

# 2023

## Sustainability Report

# Love, Prepared.

LUNG YEN

### 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 - 2023 Sustainability Report

About our report: "Lungyen 2023 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-subsidary 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, 2023 to December 31, 2023.

### 2. Materiality principle

At the 18th meeting of the 14th Board of Directors, the Board of Directors considered the issues of concern to all stakeholders, combined with the Company's core business and operational development, and identified a total of 12 major corporate sustainability issues that will be prioritized in 2023.

No	Major Themes	Classification	Impact description	Stakeholder concerns				
				Shareholders/ Investors	Employee	supplier	Customer	Community
1	Corporate Governance	Governance (G)	Good corporate governance is the foundation for the stable operation of an enterprise.	•	•	•	•	
2	Integrity Management/ Anti-corruption	Governance (G)	Violating business integrity may lead to the risk of penalties, damage to the Company's reputation and company profits.	•	•	•	•	
3	Operating Performance	Governance (G)	The quality of operating performance has a significant impact on the company's market value and status, as well as shareholder benefits.	•	•	•		
4	Customer Service and Products	Social (S)	Only high-quality products and customer services can bring about stable operating performance. Improper management and control will affect the company's value.	•			•	•



5	Compliance	Governance (G)	Strict compliance with laws and regulations can ensure that the rights and interests of the Company and its stakeholders are not damaged.	•	•	•	•	•
6	Personal Data Protection	Social (S)	Improper protection of personal data will cause damage to customers' rights and interests and create risks to the Company's operations and credit.	•	•	•	•	•
7	Occupational Health and Safety	Social (S)	Only by maintaining workplace health and safety can employees produce good products and service quality in a good working environment.		•	•		
8	Employee Diversity, Equity and Inclusion. (DEI)	Social (S)	Paying attention to the diversity and equality of employee composition can bring diversified thinking to the organization, create development opportunities, and stimulate employee work efficiency and output.	•	•			
9	Talent Development and Cultivation	Social (S)	Maintaining and improving employees' professional capabilities can help the Company continue to grow and create development opportunities.	•	•			
10	Supplier Management and Training	Social (S)	Maintain the quality of suppliers to ensure the quality of the Company's products and achieve common goals.			•		
11	Environmental Protection	Environmental Protection (E)	Environmental protection is an important topic in the world. We will continue to incorporate environmental protection into product development to provide more competitive products and create operational performance.	•		•		•
12	Community Charity Contributions	Social (S)	Using the Company's core values through community charity contributions allows more people in society to understand life-related issues, which also has a positive impact on the company's image.	•				•

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 2023. Through this report, we will publicly explain our strategies, goals, actual actions and performance in E, S, and G in 2023 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.

- Issuing time: August 2024
- Issuing by: Lungyen Life Service Corporation
- Address: 16F., No. 195, Jingmao 2nd Rd., Nangang Dist., Taipei City , Taiwan (R.O.C.)
- Tel: +886-2-66159999
- Fax: +886-2-66157777
- E-MAIL: [janet@lyls.com.tw](mailto:janet@lyls.com.tw)
- Website: [www.lyls.com.tw](http://www.lyls.com.tw)

## ■ Assurance Statements of this report

For the specific indicators and contents in this report, KPMG 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



2023 marked the beginning of a new era for Lungyen as we move forward toward our 40th anniversary. Embracing this new journey, we have also successfully relocated our headquarters to a new Nangang office building this year. As the world bid farewell to the pandemic and the new challenges and competitive environments of the past year, our commitment to the Lungyen culture and mission of providing the best service and products the industry has ever seen continues. This commitment has driven us to communicate and learn from each other better, fostering a stronger and a more unified Lungyen team. Together, we were able to achieve many accomplishments that we take immense pride in this past year.

Though the journey to reach various significant company milestones the past couple years was challenging, the results were profoundly rewarding. I am grateful to every member of Lungyen for upholding our mission to serve each life with the upmost importance, and fulfilling our promise to our customers: helping every family and individual pass on their legacy. We continue to innovate and transform our industry, constantly elevating the standards of our services to new heights and not forgetting our sustainable responsibilities.

Looking forward, as Taiwan approaches a society with higher population of elderly people, we believe attitudes towards death will also change. I believe 2024 will be a crucial and hopeful year for Lungyen. Last year the company launched our new preneed funeral contract campaign, "My Crazy Dad". This campaign position Lungyen at an unprecedented starting point in this vital future market. With many strategic moves planned for this year, we aim to increase our market share of preneed contracts fueling potential growth for our brand.

Lungyen is a company committed to its customers and we do it in a warm and personable way. We are also committed to our sustainable initiatives that we work hard on every year and will continue these commitments in the future. I extend my deepest thanks to all Lungyen employees for their hard work and dedication over the past year. I look forward to more shared experiences of creating change in this industry and overcoming future challenges together.



## Message from the General Manager



Lungyen has consistently dedicated itself to elevating and innovating the culture within the funeral and life industry, driven by a commitment to sustainability. In recent years, we have introduced human-centric technological applications, termed "Life-Tech," placing funeral services and cemetery services at the heart of the life industry. This approach has made technology more user-friendly and accessible, bringing positive changes to the industry's future while continuously advocating for the beauty of life.

Since 2020, we have been pushing forward with digital service innovations, successively launching "Digital Obituaries," "Multimedia Auditoriums," "online mall," "Robot Leading the Way" helper service, "Customer Service Zone", an AI "smart customer service" and "Easy Signing System," all of which combine environmental consciousness with customer satisfaction, reducing carbon emissions and significantly enhancing customer satisfaction. In 2023, we continued to optimize these services and developed the online "Easy Application and Processing System" to reduce the burden of procedural tasks for customers, offering more convenient and secure services.

Aligned with government policies and local development needs, Lungyen actively participated in public infrastructure projects. The "Gate of Light Funeral Home" was built on our own land and began operations on September 15, 2023. After operation, local talents will be hired and preferential services will be provided to residents compared to public funeral homes, thereby contributing to the local job market and improving the quality of life.

The "Gate of Light Funeral Home" was designed by the renowned Japanese architect Tadao Ando, with the concept of "light" and "gate". As a leading brand in the life industry that values ESG corporate sustainability, we engaged in continuous discussions with the master architect during the planning phase, aiming to create an environmentally friendly green life-building. This standalone design effectively utilizes land and minimizes noise issues, also aligning with "daily energy saving" and "water resources" green building criteria. It has become the first funeral home in Taiwan to be a candidate for a green building certificate and is the only exclusive green building funeral home designed by Master Tadao Ando globally.

Our auditoriums feature Lungyen's unique "Multimedia Technology Auditoriums," decorated with various scents of artificial flowers to choose

from, integrating digital signage and electronic elegiac couplets, with electronic room numbers on each floor to minimize the use of disposable items, effectively avoiding waste and saving energy.

Lungyen is a company that sincerely treats each life with the same care as we are family, ensuring our services genuinely touch our customers' hearts. Our future will continue to focus on developing "Life-Tech" and corporate sustainability as our primary goals, leading industry innovation and constantly striving for high-quality services to meet the diverse needs of our customers at different stages of their lives.



## 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.

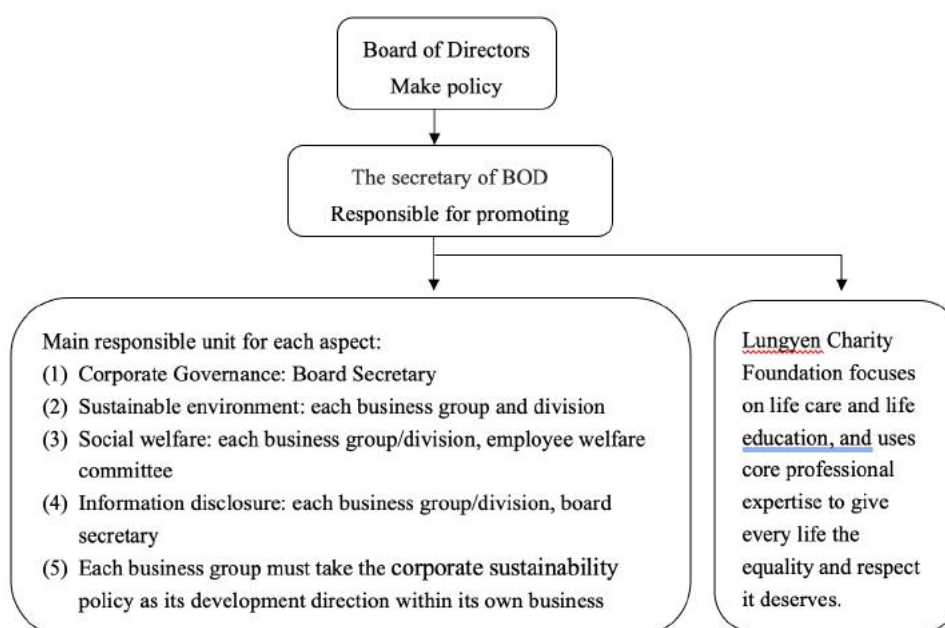
Sustainable development: we do not change the original intention of starting a business, adhere to the core values of "professionalism, integrity, compassion", and practice it in corporate governance, environmental protection, social welfare and strengthening corporate social responsibility information 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: 596 (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, 2023, the total amount of trust provided by the preneed funeral service contract was 19.164 billion (Source: Trust Association of R.O.C.), of which nearly 15.187 billion was allocated by Lungyen (about 79.25% 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 113 年 02 月 29 日止，信託資產餘額合計新臺幣 15,187,282,358 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 113 年 02 月 29 日



