighting time of the advertising signs on the exterior wall according to different season.
 - L. Immunity toilet power saving settings and turn off the power when leaving the bathroom.
 - M. Purchasing office equipment with energy-saving and environmental protection labels, and setting up the confidential printing function of the photocopier. It is recommended that documents are printed by double-sided and kept as scanned files, aiming to reduce paper and print volume by 1%~3%.
 - N. Set up garbage sorting and resource recycling areas.
 - O. Bring your own reusable cups instead of paper cups to meetings.
 - P. The corporate headquarter uses automatic sensor and aerator faucets to effectively reduce water Regular maintenance and cleaning of office equipment, such as cleaning air conditioner filters, projector filters, and computer equipment, can improve their operating efficiency and lifespan, and reduce energy consumption and carbon emissions.
- (2). Energy saving and carbon reduction results of corporate headquarter in 2022
- A. Results of energy saving and carbon reduction in corporate headquarter- Electricity consumption: decreased.
 - B. Results of energy saving and carbon reduction in corporate headquarter- Office Printer: increased

Electricity consumption in headquarter	kWh	CO2 emissions (KG)	Remarks
Year 2021	1,345,200	684,707 (Note 1)	In 2022, the electricity consumption of the corporate headquarters was reduced by 12,400 kWh (a decrease of 0.9%) compared with 2021, and carbon emissions was reduced by 24,971 kg. Note 1: Calculated according to the 2021 electricity emission coefficient announced by the Energy Bureau: about 0.509 kg of CO2 per kilowatt-hour of electricity. Note 2: Calculated according to the 2022 electricity emission coefficient announced by the Energy Bureau: about 0.495 kg of CO2 per kilowatt-hour of electricity
Year 2022	1,332,800	659,736 (Note 2)	
Increase (Decrease)	(12,400)	(24,971)	

Corporate Headquarter Office Printing Volume	Number of sheets used	CO2 emissions (KG)	Remarks
Year 2021	295,834	5,325	In 2022, the printing volume of corporate headquarters printers was increased by 41,247 sheets (an increase of 13.9%) compared with 2021. Based on the carbon emission of about 18 grams of CO2 per sheet of A4 paper, a total increase was of 742 kilograms of carbon emissions.
Year 2022	337,081	6,067	
Increase (Decrease)	41,247	742	

■ Combining industry innovation to meet customer needs and achieve carbon reduction goals at the same time: Electronic Obituary, Electronic Care Letter

Digital Obituary

Since the launch of the electronic obituary service in 2021, it has created a win-win situation: process optimization and efficiency improvement, considerate customer service, and response to environmental protection and energy saving. In 2022, the electronic obituary service was further improved: electronic thank you card and memorial card service.

Paper obituaries are similar to traditional obituaries

Traditional Obituaries

Electronic thank you card

感謝您的慰問

我們至愛的家人
已圓滿了人生的畢業典禮
而我們也將展開新的生活
感謝您的關懷與慰問
謹致上最誠摯的謝意

Thank You

Thank you and love you

Memorial Card

無限追思
林攝影師

追思李00夫人

希望您在天堂幸福快樂，我們永遠愛您、念您

Digital Obituaries

In the whole year of 2022, the number of services for replacing paper obituaries with digital obituaries has reached 2,937, saving 306,740 sheets of paper a year. The carbon emission of each A4 paper is about 0.012KG, which can reduce the carbon emission of 3,680.88KG.

Year	2021	2022
Number of case used	1,481	2,937
Reduced sheets of paper	149,581	306,740
Reduced carbon emissions (kg)	1,794.97	3,680.88

Note: The paper used for the electronic obituary is 140g B4 paper. Since there is currently no 140g pounds of carbon emissions for reference, we use 0.012KG of carbon emissions for 80g of B4 paper to calculate.

Source: Information on carbon label products of the Environmental Protection Administration, Executive Yuan

Electronic Care Letter

The voice of the customer is what we value the most, so after each funeral service is finished, we hope that the customer can provide the company with their true feelings as the basis for future progress and providing services that better meet customer needs.

In 2022, the paper care letter was fully changed to electronic, which can increase the authenticity of the data, hear the real voice of the customer, and also make a small contribution to reducing the use of paper.

Year	2022
Number of case finished	5,979
Reduced sheets of paper	5,979
Reduced carbon emissions (kg)	40.6572

Note: Carbon emissions reduced per sheet (A4): 0.0068KG.

Source: Information on carbon label products of the Environmental Protection Administration, Executive Yuan

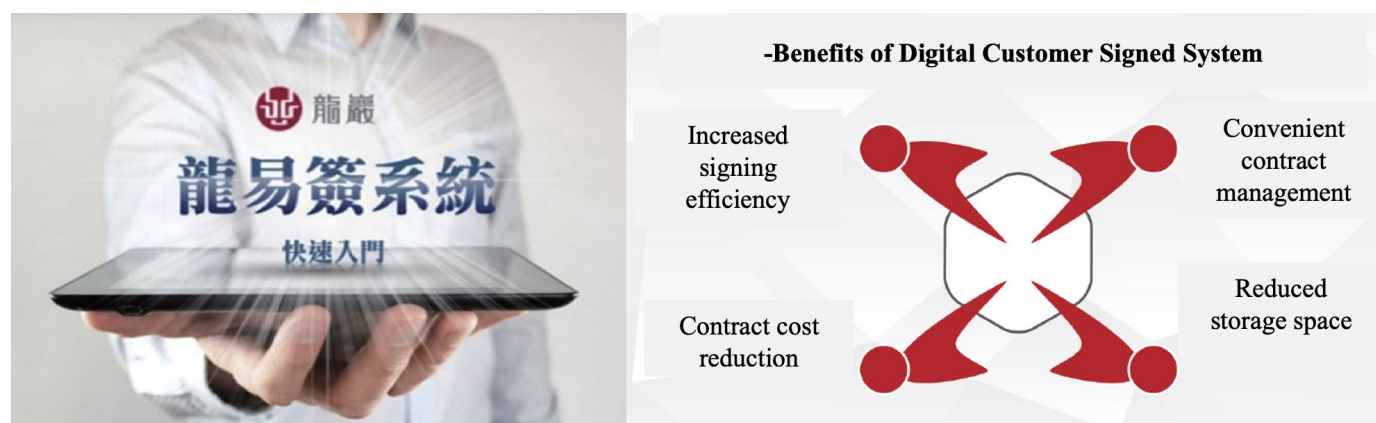
Lungyen Easy-Signing System - Digital Signing System

Lungyen tailor-made digital signing system: Electronic signing is used to replace the traditional paper signing method. The number of digital signings executed in 2022 is 1,654, and each case reduces 21 sheets of paper printing. A total of 34,734 sheets of paper can be saved.

Based on the carbon emission of about 0.0068KG per sheet of A4 paper, a total of 236.1912 kg of CO₂ can be reduced.

(Refer to the carbon label product information of the Environmental Protection Administration of the Executive Yuan – Chung Hwa Pulp Corporation, A4, 70g per pack of 500 sheets, carbon footprint data / labeling unit 3.4kg CO₂e / per pack)

Note: The reduction of 21 sheets of paper for each case is calculated based on the number of contract papers in the preneed life service contract of Yuanrong.



V. Social Welfare

1. Relations with Employees

The Company recognizes and voluntarily follows internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", and adopts the "Personnel Management Measures" to formulate the protection of relevant employee rights and announce to all employees.

Every year, the Company regularly pays attention to major social issues, data monitoring, questionnaire surveys, etc. Due to the outbreak of the covid-19 epidemic in recent years, the Company formed a task force to pay attention to the development of the epidemic situation, review its own operations and other related activities, in order to identify and assess groups at risk and potential human rights risks, and formulate employee safety and rights protection plans based on potential risks, and continuously monitor and improve plan implementation results. The Company cares about the status of employees every day, counts the confirmed and isolated employees, and provides employees with rapid tests to ensure work safety. For confirmed employees, the supervisor cares about them and provides daily necessities during the isolation period.

- Personnel management regulations are the first thing that colleagues who enter Lungyen need to understand, and the relevant rights and obligations are clearly stipulated in these regulations. Compliance with laws and regulations is the most basic, and there are also clear principles for employee promotion and assessment. Through a fair and open system with the principles of gender equality, every employee can stand on the shining stage as long as he/she has the ability.

- Personnel Management Regulations - Promotion and Assessment Specifications
- In the personnel management regulations 1.2, the assessment conditions are specified and standardized, and the promotion will be approved after consideration of factors such as grade, title, assessment ranking and special contribution.

Remark	2021	2022
Number of applications for parental leave	3	9
Expected number of people who apply for parental leave to be reinstated	5	3
Actual number of people who apply for parental leave to be reinstated	4	3
Reinstatement rate (actual reinstatement/ expected reinstatement)	80%	80%

- Personnel Management Regulations - Parental Leave Specification
The status of parental leave without pay in 2022
- The Company's application for parental leave without pay is handled in accordance with the law. The parental leave application in 2022 is summarized as follows, and the proportion of people returning to work in 2022 has increased significantly to 100%
- Personnel Management Regulations - Resignation notice specification
 - When resigning, employees must file a resignation application and be approved by the authority supervisor, and then resign after going through the transfer and resignation procedures in accordance with the regulations.
 - When an employee asks for resignation by himself, the supervisor shall be notified according to the following provisions:
 - Those who have continuously worked in the Company for more than three months (inclusive) but less than one year shall give notice ten days in advance.
 - Those who have continuously worked in the Company for more than one year (inclusive) but less than three years shall give notice twenty days in advance.
 - Those who have continuously worked in the Company for more than three years (inclusive) shall give notice thirty days in advance.

The following table shows the number of employees, gender, age, new recruits, resignations, and remuneration for the three years from 2020 to 2022

- For three consecutive years, the number of female colleagues is higher than that of male colleagues regardless of whether they are supervisors or non-supervisors, indicating that the company is a gender-equal workplace without gender discrimination.
- The number of female employees in 2022 grew 9% compared to last year, and the number of new female employees in 2022 was also 33 more than that of men, indicating that the Company is a female-friendly workplace. In 2022, the proportion of female supervisors was 55.93%.
- The age distribution shows that in addition to the employees aged 31-50 who continue to be the main force of the Company, the total number of employees over the age of 51 has an increasing trend compared with the previous year, which shows that the Company is a middle/elderly-aged friendly workplace, and there is no age discrimination.

Year	2020		2021		2022	
Gender	Male	Female	Male	Female	Male	Female
Number of incumbent regular employee as of December 31	246	261	237	266	254	292
Number of non-regular employee as of December 31	3	9	3	10	5	9
Number of employees who are department heads or above	26	32	27	32	26	33
Number of employees who are not department heads	223	238	213	244	233	268
Number of employees aged under 30 as of December 31	48	65	34	63	42	70
Number of employees aged 31-50 as of December 31	165	177	171	182	175	193
Number of employees aged over 51 as of December 31	36	28	35	31	42	38
New arrivals throughout the year	33	38	37	57	55	88
Number of employees leaving throughout the year	39	48	47	56	39	68

*The number in the above table does not include directors, consultants and expatriates.

■ [Average salary in 2022]

- In 2022, the average salary of all employees increased by 0.8% compared with last year, an increase higher than last year's 0.3%.

Year	2020	2021	2022
Average Salary as of December 31	66,320	66,532	67,075
Average Salary of specialist as of December 31	34,286	34,149	34,461

■ [2022 Employee Benefits]

- The employee welfare committee was established according to the law, and the funds were allocated according to the law and operate normally.
- Employee welfare includes maternity subsidies, marriage subsidies, funeral subsidies, and subsidies for club activities, health promotion activities, etc. In 2022, the epidemic will still affect most activities. In order to keep employees healthy and resume their new life after the epidemic, and continue to develop good sports habits, the company specially held online walking and fitness competitions. The number of participants reached 223. Hosting a family day at Pushin Ranch brings together colleagues who have not seen each other for a long time. The Thanksgiving message event held every year is no exception this year. In addition to the Thanksgiving message, this year a thank-you song activity was also added, making love and gratitude the culture of Lungyen people.
- Group Insurance: In addition to the labor health insurance stipulated by the law, the company also provides group insurance and invites manufacturers to provide services at the site, so that problems related to group

insurance for employees can be quickly resolved. At the same time, the Company allows employees to add their family members to the group insurance at their own expense, so that employees can enjoy the full protection of the Company's group insurance at a lower cost.

- **Pandemic Prevention Support:** In order to be sympathetic to the hard work and risks of front-line colleagues on duty during the pandemic, the Company provides home-based screening reagent tests to ensure that they are free of the virus before they are on duty to protect employees and customers.
- **Staff meal assistance during the pandemic prevention period:** Due to the consideration of epidemic prevention, during the working period when the epidemic is severe, the company subsidizes colleagues with delicious lunch boxes or dine in alternate seating arrangements to reduce the risk of infection when dining out.
- **Staff Health Examination:** It is better than the law to hold regular employee health examination (every 2 years for general employees, and once every 1-2 years for supervisors), and open inspection items at the expense of colleagues to remind colleagues to pay attention to their own health regularly and maintain optimal working conditions.
- **Seasonal activities:** Hold seasonal activities every quarter, regularly communicate with employees about the company's policies, introduce newcomers and hold birthday parties. In conjunction with the quarterly activities, special seminars are also held from time to time to increase the professional knowledge of employees in life and work.
- **Prosperous annual activities:** In order to show sympathy for the inability to hold the physical prosperity annual meeting in the past three years due to the epidemic, the company will hold a special two-day one-night prosperity annual meeting in 2022 to thank colleagues for their hard work, allowing colleagues to stay at Lakeshore Hotel Hsinchu on the first day, and arrange a tour of Hsinchu Neiwan on the second day Itinerary, so that colleagues can relax, visit local attractions and taste local snacks.