NT\$million

Item	Q1, 2023	Q2, 2023	Q3, 2023	Q4, 2023
1. trust fund for the preneed funeral service contract	18,275	18,635	18,889	19,164
2. E-ticket deposit trust	0	0	0	0
3. Electronic payment institution payment trust (Deposit)	24,970	26,124	28,953	29,332
4. Gift Certificate Advance Receipt Trust	15,002	14,861	14,650	15,373
5. Pre-sale House Price Trust	77,722	83,457	81,648	85,160
6. Other advance receipt trusts	6,346	6,242	6,070	6,251
Total	142,315	149,319	150,210	155,280

## 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 while 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.

### **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. 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.



**The first funeral parlor "The Gate of Light" was completed and put into operation. Tadao Ando's global exclusive design integrates natural environmental protection and technology to create a new memorial and farewell experience with a bright, warm and healing atmosphere.**



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. Following the opening of the " Realm of the Light " service center in February 2023, another project, the "Gate of Light" funeral parlor officially entered operation in September 2023.

The Gate of Light Funeral Home is a BOO (Build-Own-Operate) partnership between Lungyen and the Kaohsiung City Government. It is the first funeral home in Lungyen. The operation utilizes local talents and provides preferential services to residents compared to public funeral homes, thereby contributing to the local job market and improving the quality of life.



Lungyen is a leading brand in the life industry that values the sustainability of ESG companies. In order to create a green life building that is environmentally friendly, Master Tadao Ando adopted a "stand-alone" design to build the Gate of Light Funeral Parlor. Compared with other "flat" funeral homes in Taiwan, it can use land more efficiently and minimize noise problems. It also meets the green building indicators of "daily energy conservation" and "water resources", making it the first in Taiwan to obtain a Candidate Green Building Certificate. The funeral parlor is also the only exclusive green building funeral parlor design work in the world by Master Tadao Ando.

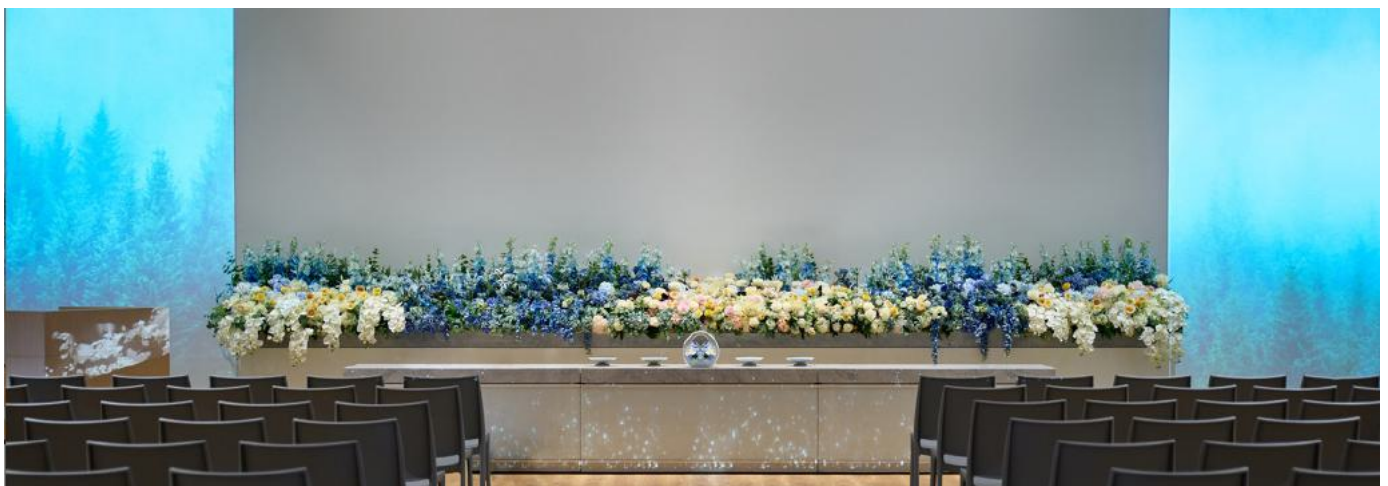
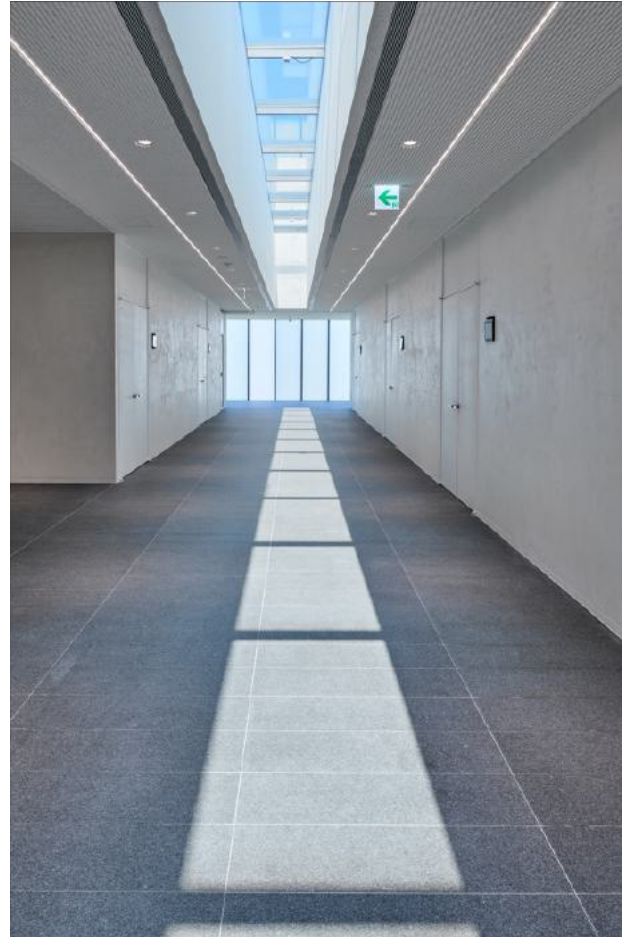
"Gate of Light Funeral Home" is located 100 meters south of the Kaohsiung Municipal Funeral Home. The entire building contains 9 floors above ground and 2 floors underground. The facilities include an auditorium, mourning hall, freezer, mortuary room, grief counseling room, investigation room, etc. It is also equipped with dedicated services to provide local people with integrated one-stop funeral services. Master Ando used the magic of architectural design to use the "door", which symbolizes "border" in Japan, and the "light" in nature as the core design elements of the entire building. He skillfully used the changeable and warm characteristics of light and shadow to create a sacred and unique atmosphere of the venue, and expand the concept of doors to the overall building structure, making the interior of the building look like a continuous white space composed of door frames. On the east side of the museum, translucent glass is used as the wall design element, creating a staggered shadow of light between sunlight and shadow; on the west side, glass bricks are used to form a "wall of light". Each glass brick symbolizes a different life, making it a wall of memory that people reminisce about. Light and shadow are introduced throughout the building. Light and shadow flow freely in different spaces formed by the door frames at different times, creating a "channel of light" that is like being rendered by light. It warms and heals the living and also leads the elderly to a realm of light, presenting an innovative memorial atmosphere and process that is different from the past.

Architect Tadao Ando once said: "To create architecture is to express characteristic aspects of the real world such as nature, history, tradition and society, in a spatial structure, on the basis of a clear, transparent logic."



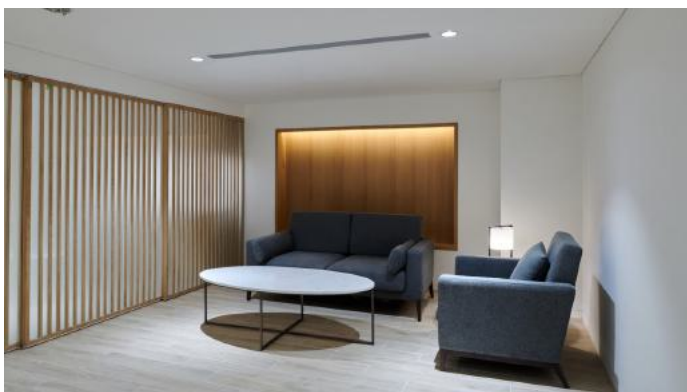
**Cleverly integrating technology, environmental protection and nature, introducing original digital multimedia technology auditorium**

Lungyen is committed to providing more innovative services that meet the needs of modern people while adhering to tradition. Digital technology was introduced into the Gate of Light Funeral Home to create the first "Multimedia Technology Auditorium" in Taiwan. It uses the main screen, ceiling, floor and wall space on both sides of the auditorium to realize a 360-degree projection light wall, presenting memorial videos, Different memorial and farewell content, including lighting of lamps and singing to public memorial service, create an immersive, beautiful and warm atmosphere, and cooperate with professional funeral directors to guide the ceremony, providing an unprecedented new memorial and farewell experience. In addition to using artificial flowers with different fragrances and optional artificial flowers to create the main flower mountain of the hall, the technology hall also integrates digital technology equipment such as electronic signboards and electronic elegiac couplets. The space identification of each floor of the building is also presented with electronic door plates. , reduce disposable items as much as possible, effectively avoid waste and save environmental protection and energy.