■ [Safety maintenance in the workplace and professional improvement of employees]

- The "Workplace Unlawful Infringement Prevention Plan" was introduced, and regular dissemination and education was conducted to maintain a friendly workplace.
- The online training on "Sexual Harassment Prevention" was implemented for all employees to ensure that all supervisors have basic knowledge of laws and regulations to avoid breaking the law.
- The Company's quality management team regularly inspects the services and hardware equipment throughout Taiwan, and maintains the facilities to provide colleagues with a perfect office environment.

■ [2022 Staff Training]

- Lungyen is committed to creating a continuous and rich learning environment, and in order to achieve development goals, enrich the knowledge and skills of employees and develop their potential, so as to improve work efficiency and promote professionalism, the Company has formulated "Education and Training Methods", including pre-employment training, intensive training, professional field training and on-the-job training under this concept.
- In 2022, the new management team is committed to cultivating talents. Among them, the number of professional training personnel reached 1,536 (including funeral director training), and the cost exceeded NT\$1.135 million. The total number of trainee hours per year is 5,803, and the total cost is NT\$1,615,094.

Item	New employee training	Supervisor training	Professional Training	Field Training	Other Courses	Total
Trainee Personnel	97	241	1536	23	316	2,213
Trainee Hours	1457	785	3024	221	316	5,803
Expense(NT\$)	76,024	321,475	1,135,315	79,780	2,500	1,615,094

- In 2022, the supervisor training included multiple physical and online courses, and the number of trainees reached 241, costing more than NT\$320,000. The details of course content is as follows:

Course Title	Number of Trainees	Training Hours	Expense (NT\$)
Conflict Management Cinema: The Charge	62	4	321,475
Analysis of important practical disputes of Labor Law	58	3	
Effective Performance Interviews (Online)	60	3	
Functional Behavioral Interview Skills GROOM (Online)	61	3	

- In order to break through the limitations of distance and time and provide an environment for colleagues to learn at any time, an online learning platform is provided, and external courses (such as: time management, stress management, etc.) are purchased to provide opportunities for colleagues to grow at any time, and various internal courses are recorded at the same time, to ensure that colleagues who work offsite can also learn related courses simultaneously.
- In order to maintain a healthy workplace and handle it in accordance with laws and regulations, the company regularly assigns colleagues to participate in course lectures and complete professional training hours in accordance with the law in order to provide better services to customers. The relevant training records of colleagues are as follows:

Course Title	Training Hours
Fire Manager Initial Training	12
Fire Manager Retraining Course	18
On-the-job Education and Training for Emergency Personnel (Retraining)	6
Occupational Safety and Health Supervisor On-the-job Education and Training - Retraining Course	12
Corporate Governance Officer Continuing Education	3
Accounting Office Continuing Education	18
Continuing Training for Auditors	30
Employment Security Law Study	4
Hygiene Workshop for Certified Chefs	32

■ Partnership with Schools

- Student visit reception: In order to promote industry-university exchanges, establish a good relationship between the Company and school teachers and students, reserve outstanding talents in advance, and publicize the company's excellent funeral service equipment and measures, enhance the company's image and consolidate the Company's external cooperation and communication channels, we welcome all school groups apply for visits and accept applications for internships by students in colleges and universities. In 2022, in accordance with the epidemic prevention policy of the Command Center, the application for student visits was resumed, and a total of 58 teachers and students from the Department of Life-and-Death of Nanhua University were received.
- On-campus talent recruitment briefings: In 2022, a total of 3 sessions were held at National Taiwan University, National Central University and National Cheng-Chi University.
- Student Internship: 3 internship briefing sessions were held in 2022, a total of 21 interns were recruited (of which 6 will continue to intern until 2023), of which 10 students stayed in the Company after the internship.

■ Funeral Director Training

In order to improve the literacy and service quality of funeral practitioners in Taiwan, the Ministry of the Interior promulgated the "Funeral Management Regulations" in July 2012 to amend the regulations that a certain scale of practitioners should set up full-time funeral directors and add the management methods for funeral practitioners to standardize the services content and standards of the industry and practitioners. Lungyen hopes to give customers the best service quality, so to become an excellent etiquette teacher in Longyan, it is necessary to pass various tests and practical social experience. Only after repeated training, testing, and repeated confirmation can we play the role of a service personnel in the last journey of life. The Company also guides the employed funeral service staff to obtain the Class B Technician Certificate in the Funeral Service Category.

The Ministry of the Interior, R.O.C. has issued a total of 1,299 certificates since the first certificate of funeral director was issued in May 2014 until the end of 2022. According to the law, there should be 48 funeral practitioners in Lungyen holding funeral director licenses. In fact, 109 funeral practitioners in Lungyen have obtained funeral director licenses, accounting for 8.4% of the total number of licenses issued, which has exceeded the decree by 2.3 times, and has become the funeral service company with the largest number of registered funeral directors. Funeral directors are an important role in leading the graduation ceremony in life. It is not easy for enterprises to cultivate an excellent funeral director, and it takes at least 2-3 years.

■ Diverse Employee Communication Channels

1. lycares Mailbox: If employees have any opinions about the Company, they can respond to the general manager through this mailbox.
2. Irregular thematic surveys
3. Mailbox 5186 provides a channel for employee complaints. The supervisor of the audit office is responsible for handling to protect the rights and interests of employees.
4. The supervisors of each unit will share with all employees through meetings and announcements according to the actual cases generated at work, and educate employees on correct concepts.
5. From time to time, the general manager will hold briefing sessions for the introduction of the policy, and personally explain the purpose and direction of the policy to the employees.

2. Relationship with Customers

Customer Feedback

Lungyen is a people-oriented company. We attach great importance to the voice of customers. Therefore, we have the following actions in handling customer opinions and customer satisfaction:

In order to ensure customer satisfaction, the following channels are available for collecting and accepting customer opinions:

- (1). Funeral Service Care Questionnaire
- (2). Cemetery Service and Care Questionnaire
- (3). New Purchase of Product Customer Care Letter Questionnaire
- (4). Customer Service Line
- (5). Customer Service Mailbox
- (6). Official website consumer dispute mailbox
- (7). New customer transaction care telephone interview
- (8). Telephone interview for funeral service care at the end of the way
- (9). LINE Instant Reflection/Praise: Sales men can report problems or praise colleagues on behalf of customers.
- (10). Parallel unit notification: proactive reporting mechanism for each unit when encountering problems reported by customers
- (11). Independent case filing: When each unit finds a problem, it will take the initiative to file a case on the Company platform to handle it
- (12). audit check

In order to effectively handle customer opinions, Lungyen has formulated management principles and operating standards for the opinion platform, which serve as the basis for filing, tracking, and management of customer opinions. An opinion platform management system was also established to sort out all customer opinions for record and analysis.

Results: Through the collection and management of customer opinions (customer complaints, suggestions, complaints, etc.), the quality of services, equipment and materials has been improved, resulting in a decrease in customer complaints year by year. Customer satisfaction can be measured by the number of compliments. The Company will continue to make efforts to improve customer satisfaction and recognition and reduce the number of unsatisfactory cases.

In 2022, a total of 1,744 customer feedback were received, and 1,743 cases have been closed, with a closing rate of 99.99%.

I. Opinion Category Statistics									
Case Classification	2016	2017	2018	2019	2020	2021	2022	Total	%
Praise	588	903	894	574	511	689	1,536	5,695	83.7%
Customer Complaint	96	58	50	52	66	63	63	448	6.6%
Suggestion	67	68	47	38	39	19	21	299	4.4%
Petition	32	24	29	58	45	52	124	364	5.3%
Total	783	1,053	1,020	722	661	823	1,744	6,806	100.0%
Number of cases close	783	1,053	1,020	722	661	823	1,743	6,805	
Case Closing Rate	100%	100%	100%	100%	100.0%	100.0%	99.9%	99.99%	

II. Opinion Source Statistics									
Source	2016	2017	2018	2019	2020	2021	2022	Total	%
Customer Service Hotline	53	29	44	32	53	47	63	321	4.72%
Parallel Unit Transfer	36	18	10	13	27	19	40	163	2.39%
Immediate Response Arr	230	583	709	364	441	623	1,395	4,345	63.84%
Customer Service Mailbox	27	17	13	24	30	20	20	151	2.22%
Government Letter	17	11	23	45	24	17	37	174	2.56%
Business Satisfaction Survey		8						8	0.12%
Telephone Interview	16	16	5	3				40	0.59%
Audit Check			3					3	0.04%
Letter of Care	404	371	213	241	86	85	155	1,555	22.85%
Independent Filing						6	13	19	0.28%
Customer Letter						6	21	27	0.40%
Total	783	1,053	1,020	722	661	823	1,744	6,806	100.00%

3. Relationship with Investors

Investor relations management improves investors' recognition of the Company through adequate information disclosure and good communication, forms a relationship of mutual trust with investors, and satisfies investors' risk control and profit expectations, and then fairly reflect the Company's value, which is conducive to the realization of the Company's long-term development goals.

The functions of Investor Relations Management:

1. Help to enhance the Company's investment value
 2. One of the important measures to protect investors
 3. Important content of corporate governance
 4. The need for normalization, marketization, institutionalization and gradual transition to a buyer's market in the securities market
- How to communicate effectively with investors:
 1. Investor Conference: A total of 4 conferences held in 2022
 2. Telephone Conference
 3. Company Visit
 4. Email
 - Investor Conference Topics:
 1. Reporting Operating Results
 2. Industry Changes and Trends
 3. Future company outlook and development priorities
 - How do investors obtain company public information:
 1. There is a dedicated unit of the Investor Relations Department to provide investors with the information they need, including financial information, corporate governance systems, etc. Shareholders can ask questions by phone or email.
 2. The investor conference was held irregularly, and the management team conducts two-way communication with shareholders and investors. A total of four communication meetings were held in 2022.
 3. Shareholders' general meetings are held regularly. On June 24, 2022, Lungyen's annual general meeting was held to explain the Company's operating results and future development, with an attendance rate of 75.83%.
 4. An annual report is issued every year in accordance with regulations and sent to shareholders at the shareholders' meeting.
 5. The official website has an investor area to provide investors with the information they need.
 6. The official website discloses the personal email addresses of independent directors.

4. Relationship with Suppliers: An Important Part of a Successful Service Process

The relationship between Lungyen and its suppliers is a partnership. Both parties pursue a win-win situation within the "contractual scope". If the manufacturer takes care of the quality, there is no need to lobby, and if the manufacturer offers reasonable prices, there is no need to give gifts. With sincerity and goodwill to each other, the Company and its suppliers can naturally grow together and have a long-term relationship.

The Company has set up a dedicated procurement unit to implement the requirements of sustainability in the daily management of suppliers through supplier selection, audit guidance, performance evaluation, training, and supplier conferences based on cooperation.

1. Supplier evaluation

Newly developed suppliers with a certain transaction scale need to be evaluated by relevant units to see if their capabilities and conditions meet the needs of the company. Only after the suppliers are qualified can we carry out procurement operations and regulate the behavior of suppliers at the same time as signing the contract. (Suppliers must abide by: social regulations, supplier procurement and management regulations, product liability regulations.)

- A. The Company has signed an integrity clause with its suppliers to protect the rights and interests of both parties. Suppliers can also use the 5186 complaint hotline to file complaints with the Company. (In 2022, a total of 198 contracts with integrity clauses(*) were signed, with a contract value of 5.153 billion.
- B. *Integrity clauses stipulate that suppliers cannot pay Lungyen or its affiliates' directors, managers, employees or affiliates commissions, percentage fees, agency fees, post-payments or other benefits.
- C. Construction-related suppliers must comply with engineering safety standards and material safety regulations. (The Company's construction contracts clearly stipulate the "Construction Manual" and "Contractor Site Safety and Sanitation Management Rules" to regulate the suppliers' relevant construction safety regulations.)

2. Supplier Audit

Unscheduled random checks of service quality and regulatory compliance provided by suppliers (including integrity clauses, engineering safety specifications, and material safety specifications).

Provide encouragement to suppliers with good performance, and give due education and punishment to suppliers with poor performance. We expect suppliers to stand on the same position as the Company, grow together, and provide a satisfactory service together.

3. Supplier Communication

Hold supplier interactive meetings to promote the consistency of the ideas of both parties.

The official website provides the personal mailbox of independent directors, providing a channel for direct communication between suppliers and independent directors.

Lungyen Group currently joins the relevant organizations as follows:

- Taiwan Funeral Association
- New Taipei City Funeral Association
- Taichung City Funeral Association
- Kaohsiung City Funeral Association
- Taipei Funeral Service Industry Association
- General Chamber of Commerce of the Republic of China
- Columbarium and Cemetery Management and Development Association of the Republic of China
- General Chamber of Life Funeral Service of the Republic of China
- General Chamber of Commerce of the Republic of China
- Columbarium and Cemetery Management and Development Association of the Republic of China
- General Chamber of Life Funeral Service of the Republic of China

5. Relationship with Community Residents

Lungyen has always spared no effort for local feedback and care. In addition to our continuous support for local activities, we also continue to provide materials to local disadvantaged groups, sponsor the activities of elementary schools and the Double Ninth Festival for the elderly, as well as activities in relevant neighborhoods such as Yuanshan, Fudue, and Pupingli, as well as disadvantaged groups.