The Gate of Light Funeral Home has also achieved breakthroughs in many other aspects, providing the most complete and innovative one-stop funeral services from general freezing, setting up mourning halls to farewells and memorials. For example, the freezer in the funeral parlor is presented with a warm wooden tone to break the existing cold impression. There is also a dressing room space for the deceased to perform ablutions and SPA ritual services. In addition, all mourning halls adopt independent space planning and are furnished like a hotel. Some high-floor spaces have excellent and wide views. At the same time, the funeral parlor is also equipped with a grief counseling room and a dedicated lounge for family members. These are all designed to allow family members to have a more comfortable and convenient environment during the bereavement period, so that they can remember their love and rest.



Chairman Kelly said: "We exist to serve life, follow social trends and strive for innovation. Gate of Light Funeral Home uses a large number of multimedia technologies to create a warmer and more soothing memorial experience. This is the best example of responding to the gradual changes in the public's needs for memorial farewells, as well as the emphasis on technology and environmental protection, respecting tradition and continuing to break through and innovate."

### **Life-Tech continues to develop life technology and corporate sustainability as its main goals**

Since 2020, we have begun to promote digital service innovation, and have successively launched diversified technology services such as "electronic obituary", "multimedia auditorium", "online mall", "robot" assistant service, "customer service area", AI "smart customer service", and "Lungyen Easy-Signing System - Digital Signing System" that combine environmental protection and customer satisfaction, having reduced a lot of carbon emissions and greatly increased customer satisfaction.

### **Apply online without having to go to the counter to apply, and your personal information is safe and secured**

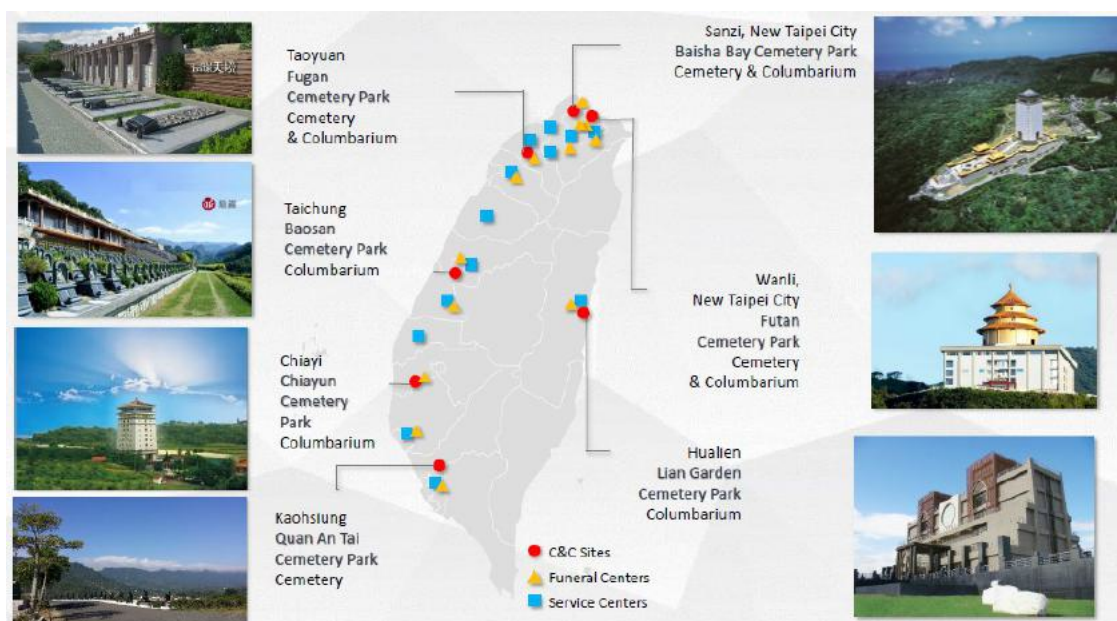
In 2023, we will continue to optimize the above services, and in order to simplify the burden on customers in applying for various procedures, we have specially developed "Lungyen Online-Application System", an online application procedure system that makes it easy for you to complete, so that customers can submit relevant procedures at any time, providing more convenient and safe services.

Whether the customer is applying for the transfer, inheritance, selection of a place, entry/move out of the columbaria, temporary residence and other related procedures for the goods of preneed funeral service, columbarium or cemetery, or the loss and replacement, etc., or even pay the management fee, can be easily processed online through the "Lungyen Online-Application System "application system. There is no need to make a special trip to the counter to apply or apply by mail.

Just go to the official website of Lungyen: Instructions for various procedures, first understand the application procedures and the forms to be filled in, and prepare the required documents, then you can apply online. The "Lungyen Online-Application System" is developed by a professional team, and all personal information provided by customers is encrypted and protected, safe and secure. 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.

### 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, Yuanan, 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

## 3. Operational Performance and Shareholders' Equity

The end of the 2023 global interest rate hike cycle has been extended, market demand has begun to decline, and industries continue to adjust inventories, resulting in Taiwan's economic growth slowing down. Stable domestic private consumption was offset by weak commodity exports and sluggish corporate investment, causing the full-year economic growth forecast to be revised downwards. The Directorate-General of Budget, Accounting and Statistics, Executive Yuan revised down the full-year economic growth rate to 1.42% at the end of 2023, and estimated the economic growth rate in 2024 is 3.35%. Looking forward to 2024, global economic uncertainties will still remain, including the uncertainty of the economic prospects of the United States and China, the impact of monetary policy fluctuations in major economies on global financial markets, as well as factors such as geopolitical risks and climate change that will continue to affect energy, and supply, demand and price of agricultural and industrial raw materials. However, it is confirmed that the interest rate high point of European and American central banks has passed, and further economic data will be relied upon to prove the rationality of interest rate cuts. In Taiwan, driven by emerging technologies such as high-speed computing and artificial intelligence, demand for electronics-related products has picked up. Once inventory depletion comes to an end, it is expected that our country's foreign trade and investment will regain growth momentum. 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 2023

In the first half of 2023, the Light Gate Service Center located in Sanzhi was officially opened. It is the first green building landmark work in Taiwan by the Japanese architect Tadao Ando. In the second half of the year, the "Memorial Hall, The Gateway of Light" located in Kaohsiung built on the Company's own land was also officially entering the operation period. This funeral parlor is also the world's exclusive green building funeral parlor designed by Tadao Ando, which further enhances the culture of the funeral life industry and contributes to the local job market. In addition, the usage of various life science and technology funeral services such as digital ceremony halls, electronic obituaries, cemetery online malls, online signing systems, etc. has also gradually increased, and we continue to work towards the goal of net zero carbon emissions. In addition to continuing to develop more user-friendly technology application services, we also strengthen quality management and improve customer satisfaction, pursue differentiation in service quality, and achieve the goal of sustainable operations.

The net profit for the period was NT\$1.250 billion, of which the net profit attributable to the owners of the parent company was NT\$1.209 billion. The net profit for the current period decreased by 14.23% compared with the previous year, the after-tax net profit rate was 30.50%, and the earnings per share was NT\$2.88.

As of December 31, 2023, the total consolidated asset was NT\$69.71 billion, increased by 4.33% compared to the previous year; the total liability was NT\$46.19 billion and debt ratio was 66.25%. It includes contract liabilities of NT\$41.80 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 15.72% if the company deducted the contract liabilities and relative asset amounts.

## Operating results for 2023

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.