2022 Sponsored Events



Donated to the Double Nine Festival event, respected for the Elderly in Pingpuli, Sanzhi District, to promote the concept of energy saving and carbon reduction.



Sponsored Sanzhi District Elderly Association to organize public welfare activities for the safety of the elderly at home and improvement of study.



2022年4月7日

Charity material donation



Lungyen, Futian donated materials to temples for ceremonies for a long time (2022/1/24, 2022/5/30, 2022/8/9, 2022/12/23). At the Ghost Festival, we donated 300 boxes of fruit gift boxes and 70 boxes of snack biscuits to the Wanli District Office of New Taipei City to provide the needs of needy families. Hou Youyi, the mayor of New Taipei City, specially presented the "Certificate of Appreciation". Lungyen Futian was invited to accept the award. As a gesture of modesty, we will continue to cultivate the local area, care for the society, be enthusiastic about public welfare, and give back to the society.





6. Charity

Lungyen focuses on its own business, and with the practical actions of life education and life care, advocates the concept of independent life without regrets, cares for and supports the disadvantaged, and reduces regrets in a fulfilled life.

Lungyen has been focusing on the development of its own business for 30 years, and has successfully transformed the black industry into a colorful life industry. In recent years, Lungyen has developed rapidly, but it has never forgotten to shoulder its social responsibility. Over the years, Lungyen has subsidized tuition and miscellaneous fees for junior high school students in remote areas, the National Taiwan University Medical Talent Award Project, and promoted care for the elderly living alone. And for a long time, Lungyen has promoted the service of "voluntary funeral service" to help the elderly, the poor and disadvantaged groups to complete their funeral arrangements. In addition to focusing on the development of its own business, Lungyen also takes actions to support public welfare and give back to the society.

Voluntary Funeral Service: Love makes the way home not lonely

The life service industry is Lungyen's main business and is the most familiar and good at it, so we think it would be better for us to do some things.

Based on social morality and feedback, Lungyen established a national "Lungyen Social Welfare Charity Foundation" in July 2001 to handle public welfare undertakings. Combined with Lungyen's own expertise and resources and dedicated division of labor, it provides assistance to disadvantaged families in dealing with funerals and provide emergency assistance. In response to the polarized M-shaped society and the social development trend of low birthrate and aging, we hope to help solve the social problems derived from social poverty and help the government solve the problem of insufficient welfare subsidies. We also found that instead of providing cash subsidies and letting other operators handle carelessly in cases that require funerals, it is better to use Lungyen's expertise to provide assistance, so that every life can have a dignified and fulfilling farewell without regrets.

In 2022, a total of 22 cases were executed. Through Lungyen's professional funeral services, we help these disadvantaged and helpless people walk with warmth and dignity in the last mile of their lives, and continue to convey our care and enthusiasm for life. In May 2022, Longyan Charity Foundation received a service application referred by the Miaoli County Government Mental Health Center. The case is a single parent who lived with his father and grandmother for a long time. Later, the client's father and grandmother passed away one after another. The client lived alone and was unemployed. His life was extremely difficult and helpless, and he finally chose to commit suicide. After receiving the case application, the Lungyen' Charity Foundation understood and handled the case as quickly as possible, which made the chief of the village and government officials who were busy with the case feel our respect and warmth for life. Because of this case, we were awarded a thank you trophy by Xu Yaochang, the magistrate of Miaoli County, to the Lungyen Charity Foundation.

In addition to its own business operations, Lungyen can also establish links with employees to assist the Company providing services. Through promoting with stakeholders and helping people in need together, we can let more people in need know about this service. We think a little more caring means a little less sadness. We have the will, ability, and professionalism, so that we hope that no one has irreparable regrets because of economic problems in this important life event that cannot be repeated. We will invest in this service for a long time to defend the autonomy of life, let everyone have the right to a hospitable death, and continue to establish a positive concept of treating life correctly, so as to solve social problems and continue to exert social influence.

1. Give back to the society through Lungyen's professionalism, so that every life has the right to receive equal respect and courtesy
2. Let funeral service staff participate in social welfare, build empathy and maintain the enthusiasm and original intention of service
3. Let all stakeholders show their love to assist the disadvantaged in reporting applications
4. Improve the brand's positive public image and reputation



This project corresponds to the first item in the SDGs of the Sustainable Development Goals set by the United Nations - eradicating poverty in all forms.

Elderly Care

2022 Grandpa and Grandma Color Walk

Lungyen Charity Foundation continues to initiate and participate in the "2022 Grandpa and Grandma Color Walk" walking event in Taipei held by Hondao Senior Citizen's Welfare Foundation on May 7, 2022 in Dajia Riverside Park, inviting grandparents to go out and participate in outdoor walking activities to increase social participation opportunities for the elderly, and promote the concept of preventive care to delay the aging of the elderly.

Activities: Walk 5 kilometers in Dajia Riverside Park in Taipei City, public welfare park fair

Employee Participation: About 50 colleagues from the internal and external offices participated in the walking activity, and 11 volunteers supported the activity



[Late Beauty Life, To Love without Regrets] Public Welfare Lectures

The main content of the legal issue public welfare lecture is about property planning in old age. Aiming at this topic that the public has actual needs but has some scruples, the lecture has received enthusiastic feedback from the public since its debut in early 2021.

In 2022, the Foundation successfully cooperated with the "Taoyuan City Social Bureau", "Xizhi District Office of New Taipei City" and "Chiayi County Social Bureau" to hold 4 lectures in a row from September to December, with a total audience of more than 250 people. We hope that through the holding of lectures, we will continue to advocate the concept of autonomy in life, make the public aware of the relevant laws and regulations of inheritance and wills, and prevent regrets from happening.



Effectiveness of implementation: The two lectures were almost full of seats, and the public asked questions very enthusiastically. It is obvious that the elderly group has a strong interest in issues related to making a will. It is worth continuing to hold advanced courses for the elderly.

【Life Education Series Public Lectures】 Life Cafe

"Talking about life and death can be so interesting?"

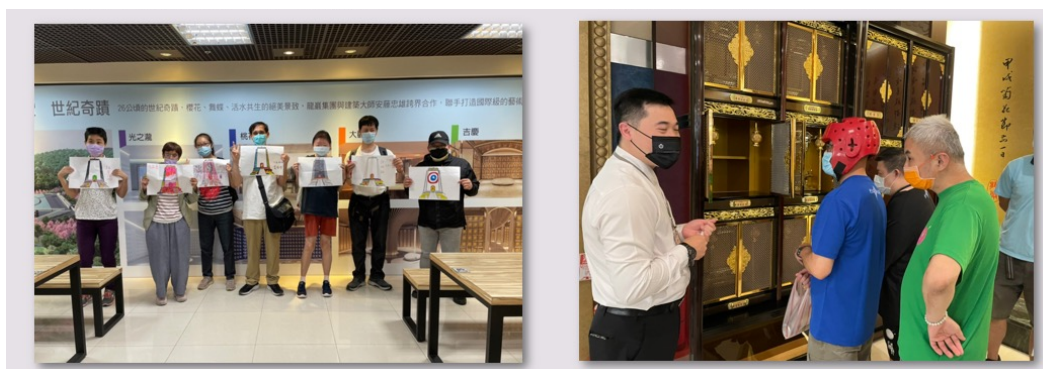
The Lungyen Foundation specially invited Guo Huijuan, the founder of "Death Cafe", and Ling Shihan, funeral director Lungyen, to bring a refreshing lecture format. We had a cup of coffee, played board games and chatted about the funeral! Let the farewell no longer be heavy, and have a more positive view of life and death. Everyone should have their own concept of parting. Whether it is funeral ceremony or funeral planning, they can easily and naturally say it with a smile. The topic of "final parting" is actually not heavy at all, and still can be a lot of fun! Everyone should have a sense of autonomy in life! Advocate the concept of independent pre-planning in life to reduce the occurrence of regrets.



【Other Social Benefits】

Lungyen focuses on its own business and promotes the development of ESG and life education.

Life education is a kind of social responsibility. Yuren Enlightenment Center and Nanhai Development Center found that because these children do not understand life and death, when things happen around them, they often have psychological trauma such as self-blame and loss because they don't know how to express them. Therefore, a series of life education courses are designed, and the ultimate goal is to return to the present and live a good life. Lungyen is also an advocate of life education, taking the last class of this series of life education. On April 27, 2022 and July 8, 2022, students and teachers from Yuren Enlightenment Center and Nanhai Development Center were received respectively to visit the Memorial Hall, Sanzhi. The instructor shared the process of ascending the pagoda, learned the rituals and meanings of worshiping ancestors, and guided the students to paint the appearance of the home of life in their hearts - the Memorial Hall, Sanzhi. The family resting place of one of the students is placed in this Hall, and he positively shared his final home in life with everyone. The students listened carefully to every detail during the tour, and asked questions enthusiastically about the difference between Chinese and Western columbarium, whether pets can stay in the columbarium with their owners, etc. In the patient explanation of our colleagues, the thinking about a happy death is deeply rooted in everyone's heart.



【Remote Areas Primary School: Donate to Lungyen Elementary School to illuminate the learning hope of children in remote areas】

In 2022, we continued to support the rural primary school with the same name as as: "Lungyen Elementary School" to help take care of low-income households, aboriginal students with disabilities, and children of foreign spouses to make full use of educational resources in after-school life. Tutoring objects: middle and low school grades (a total of 25 students from grades 1 to 4). After-school tutoring: mainly homework writing, group recreation and physical activities, and life care. In addition to the daily after-school tutoring, on Children's Day, the Company called on colleagues to [send love to remote villages, cheer up and never be absent] to collect cheering meals for the Lungyen Elementary School Games. Let children without their parents leave precious childhood memories in the loving care of Lungyen partners.

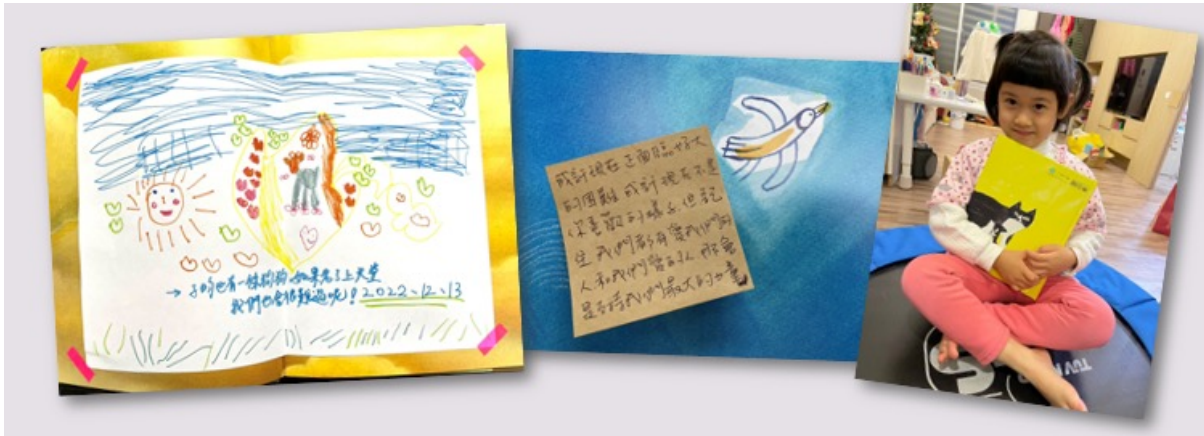


On Christmas 2022, the Lungyen Foundation has specially set up a fundraising project called "Christmas Picture Book Reading" to collect NT\$500 of Christmas love from the Company's colleagues, and selected 100 copies of domestic and foreign life education picture books to donate to Lungyen Elementary School Books Room, established the "Life Education Picture Book Area", leading children to learn to respect life from reading and face the challenges in life. We successfully raised more than 50 Christmas loves within three days, successfully achieving the goal! More than 40 company colleagues shared and circulated the picture book of life, leaving a reading experience, which also allowed the foundation to gain recognition from more colleagues.

2022/12/23 Visiting to Lungyen Elementary School

The children and volunteers sang and danced together, painted Christmas trees, and prepared more than 40 Christmas gifts and pizzas to accompany them to celebrate Christmas. A life education bookcase was set up in the library for children to understand the meaning of life while reading.





12/23【繪本共讀 聖誕傳愛】親訪活動

Lung Yen
Charity Foundation



12/23【繪本共讀 聖誕傳愛】親訪活動

參與志工：南區禮儀 4位、中區業務 9位

Lung Yen
Charity Foundation



【Donation to Nanhua University "Lungyen Life Education Scholarship"】

In order to reward poor students with excellent character and learning, the " Lungyen Life Education Scholarship" is specially set up in the Department of Life-and-Death Studies of Nanhua University, hoping to cultivate and encourage students who are interested in engaging in the life industry, and bring benefits to the society. In 2022, a total of 21 outstanding students' scholarship applications were reviewed and approved in the first and second semesters.



【Donated to the National Taipei University of Nursing and Health Science, Department of Thanatology and Health Counseling】



so as to better improve the professional functions related to grief counseling, hoping they can continue to contribute to society with their expertise. There were 14 students approved for financial assistance in 2022.