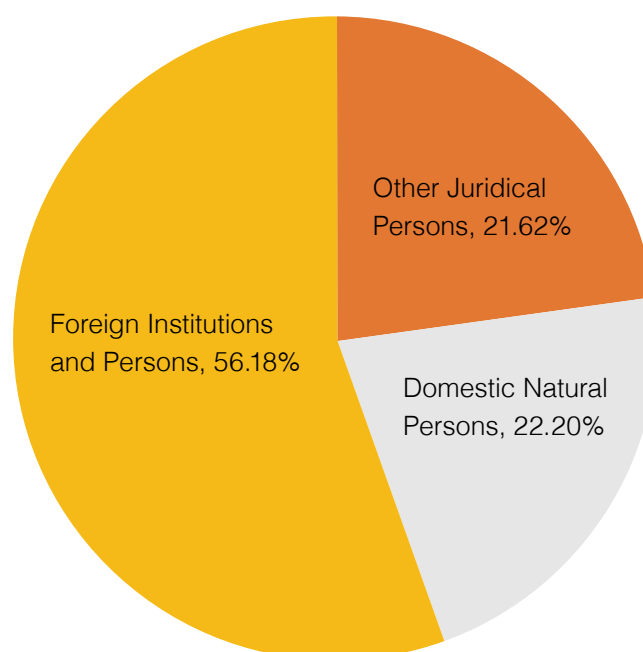
Our 2024 development strategy will still focus on the planning and design of the cemetery and columbarium in Taiwan and integrate the needs of the pre-need funeral service contract. With the combination of product sales, it is expected to bring integration to customers with one-stop service for funeral 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

2024.04.02 Unit: Share; %

	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Persons	Total
Number of shareholders	0	3	65	15,656	139	15,863
Shareholding	0	25,000	90,827,389	93,247,403	235,984,407	420,084,199
Holding Percentage	0.00%	0.01%	21.62%	22.20%	56.18%	100.00%

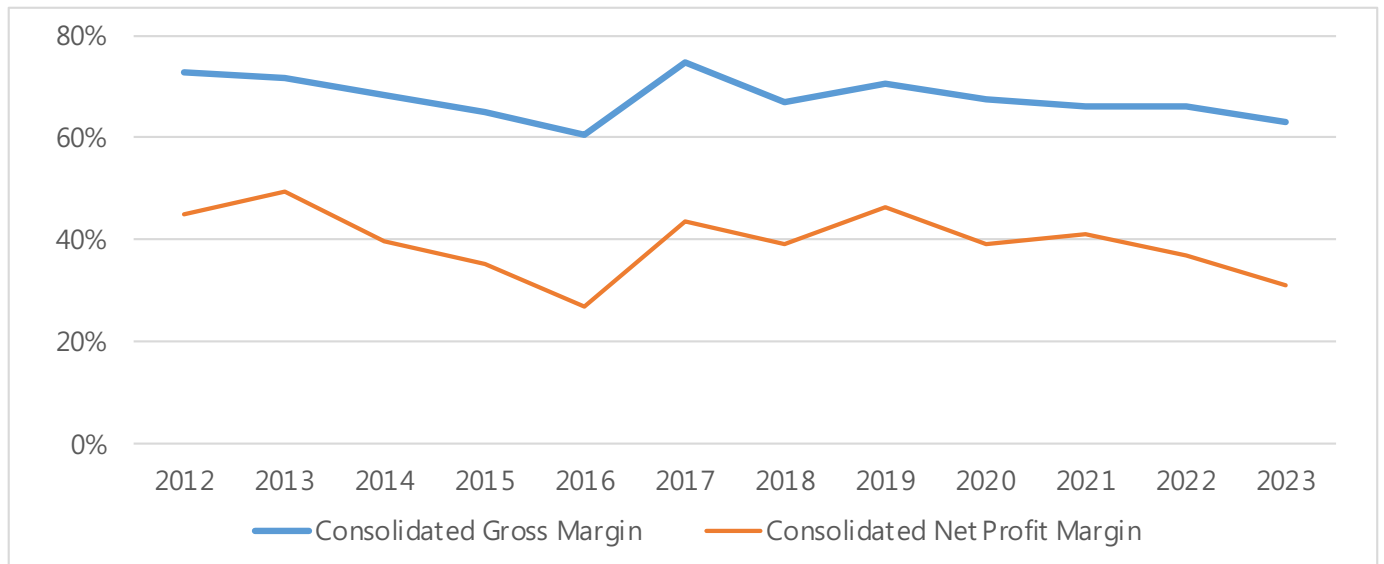


## Financial Data

### i. 2012-2023 Operating Income

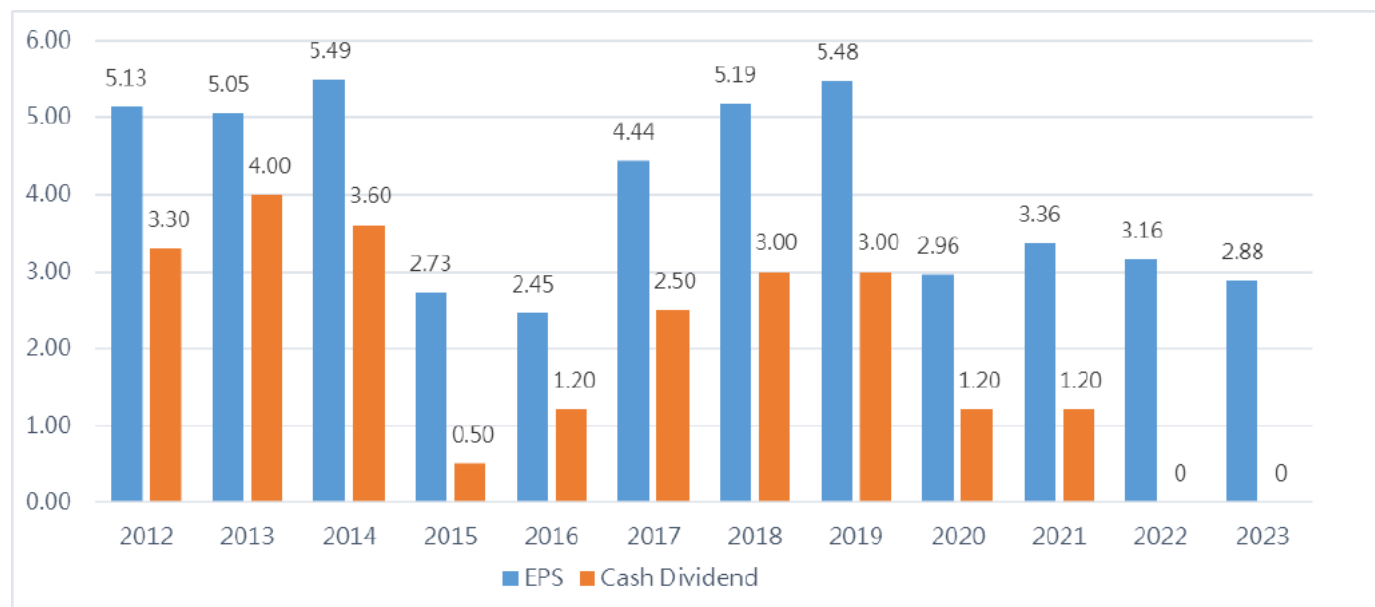


### ii. 2012-2023 Consolidated Gross Margin & Consolidated Net Profit Margin





### iii. 2012-2023 EPS & Cash Dividend



## 4. Important Milestones and Honors

■ In 2023, 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 240th in the service industry, an increase of 10 places compared with last year.
- Ranked 22th the most profitable company in service industry
- Ranked 27th in Construction industry

Continuous efforts and winning awards for innovation are the driving force for our continuous progress! You can see Lungyen's hard work!

### 2022~2023 Funeral Service and Cemetery Evaluation Award (It was suspended in some counties and cities in 2022 due to the epidemic and was re-organized in 2023.)

- ✓ Antai Memorial Park was rated as excellent in the "2023 Annual Kaohsiung City Funeral Facilities Evaluation"
- ✓ Sanzhi Memorial Park was rated as excellent in the "2022 Annual New Taipei City Funeral Facilities Evaluation" (re-organized)
- ✓ Futian Memorial Park was rated as excellent in the "2022 Annual New Taipei City Funeral Facilities Evaluation" (re-organized)
- ✓ Kaohsiung Funeral Service Office was rated as excellent in the "2023 Annual Kaohsiung City Funeral Service Industry Evaluation"
- ✓ Taipei Funeral Service Office was rated as excellent in the "2023 Annual Taipei City Funeral Service Industry Evaluation"



■ Baisha Bay Cemetery Park G4 Entry Hall: Won the special award of Korea's 2023 K-DESIGN AWARD, the highest spatial design honor in 2023

Lungyen has always hoped to provide a peaceful memorial space where family members can accompany their loved ones on their final journey of life. Lungyen redesigned the Entry Hall space of Sanzhi Baisha Bay Cemetery Park G4 Entry Hall. The overall design is based on the light of inheritance, including the welcome avenue, Ksitigarbha Bodhisattva worship area, farewell ceremony hall, VIP meal worship area, corridor space, staircase hall, restroom and other spaces. The aim is to provide the best experience possible, with peace of mind and comfort during the important moments. We always believe that although life is limited, we can continue it in different ways. We hope that this place can become a warm home where family members can reunite and accompany their ancestors to feel the love and warmth together.