The Lungyen Charity Foundation and the Department of Thanatology and Health Counseling of National Taipei University of Nursing and Health Science agreed to carry out two major projects of industry-university cooperation. The first is to establish the [Lungyen Sad Care Research Scholarship] to assist economically disadvantaged graduate students in the Department of Thanatology and Health Counseling to concentrate on their studies without distraction. The second is to establish the [Lungyen Grief Counseling Professional Growth Scholarship], through long-term funding for interns in the Department of Thanatology and Health Counseling to conduct professional learning supervision, reduce their financial burden,

【Funding for Disadvantaged Students in Physical Education】

Lin Hao, a first-grade student at Daya Junior High School in Taichung City, is an outstanding player on the school's baseball team. Due to the unstable income of a single-parent family, he needs to work part-time to pay for the team's training fees, and he cannot afford to go to the United States to participate in baseball games. After learning about his condition from his counselors and team coaches, the foundation funded Lin Hao to play in the American Babe Ruth Baseball League in July 2022. We also subsidized his remaining annual training expenses, and also called on volunteers to cheer for his competition.

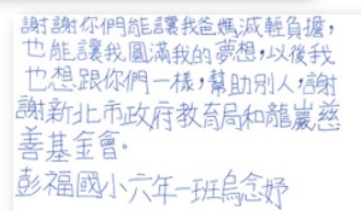


【Donated 3 million and jointly promoted the " Dream Realization Project for Outstanding Sports Students " with the Education Bureau of the New Taipei City Government】

Students " with the Education Bureau of the New Taipei City Government

In order to encourage children who love sports to bravely pursue their dreams, the Lungyen Charity Foundation and the Education Bureau of the New Taipei City Government jointly promote the " Dream Realization Project for Outstanding Sports Students " to allow outstanding students from poorer families to study and receiving training without any worries and reduce the burden on their families. Then we help them develop endowment sports ability and concentrate on moving towards their dreams.





Letters of thanks from outstanding sports students

【We support the development of culture and the arts】

Lending the famous painting "West Lake Spring Scenery" by Taiwanese painter Chen, Cheng-Po worth hundreds of millions in the Company's collection to the Kaohsiung Museum of Fine Arts for exhibition.

Theme of the exhibition: Light—The Enlightenment and Self-consciousness of Taiwanese Culture, responding to how intellectuals in a dark age one hundred years ago still have courage, perceive the light that almost doesn't exist, and run forward with faith.

From December 18, 2021 to April 24, 2022: on display at MoNTUE Museum of National Taipei University of Education

From May 21, 2022 to September 18, 2022: on display at Exhibition Room 101-103, Kaohsiung Museum of Fine Arts

Lungyen has always practiced the important spirit of sustainable development, and we use this sustainable report to represent our determination and confidence.

VI. Appendix I: GRI Standard Index

Statement of use	Lungyen Life Service Corporation has reported the information cited in this GRI content index for the period from January 1 to December 31, 2022 with reference to the GRI Standards.
GRI used	GRI 1 : Foundation 2021
GRI Sector Standards	During the reporting period of this report, no applicable GRI industry standards have been published.

GRI Standards	Disclosure Name	Report Section	Page
GRI 2: General Disclosures 2021			
2-1	Organizational details	Editor's Note II.1 Company Profile II.2 Major Products and Service Locations	1 7 8-13
2-2	Entities included in the organization's sustainability reporting	II.3 Operating Performance and Shareholders' Equity	13-16
2-3	Reporting period, frequency and contact point	Main Information of this Report	1
2-4	Restatements of information	Not applicable	
2-5	External assurance	VI.Appendix	60-69
2-6	Activities, value chain and other business relationships	II.1 Company Profile II.2 Major Products and Service Locations II.3 Operating Performance and Shareholders' Equity V.4 Relationship with Suppliers	7 8-13 13-16 48
2-7	Employees	V.1 Relationship with Employees	40-45
2-8	Workers who are not employees	V.1 Relationship with Employees	40-45
2-9	Governance structure and composition	I.3 Corporate Sustainability Organization and Structure II.5 Organization Structure	6 18
2-10	Nomination and selection of the highest governance body	III.1 Board of Directors III.2 Audit Committee III.3 Compensation Committee III.4 Corporate Governance and Nomination Committee	19 20 20 21

GRI Standards	Disclosure Name	Report Section	Page
GRI 2: General Disclosures 2021			
2-11	Chair of the highest governance body	II.5 Organization Structure III.1 Board of Directors	18 19
2-12	Role of the highest governance body in overseeing the management of impacts	II.5 Organization Structure III.1 Board of Directors	18 19
2-13	Delegation of responsibility for managing impacts	II.5 Organization Structure	18
2-14	Role of the highest governance body in sustainability reporting	I.3 Corporate Sustainability Organization and Structure II.5 Organization Structure	6 18
2-15	Conflicts of interest	II.5 Organization Structure III.1 Board of Directors	18 19
2-16	Communication of critical concerns	III.7 Stakeholder Communication	22-25
2-17	Collective knowledge of the highest governance body	III.1 Board of Directors	19
2-18	Evaluation of the performance of the highest governance body	III.1 Board of Directors	19
2-19	Remuneration policies	V.1 Relationship with Employees	41
2-20	Process to determine remuneration	V.1 Relationship with Employees	41
2-21	Annual total compensation ratio	V.1 Relationship with Employees	42
2-22	Statement on sustainable development strategy	I.1 Message from the Chairwoman and General Manager I.2 Corporate Social Responsibility Commitment	3-5 6
2-23	Policy commitments	I.2 Corporate Social Responsibility Commitment I.3 Corporate Social Responsibility Organization and Structure III.6 Anti-corruption	6 6 21

GRI Standards	Disclosure Name	Report Section	Page
GRI 2: General Disclosures 2021			
2-24	Embedding policy commitments	I.2 Corporate Social Responsibility Commitment	6
2-25	Processes to remediate negative impacts	III.7 Stakeholder Communication	22-25
2-26	Mechanisms for seeking advice and raising concerns	III.1 Board of Directors III.2 Audit Committee III.3 Compensation Committee III.4 Corporate Governance and Nomination Committee III.5 Audit Office III.6 Anti-corruption III.7 Stakeholder Communication	19 20 20 21 21 21 22-25
2-27	Compliance with laws and regulations	I.2 Corporate Social Responsibility Commitment	6
2-28	Membership associations	V.4 Relationship with Suppliers	48
2-29	Approach to stakeholder engagement	III.7 Stakeholder Communication	22-25
2-30	Collective bargaining agreements	V.1 Relationship with Employees	40
GRI 3: Material Aspects 2021			
3-1	Process to determine material topics	Main Information of this Report	1
3-2	List of material topics	Main Information of this Report III.7 Stakeholder Communication	1 22-25
3-3	Management of material topics	Main Information of this Report II.2 Major Products and Service Locations III.7 Stakeholder Communication	1 8-13 22-25
GRI 202 : Market Presense 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	V.1 Relationship with Employees	42
GRI 203 : Indirect Economic Impacts 2016			
203-1	Development and impact of infrastructure investment and services supported	V.5 Relationship with Community Residents	49-59