The Baisha Bay Cemetery Park in Sanzhi District, New Taipei City is the birthplace of Lungyen. The Baisha Bay Memorial Hall is the most representative life building in Taiwan. It has served our customers for 20 years since its opening this year. It was newly designed and renovated in March 2023. The Entry Hall on the G4 floor is a solemn and complete ceremonial service space for the deceased. We invited the well-known Daxiong Design Company in the industry to cooperate with us to carry out a new planning and design for the Entry Hall, and won the 2023 South Korea K-DESIGN 2023 AWARD, the highest honor for space design.

The Korean Design Award K-DESIGN AWARD, one of the three major design awards in Asia, selects top and outstanding designs in the three fields of "product industry", "space/architecture" and "communication design" every year. The scoring criteria were "beauty, originality, and practicality", and we stood out from the 1,967 works!

We not only pay attention to the service, but also attach great importance to the materials and design of the building. Lungyen insists on quality control, and the design includes the welcome avenue, Ksitigarbha Bodhisattva worship area, farewell ceremony hall, VIP meal area, corridor Spaces such as the corridor space and the staircase hall have been redesigned to create a place for peaceful reflection. Through the continuation of light and shadow, people can remember the past and welcome a different space in the future.





■ Lungyen's brand spiritual video "What Is Your Legacy" won the Digital Video Excellence Award at the 2023 Asia Pacific SABER Awards



The SABER Awards are the world's most influential public relations and marketing authoritative awards, known as the "Oscars of the public relations industry." As a leading brand in the life industry, Lungyen is deeply rooted in the hearts of the people with its image of professionalism, integrity and compassion. To promote industrial upgrading and pay attention to humanistic warmth and spiritual inheritance, the Company launched the "What Is Your Legacy" image advertising video to arouse the public's respect for life, open up a dialogue about the value of life, and give people thinking about the meaning of spiritual inheritance. Mainly by depicting the appearances of all living beings, it presents various aspects of life. We hope that by conveying the story that every nameless little person has his own life, we can awaken the public's resonance in thinking about their own lives and leave behind something beautiful that is worth remembering. After the video went online, it received a lot of clicks from the public. In the comment area, you can see how deeply moved and inspired people were after watching the video: "Seeing a different Lungyen", "Touching people! Rethinking the meaning of life", "Let many people who dare not look directly at anything they want to accomplish in their hearts to conduct deep reflection" and other resonances.



■ Lungyen promotes ESG and will once again be listed among the Top 100 Sustainability by Commonwealth Magazine in 2023 and win the Little Giant Award for the sixth time

CommonWealth Magazine in 2023 and win the Little Giant Award for the sixth time. We have been actively participating in local feedback and investing in social welfare for a long time. The latest selection results of this year's "World Sustainable Citizen Award" have been released. Longyan has once again been ranked among the top 100 sustainable companies by Commonwealth Magazine, ranking 15th in the "Little Giant" award.

小巨人 (年營收50億元以下)						
2023 排名	2022 排名	公司名稱	平均 總分	公司 治理	企業 承諾	社會 參與
1	2	大愛感恩科技	8.611	8.37	8.48	8.78
2	4	綠康生物科技	8.478	8.21	8.16	8.60
3	7	美科實業	8.469	8.05	8.52	8.72
4	3	元大期貨	8.467	8.70	8.40	8.30
5	5	雲品國際酒店	8.347	8.32	8.23	8.47
6	8	遠東巨城購物中心	8.330	8.04	8.32	8.53
7	6	一零四資訊科技	8.306	8.17	8.78	8.58
8	10	台塑生醫科技	8.259	8.17	8.25	8.21
9	-	家登精密工業	8.248	8.31	8.41	8.09
10	-	牧德科技	8.230	7.85	8.56	8.34
11	9	達和環保服務	8.227	7.89	8.45	8.33
12	14	醫攝科技	8.217	8.36	8.23	8.29
13	18	嘉新水泥	8.196	8.38	8.28	7.99
14	12	萬潤科技	8.172	8.30	8.44	8.15
15	15	龍巖	8.144	8.25	7.99	8.33
16	16	大銀微系統	8.140	8.05	8.15	8.25
17	-	聯嘉光電	8.106	8.39	8.13	7.84
18	-	誠泰工業科技	8.103	8.44	7.99	7.95
19	-	承業生醫投資控股	8.086	8.20	7.92	8.19
20	-	是方電訊	8.082	8.54	8.16	7.62



Four steps of digital innovation, leading the upgrading of the life industry.

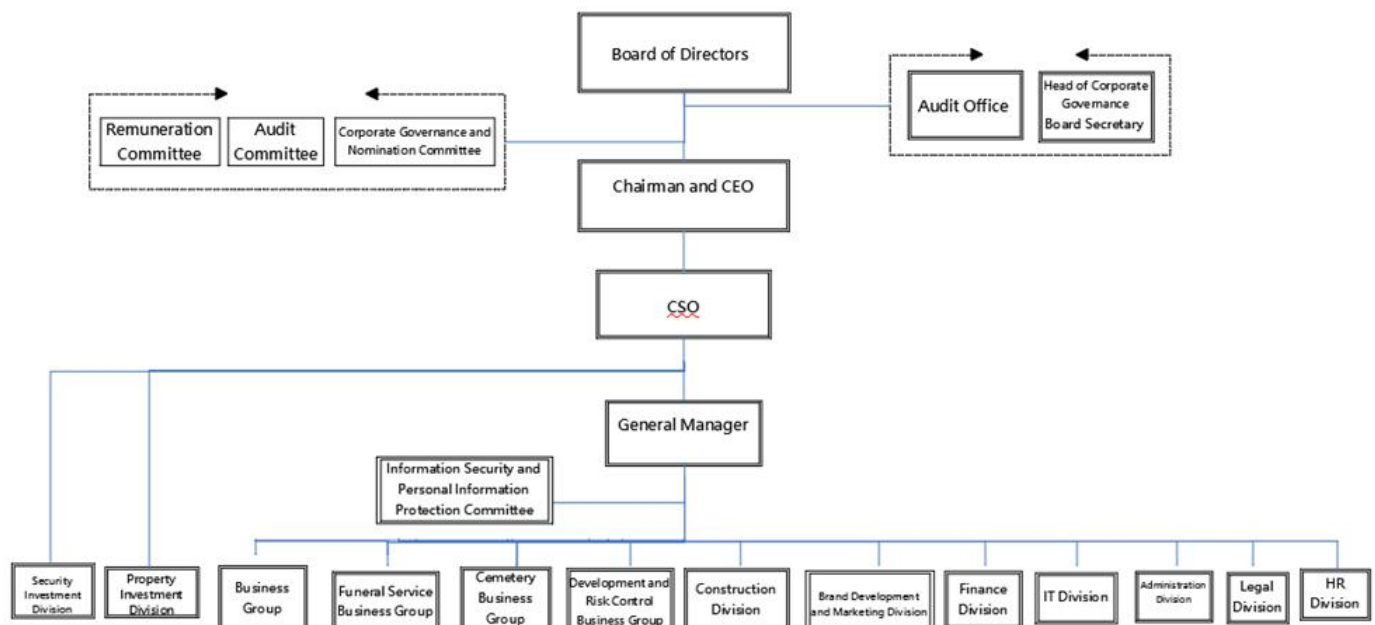
What's Your Legacy! Lungyen values every part of the value of life and now treats customers as family members with a life service attitude.

Four parts of digital life service movement:

1. Easy Signing System: Use electronic systems to replace paper, reduce costs, make contract management more efficient, reduce the use of paper, and achieve the effect of reducing carbon emissions.
2. Digitization of funeral services: electronic obituaries, technology halls, convenience for customers to send and inquire related matters, improve customer satisfaction, and at the same time reduce the use of many disposable materials and reduce the use of printed matter, which can also achieve the effect of reducing carbon emissions.
3. Digitization of customer service: Use AI intelligent customer service system to extend customer service time and improve customer satisfaction.
4. Digitization of cemetery services: 720-degree panoramic view services, guide robots, online shopping malls, etc., allowing customers to still show their filial piety even when time is limited.

General Manager Wang, Frank Chun-Chung said: Longyan is a business that touches and comforts people's hearts. No matter how fast the digital development is and how frequently the times change, never forget the meaning of life starting with the end. Let's work with Longyan to give the most satisfactory farewell to the family members.

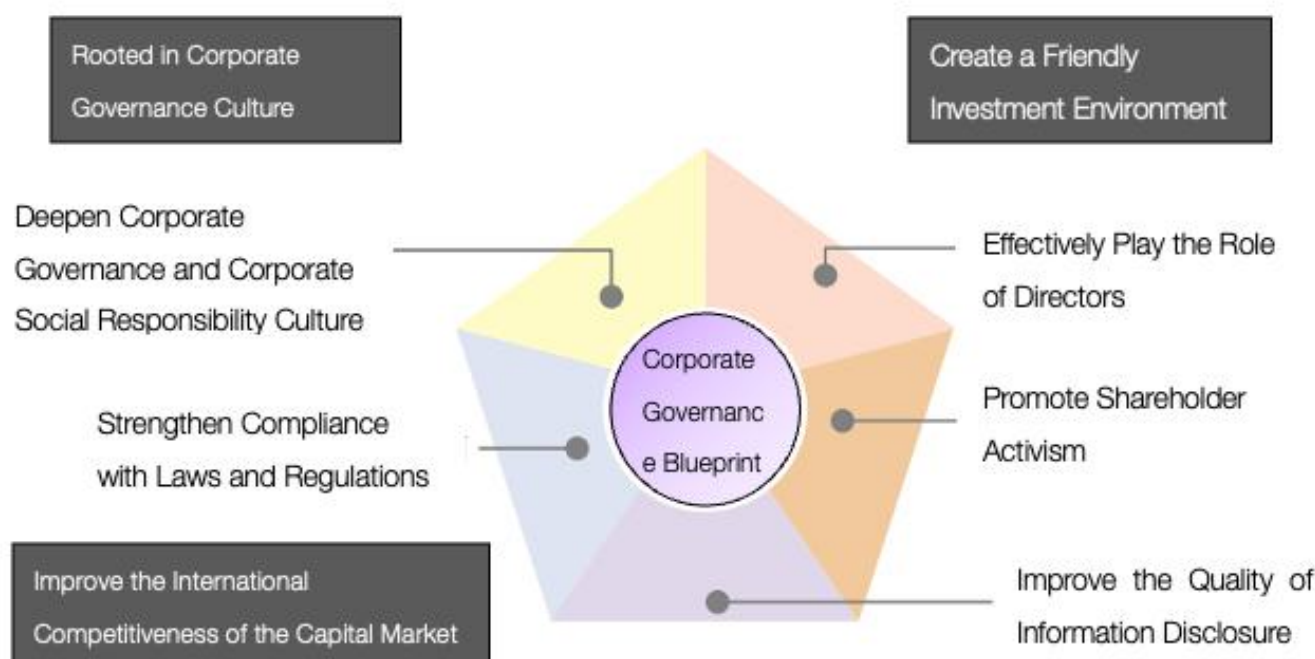
## 5. Organization Structure



### 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 2023, a total of 9 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%).



Diversity of the board of directors: 71.4% of board members are male and 28.6% are female; 0% are under 30 years old, 42.9% are between 31 and 50 years old, and 57.1% are over 51 years old; local nationality accounting for 71.4%, foreign nationality accounted for 28.6%.

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 2023, a total of 8 audit committee meetings was held, and the actual attendance rate reached 100%.

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 2023, a total of 5 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 2023, 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

In addition to adhering to our always high standards: not only prohibit any corruption behavior, but also require strict avoidance and prevention of possible relations or transfer of benefits. Our dealings with manufacturers must exclude private meals and gifts. The relationship between us and the manufacturer is a partnership, and everyone pursues a win-win situation within the "contractual scope". Manufacturers do not need to lobby if they take care of the quality, and do not need to send gifts if they offer reasonable price. Be sincere with each other, we can grow together and have a long-term relationship with manufacturers. The 5186 mailbox is set up by the general audit of the group, and accepts reports from various units. As long as it is verified, they will be dismissed, never hired, and will be transferred to justice. We use the system to make everyone unwilling and afraid to violate this rule. The establishment of such a system is to prevent unnecessary troubles and prevent personal friendship from affecting the Company's quality requirements.

In addition to the original mechanism, after discussion by the board of directors in 2018, the management measures for whistleblower reporting and protection system, the code of integrity management, and the code of ethical conduct were adopted, with the purpose of promoting the concept management from the source. At the same time, the three independent directors published their personal e-mail addresses on the Company's official website. Any stakeholder who has an opinion can contact the independent director directly without going through the Company. The establishment of this mechanism represents our transparent and honest operation, and we are not afraid of any test. This is the corporate culture of Lungyen. To continue to adhere to the right things, this is the way to the long-term stability of the enterprise.

Independent director e-mail address: IndependentDirector@lyls.com.tw

This mailbox is directly received by the Company's independent directors Yu, Ying-Chi, Chen, Ming-Te and JEFFREY REMOND WU, and will be properly handled.

## 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	<ul style="list-style-type: none"> <li>✓ Market Image</li> <li>✓ Corporate Governance</li> <li>✓ Operational Performance</li> <li>✓ Customer Service and Products</li> <li>✓ Personal Data Protection</li> </ul>	<ol style="list-style-type: none"> <li>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.</li> <li>2. Irregularly hold investor conference, and actively conduct two-way communication with shareholders and investors</li> <li>3. Hold regular shareholders' meetings to explain the Company's operating results and future development</li> <li>4. Annual report is issued every year according to regulations and sent at the shareholders' meeting</li> <li>5. The official website has an investor area to provide investors with the information they need</li> <li>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</li> <li>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</li> </ol>
		<p>Shareholder Services Contact: Fubon Securities Co., Ltd. Stock Agency Department (02)2361-1300</p> <p>Investor Relations Contact: Trista Wan (02)6615-9999 ext.88823</p> <p>IR@lyls.com.tw</p>

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
Employee	<ul style="list-style-type: none"> <li>✓ Non-discriminatory</li> <li>✓ No Forced Labor</li> <li>✓ Anti-corruption</li> <li>✓ Labor Relations</li> <li>✓ Occupational Health and Safety</li> <li>✓ Compliance with Social Laws and Regulations</li> <li>✓ Career Development and Talent Cultivation</li> <li>✓ Personal Data Protection</li> </ul>	<ol style="list-style-type: none"> <li>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.</li> <li>2. Irregular thematic questionnaire survey</li> <li>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</li> <li>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.</li> <li>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.</li> </ol>
Supplier	<ul style="list-style-type: none"> <li>✓ Supplier Evaluation</li> <li>✓ No Discrimination</li> <li>✓ Anti-Corruption</li> <li>✓ Social Compliance</li> <li>✓ Supplier Procurement and Management</li> <li>✓ Product Liability Compliance</li> </ul>	<ol style="list-style-type: none"> <li>1. 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.</li> <li>2. Hold regular supplier meetings.</li> <li>3. Randomly check the service quality provided by suppliers from time to time. Provide encouragement to suppliers who perform well, and provide adequate education and punishment to suppliers who perform poorly. We hope that suppliers can stand on the same side as the company, grow together, and provide satisfactory services together.</li> </ol>

Stakeholders	Important Issues of Concern	Communication Channels, Response Methods and Communication Frequency
Customer	<ul style="list-style-type: none"> <li>✓ Personal Data Protection</li> <li>✓ Customer Service and Products</li> <li>✓ Social Regulatory Compliance</li> <li>✓ Corporate Governance</li> <li>✓ Product Liability Regulatory Compliance</li> </ul>	<ol style="list-style-type: none"> <li>1. The Company has a customer satisfaction department, which provides 0800 toll-free customer service line to protect customers' rights and interests.</li> <li>2. Unscheduled sampling customer satisfaction with the services provided by the Company.</li> <li>3. Each service case provides a customer care letter, through which customers can report service problems to the Company.</li> <li>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.</li> <li>5. Auditors conduct spot checks from time to time to ensure that the services customers receive meet or even exceed expectations.</li> <li>6. Lungyen Talking Love Facebook fan group announces many Company activities.</li> </ol>
Society	<ul style="list-style-type: none"> <li>✓ Personal Data Protection</li> <li>✓ Social Care</li> <li>✓ Energy Saving and Carbon Reduction</li> <li>✓ Workplace Health and Safety</li> </ul>	<ol style="list-style-type: none"> <li>1. Lungyen Charity Foundation carries out relevant social care issues and actions.</li> <li>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.)</li> </ol>



## IV. Sustainable Environment Development

### 1. Environmental Protection Policy

Continuous greening and soil and water conservation

Each park continues to implement planting plans and entrusts professional monitoring companies to continuously and regularly conduct quality testing of the park's catering and drinking water, as well as monitor soil and water conservation conditions in sloping parks (for example: rain gauges, water level observation wells and inclinometers). And during the development of the park, geological drilling was conducted to truly understand the geological conditions and provide a basis for the selection of engineering geological parameters, so as to truly understand the safety of the park buildings and ensure the safety of personnel.

A total of 18 contracts for soil and water conservation environmental assessment and monitoring were signed in 2023, with a total amount of NT\$16,577,675.

(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	

Year	Month / Day	Monitoring Times	Note
2016	*1/14, 4/18, *7/18, 10/23	4	previous plan
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 2-1) Futan Cemetery Park is monitored by Do It Engineering Consultants, Inc.

List of scheduled/actual monitoring dates:

Item	Equipment	Contract Quantity	Actual Quantity	Monitoring purpose
1	Inclined Tube	18	17 (SI-6 has been destroyed)	Measuring the lateral displacement of the soil layer
2	Water Level Observation Well	14	16	Measuring changes in groundwater levels
3	Water Pressure Gauge	1	1	Measuring pore water pressure in the formation
4	Tilt Plate	26	26	Measuring the inclination of structures
5	Crack Meter	11	0 (CG-20 has been destroyed)	Measuring the degree of crack changes in structures
6	Ground Subsidence Point	21	21	Measure the amount of subsidence around the site

(Table 2-1) 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	2023/03/10	2023/03/11	This time was the initial value measurement
2	2023/06/10	2023/06/15	Phase II Monitoring
3	2023/09/10	2023/09/22	Phase III Monitoring
4	2023/12/10	2023/12/22	Phase IV Monitoring
5	2024/03/10		
6	2024/06/10		
7	2024/09/10		
8	2024/12/10		
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.			