GRI Standards	Disclosure Name	Report Section	Page
GRI 204 : Procurement Practices 2016			
204-1	Proportion of spending on local suppliers: The Company's suppliers are all domestic ones	V.4 Relationship with Suppliers	48
GRI 205 : Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption: The total number and percentage of operational locations that have undergone corruption-related risk assessments. Significant corruption risks identified through risk assessment. The Company comprehensively requires manufacturers and employees to abide by the integrity clause	III.6 Anti-corruption	21
205-2	Communication and training about anti-corruption policies and procedures	III.6 Anti-corruption	21
GRI 304 : Biodiversity 2016			
304-1	Organization-owned, leased, managed operational sites or their adjoining areas located in environmental protection zones or other areas with high biodiversity value	IV.1 Environmental Protection Policy (Including Climate-related information) IV.2 Planting Maintenance	26 27-34
GRI 308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	IV.3 Commodity Planning and Environmental Protection	34
GRI 401 : Employment 2016			
401-1	New employee hires and employee turnover	V.1 Relationship with Employees	40-42
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees) (Note: the Company does not have an employee stock ownership trust)	V.1 Relationship with Employees	42-43

GRI Standards	Disclosure Name	Report Section	Page
401-3	Parental leave	V.1 Relationship with Employees	41
GRI 402 : Labor-Management Relations 2016			
402-1	Minimum notice periods regarding operational changes: The minimum number of weeks in advance to notify employees and their representatives before implementing significant operational changes that could significantly affect employee rights. For organizations with a group agreement, indicate whether the group agreement specifies a notice period and relevant provisions for consultation and negotiation.	V.1 Relationship with Employees	41
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system: Engineering Safety and Workplace Safety	V.1 Relationship with Employees V.4 Relationship with Suppliers	43 48
403-3	Occupational health services	V.1 Relationship with Employees	42-43
403-4	Worker participation, consultation, and communication on occupational health and safety	V.1 Relationship with Employees	42-44
403-5	Worker training on occupational health and safety	V.1 Relationship with Employees	43-44
403-6	Promotion of worker health	V.1 Relationship with Employees	42-44
403-8	Workers covered by an occupational health and safety management system: Workplace safety, health check, insurance	V.1 Relationship with Employees	42-44

GRI Standards	Disclosure Name	Report Section	Page
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	V.1 Relationship with Employees	43-44
404-3	Percentage of employees receiving regular performance and career development reviews: Annual performance review applies to all employees	V.1 Relationship with Employees	40
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	V.1 Relationship with Employees	42
405-2	Diversity of governance bodies and employees	V.1 Relationship with Employees	42
GRI 413 : Local Communities 2016			
413-1	Operational activities through local community communication, impact assessment and development plan	V.5 Relationship with Community Residents	49-59

Appendix II: Assurance Summary Sheet

No	Information on Assurance Items	Applicable Benchmarks	Page
1	In 2022, a total of 109 funeral service personnel in Lungyen obtained the funeral director license.	The total number of employed funeral service personnel in Lungyen who have valid funeral director licenses issued by the Ministry of the Interior on December 31, 2022	45
2	In 2022, a total of 31 contracts met the requirements of green building materials, with a contract value of NT\$4,723,998,835	Refers to the construction supplier contracts, bids or bid invitations including green building materials, environmental protection equipment and standard specifications for formaldehyde content for "interior decoration" and "construction projects" signed by Lungyen Group(*) * Including Lungyen, Yuji Development Corporation and Lung-Fu Business	34
3	At the end of 2022, female supervisors accounted for 55.93%	The ratio of Lungyen's "employed female supervisors" divided by Lungyen's "all employed supervisors"(*) on December 31, 2022. *According to the Lungyen Personnel Management Regulations, a supervisor is defined as a person who is responsible for managing and mentoring subordinates. The statistical scope of this indicator covers all employees on the job, but does not include employees of overseas companies and employees of subsidiaries.	41
4	In 2022, the number of services that replaced paper obituaries with digital ones has reached 2,973, which can reduce carbon emissions by 3,680.88 KG(*) * The paper used for the digital obituary is 140g B4 paper. Since there is no carbon emission in 140g B4 paper for reference, the carbon emission of 0.012 KG for 80g B4 paper is used for calculation.	Total number of cases where digital obituaries replace traditional paper obituaries in 2022 2022 reduction in the number of printed obituaries and their converted carbon emissions due to the adoption of digital obituaries.	39

No	Information on Assurance Items	Applicable Benchmarks	Page
5	In 2022, the number of case signed by the Lungyen Easy-Signing System-Digital Signing System is 1,654.	According to the Company's 2022 annual online signing and payment system, the cumulative number of copies completed by the Digital Signing System	40
6	In 2022, the carbon emissions converted by using the coefficient of the Bureau of Energy for electricity consumption is 4,933,519.97 kg.	Electricity consumption: According to the electricity bill payment provided by Taipower Company, the total electricity consumption in 2022 Energy Bureau Coefficient: "2022 Electricity Carbon Emission Coefficient" announced by the Bureau of Energy, Ministry of Economic Affairs * Including Lungyen, Yuji Development Corporation and Lung-Fu Business	36
7	The total expenditure in planting and maintenance in 2022 is NT\$8,880,817 Note: Planting and maintenance include the implementation of landscape design, construction supervision and subsequent horticultural maintenance by subcontractors. Cemeteries that have undergone horticultural maintenance in 2022 include: Baisha Bay Cemetery, Futien Cemetery, Fugun Cemetery, Baoshan Cemetery, Chiayun Cemetery, Antai Cemetery, and Century Cemetery.	According to the total amount of expenditure in planting and maintenance in 2022 provided by the Company	28

Appendix III: Assurance Opinion Statement



會計師有限確信報告

資會綜字第 22011523 號

龍巖股份有限公司 公鑒：

本事務所受龍巖股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定西元 2022 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司西元 2022 年度永續報告書第 60 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 1 頁之「報告書期間及範疇」段落述明。

管理階層之責任

貴公司管理階層之責任係依照財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、GRI 發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準，以編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

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」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認所選定之關鍵績效指標可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
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- 對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標選取樣本進行查詢、觀察、檢查等測試，以取得有限確信之證據。

此報告不對西元 2022 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管理規範

本會計師及本事務所已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。

本事務所適用品質管理準則 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、專業準則及所適用法令相關之政策或程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依適用基準編製而須作修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師

張瑞婷



西 元 2 0 2 3 年 7 月 3 1 日