## 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.

### (1). Planting planning:

The Chiyun Garden landscape project in Fugang Cemetery Park was completed in 2023. The completion amount is NT\$10,289,567 (tax included)





**(2). Gardening Maintenance:**

In addition to the newly completed Taoyuan Fugang landscape project in 2023, all cemeteries across the province have budgeted for horticultural maintenance. In order to maintain the high standards of design and engineering quality, a large amount of manpower will be invested in horticultural maintenance operations, with a total implementation amount of NT\$18,806,940 (tax included).

**(3). Gardening Maintenance:**

<b>Baisha Bay Cemetery Landscape Maintenance Project Calendar</b>													
	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)			√	√	√	√	√	√	√	√			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				√	√	√	√	√	√	√			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													

### 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



Fugun 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													
Arbor pruning													
Pruning of trees above 3 meters													
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	√	√	√	√	√	√	√	√	√	√	√	√	
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
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
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
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
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
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													

### 3. Commodity Planning and Environmental Protection

#### (1). 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.

Area	Project	Green Building Certificate Level	Note
Sanzhi	2023/03/10	2023/03/11	This time was the initial value measurement
Sanzhi	2023/06/10	2023/06/15	Phase II Monitoring
Sanzhi	2023/09/10	2023/09/22	Phase III Monitoring

Area	Project	Green Building Certificate Level	Note
Nangang	Nangang Office Building	Taiwan Green Building Certification Gold Level	Candidate certificate has been obtained
		LEED International Green Building Certification Gold Level	Obtained pre-recognized certificate
		WLEE International Green Building Certification Platinum Level	Obtained pre-recognized certificate
Kaohsiung	The Memorial Hall, The Gateway of Light	Taiwan Green Building Certification Qualified Level	Obtained the mark
Kaohsiung	The Hill of Light	Taiwan Green Building Certification Qualified Level	The mark has not been obtained

#### Rainwater recycling planning

Project	Construction status	With rainwater recycling equipment	Recyclable capacity	Application
Realm of the Light Service Center	Completed and used	Yes	120 tons	Plant irrigation
The Hill of Light	Under construction	Yes	38.36 tons	Plant irrigation
The Palace of Light	Under construction	Yes	200 tons	Plant irrigation
The Memorial Hall, The Gateway of Light	Under construction	Yes	162.54 tons	Plant irrigation
Banqiao Memorial Hall	Completed and used	Yes	183.45 tons	Plant irrigation

## (2).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 Chapter 17, Section VI of the Regulations "Architectural Technical Regulations, Architectural Design and Construction". A total of 34 green building materials (design and materials) contracts were signed in 2023 with a total amount of NT\$104,218,293, and two independent energy-saving equipment procurement contracts totaled NT\$1,493,900

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

##### (1). Schedule Planning

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)

##### (2). Responsible unit

The unit responsible for carbon inventory in our company is the Secretary of the Board of Directors. The person in charge is the Chief Corporate Governance Officer, whose scope of responsibility is to submit a carbon inventory plan based on the actual situation of the company and the regulations of laws and regulations, and after approval by the Board of Directors, implement the plan and report the implementation results to the Board of Directors.

##### (3). Implementation status

Complete the inventory planning in 2023.

The carbon emission items that the company should check are shown in the table below. An internal meeting was held to define the data source and calculation method for each item. The collection of relevant data will be started in 2024 to meet the verification plan to be completed in 2025.



Aggregation unit	Carbon emission sources	Carbon emission unit	Emission source Scope
Cemetery	Official Car	Gasoline/liter	1
	Power Generator	Diesel/liter	1
	Air Conditioner	Refrigerant filling amount	1
Funeral Service	Official Car	Gasoline/liter	1
	Power Generator	Diesel/liter	1
	Air Conditioner	Refrigerant filling amount	1
General Affairs Department	Purchased Electricity	Electricity consumption	2
	Fire Extinguisher	CO2 or fluorine-containing gas	1
	Air Conditioning (Xizhi Headquarters)	Refrigerant filling amount	1
Catering Department	Gas	Ton	1
	Freezing and Refrigeration Equipment	Refrigerant filling amount	1

**(4). The results of the 2023 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\$)	3,964,496,000	4,097,601,000	3.36%
Electricity Consumption(kWh)	9,966,707	11,542,235	15.81%
Water Consumption (ton)	37,470	40,570	8.27%
Revenue per kWh	406	355	-12.56%
Revenue per ton of water	105,805	101,001	-4.54%
Converted to carbon emissions	4,933,520	5,701,864	15.81%
Note 1: Calculated according to the 2022 electricity emission coefficient announced by the Energy Bureau: about 0.495 kg of CO <sub>2</sub> per kilowatt-hour of electricity Note 2: Calculated according to the 2023 electricity emission coefficient announced by the Energy Bureau: about 0.494 kg of CO <sub>2</sub> per kilowatt-hour of electricity			

Specific measures for energy saving and environmental protection of the headquarters in 2023:

## (5).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 bulidings 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 consumption.
- Q. 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.

**(6).Combining industry innovation to meet customer needs and achieve carbon reduction goals at the same time: Electronic Obituary, Electronic Care Letter, Smoke-free environment-friendly room, Digital display of the hall (house number, electronic elegiac couplets, digitization of portraits)**

**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. In 2023, in addition to continuing to optimize electronic obituary services, we also made the customer service interface more convenient, while improving customer satisfaction and increasing service efficiency.

**Technological Innovation-Optimization of Flower Ordering (2023/05)**

 <b>新增往生者姓名 搜尋功能</b>	 <b>提升使用者使用 方便性</b>
 <b>調整匯款訂單狀態</b>	 <b>官網花禮案件 更新頻率提高</b>



**The ordering interface is optimized and the operation is more intuitive.**



In 2023, the number of services that replaced paper obituaries with electronic obituaries has reached 3,875. Calculating the average number of sheets saved per piece is 101, a total of 391,375 sheets of paper was saved in this year. The paper used for the electronic obituary is 140g B4 paper. Since there is no carbon emission calculation for this type of paper for reference, the carbon emission of 80g B4 paper is calculated as 0.012KG, which can reduce the carbon emission by 4,697KG.

Year	2022	2023
Number of case used	2,937	3,875
Reduced sheets of paper	306,740	391,375
Reduced carbon emissions (kg)	3,681	4,697

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



**電子訃聞 從心出發**

龍巖

特色 電子訃聞 紙本訃聞

- 功能齊全 ✓
- 易於攜帶 ✓
- 即刻分享 ✓
- 低碳環保 ✓

#無需親送 #大勝紙本

#官網花禮訂購方便

#追思留言、回函統計



**電子訃聞 從心出發**

龍巖

封面畫面

【電子訃聞範例】  
痛懷李○○女士  
追思告別典禮

邀請函

敬啟者：先母李○○女士，於中華民國112年12月12日（農曆十月廿三日）上午10時30分，在台北市立醫院安樂逝世，享壽88歲。謹擇於中華民國112年12月15日（農曆十月廿六日）上午10時30分，在台北市立醫院禮堂舉行公祭及安葬典禮。敬請親友屆時蒞臨弔唁。此致 哀悼。

敬啟者：先母李○○女士，於中華民國112年12月12日（農曆十月廿三日）上午10時30分，在台北市立醫院安樂逝世，享壽88歲。謹擇於中華民國112年12月15日（農曆十月廿六日）上午10時30分，在台北市立醫院禮堂舉行公祭及安葬典禮。敬請親友屆時蒞臨弔唁。此致 哀悼。

## 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. In 2023, the amount of paper used was reduced to 6088 sheets, and carbon emissions was reduced by 41KG.

Statistical Interval: 2023/01/01~2023/12/31

Area	Number of Replies from Customer	Customer Response Rate	Customer Satisfaction	Number of Replies from Sales Team	Sales Team Response Rate	Sales Team Satisfaction
Summary	2,504	41.2%	4.9	4,485	73.9%	4.9
North District 1	685	37.0%	4.9	1,390	75.2%	4.9
North District 2	609	44.6%	4.9	992	72.8%	4.9
Central District	718	42.2%	4.9	1,271	74.6%	4.9
Southern District	492	42.7%	4.9	832	72.3%	4.9

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

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

## Care Manual E-Book

We gradually replace those parts of our services that can increase customer convenience and achieve environmental protection by reducing the use of paper with electronic technology. In 2023, we will start to promote the care manual e-book. We will first launch it simultaneously to let customers get used to using e-books. In the future, we can replace paper books with e-books.



## Launch in October, 2023

Both paper and e-books of the care manual are sent to customers simultaneously. Until the paper manual is no longer available, the paper version will no longer be printed.

台北A館

<https://www.lyls.com.tw/uploads/book/關懷手冊/manualtpa/manual.html#p=1>

桃園會館

<https://www.lyls.com.tw/uploads/book/關懷手冊/manualty/manual.html#p=1>

台中會館

<https://www.lyls.com.tw/uploads/book/關懷手冊/manualtc/manual.html#p=1>

高雄會館

<https://www.lyls.com.tw/uploads/book/關懷手冊/manualks/manual.html#p=1>



## Smoke-free Environment-Friendly Room

Taiwan's traditional religious ceremony of "burning incense sticks" is a way for people to communicate with gods and ancestors. However, incense can cause environmental problems and may harm health. Starting from 2023, we started a smoke-free plan, launch a smoke-free environmentally friendly room, and use cloud mist machines to replace burning incense sticks, which can retain the traditional awareness of burning incense and take care of the health of customers.

 Comprehensive launch of smoke-free environmental protection room in 2023

The usage rate of smoke-free environmental protection demonstration room is 34%

Location of the Hall	Smoke-free Environmental Protection Room
Taipei A	Room 503
Taoyuan	Room 108
Hsinchu	Room 307
Tainan	Room 503
Kaohsiung	Room 113

**致意步驟**

① 手指沾起香粉末



② 手舉至眉心



③ 香粉末放置中央香盤中



④ 後退一步，向遺像鞠躬




## Digital display of the hall (house number, electronic elegiac couplets, digitization of portraits)

Lungyen's exclusive and first-of-its-kind "Multimedia Technology Ceremony Hall" uses artificial flowers with different fragrances and optional artificial flowers to create the main flower decoration of the ceremony hall. It also integrates digital technology equipment such as electronic signboards and electronic elegiac couplets. The space identification on each floor of the building has also been changed to electronic door numbers to reduce disposable items as much as possible, effectively avoiding waste and saving energy and environment.


**Digitization of Room Numbers**  
(June, 2023)

Hall of Taipei, Tainan, and Kaohsiung




**Electronic Elegiac Couplets**  
(September, 2023)

Hall of Kaohsiung, Gate of Light Funeral Home (Hall of Chiayi has been in operation in 2020)



**Digitization of Portraits**  
(October to November, 2023)

Hall of Taipei, Taoyuan, Hsinchu, Kaohsiung and Gate of Light Funeral Home



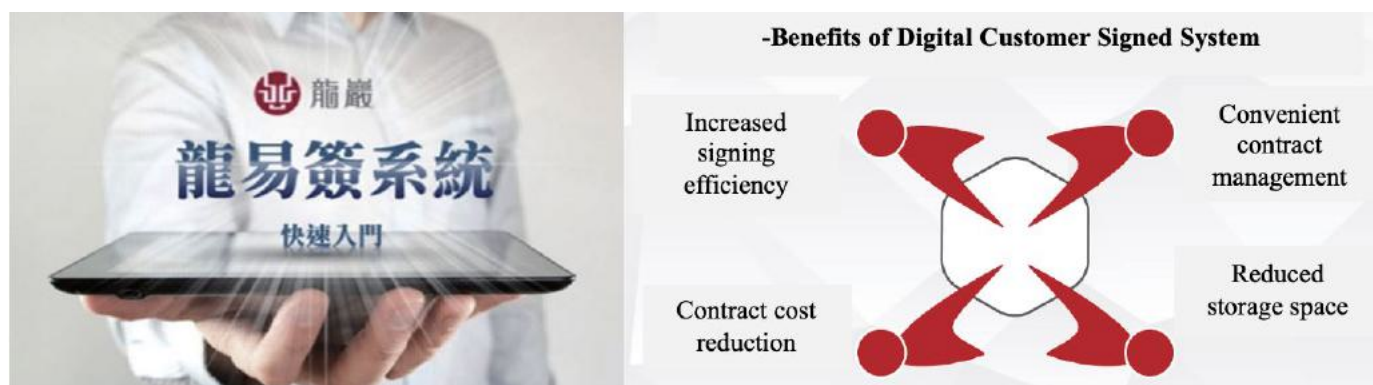
**Invest in digital equipment to present information in real time and in an environmentally friendly manner**



### 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 2023 is 2,521. Based on the number of sheets used in each contract, a total of 35,888 sheets of paper can be saved.

The carbon emission of each A4 paper is about 0.0068KG, which can reduce the carbon emission by 244.04kg of CO<sub>2</sub> in total. (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 CO<sub>2</sub>e / per pack)



### Sanzhi' s new measures for electricity consumption and environmental protection

In 2023, the "Demand Response Load Management Measures" of "Planned Power Consumption Reduction Measures" and "Temporary Power Consumption Reduction Measures", "Demand Bidding Measures" and "Emergency Response Measures" are adopted to agree to reduce contract capacity. If the contract capacity exceeds 500 kilowatts and the implementation rate in the month of selection reaches 80% and the use continues in the next month, industrial user restrictions and power consumption and district-level rotating blackouts will not be allowed in the next month.

This measure will reduce load by an estimated 38,673 kWh in 2023.

### (7).Climate-related information and implementation

Item	Implementation Status
1. Describe board and management oversight and governance of climate-related risks and opportunities.	The Company's board of directors is the highest organization that leads sustainable development. The governance procedures are for each management unit to evaluate and supervise the risks and opportunities that climate change brings to the Company, and report them to the board of directors for discussion based on importance, and formulate operational strategies accordingly.

Item	Implementation Status	
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term)	short-term	Medium-to-long term
	<p>Risk: Greenhouse gas emissions may lead to increased operating costs (cap control, carbon fee collection, carbon tax, increase in raw material prices, etc.)</p> <p>Opportunity: Continuously develop digital services and products to provide a better customer service experience, enhance the Company's positive image, and comply with international sustainability trends along with the development of major green building projects.</p>	<p>Risk: Issues such as the cost of transitioning to a low-carbon economy and changes in customer behavior (such as reducing the burning of joss paper, papercraft, etc.), the increase in severity and frequency of extreme weather, and increasing environmental regulatory requirements.</p> <p>Opportunity: Continue to change the consumption model of the traditional funeral industry through digital transformation, and increase carbon sinks through planting in cemetery parks, enhance brand recognition, and lead industry upgrading.</p>
3. Describe the financial impact of extreme climate events and transition actions.	<p>Our Company is in the funeral facility and service industry. Some cemeteries are located on hillside areas. Changes in rainfall caused by climate change may bring risks of landslides. In addition to causing financial losses, it may also affect business sales. However, extreme climate events and transformation actions will not have a significant financial impact on the Company. The Company continues to carry out greening and soil and water conservation, is committed to the development of various digital services, continues to promote various energy-saving measures, and seeks various possible carbon reduction methods.</p>	
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<p>The Company has formulated "Risk Management Policies and Procedures" in 2020 and approved by the board of directors. The Company refers to the TCFD framework to assess the possible impact of climate change on the enterprise, conducts climate risk management based on the current risk management framework, formulates specific strategies for energy conservation, carbon reduction and greenhouse gas reduction, and regularly reviews the implementation.</p>	

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	The Company has not yet adopted climate change scenario analysis.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.	In order to respond to climate risks and implement energy conservation and carbon reduction, the Company has successively launched a number of technological life ceremonial services, such as digital ceremony hall, electronic obituary, cemetery online mall, online signing system, etc. The usage is growing year by year to reduce the possible impact of climate change on the industry, towards the goal of net zero carbon emissions.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet adopted internal carbon pricing measures.
8. If climate-related goals are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning period, and annual achievement progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of the offset carbon reduction credits or the number of renewable energy certificates (RECs) should be stated.	The Company plans to conduct a greenhouse gas inventory in 2024, covering the main operating bases of the Company and its subsidiaries, and will use it as the base year to set targets.
9. Greenhouse Gas Inventory and Assurance Status	Please refer to the table below.



**(8). Greenhouse gas inventory and assurance status in the last two years:**

## 1. Greenhouse gas inventory information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/million yuan) and data coverage of greenhouse gases in the past two years.

Scope of data coverage: Scope 2 indirect energy emissions (outsourced power), including the Company and its subsidiaries Yuji Development Corp. and its subsidiary Lung Fu Corp.

Item/Year	2022	2023
Greenhouse gas emissions (metric tons CO <sub>2</sub> e)	4,933,520	5,713,406
Intensity (metric tons of CO <sub>2</sub> e/millions of revenue)	1.245	1.394

## 2. Greenhouse gas assurance information

Describe the assurance situation in the last two years as of the publication date of the annual report, including the scope of the assurance, the organization of the assurance, the criteria for the assurance and the opinion of the assurance.

According to the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission in March 2022, the Company is an over-the-counter company with a paid-in capital of less than NT\$ 5 billion, and thus the individual company (i.e. parent company) should apply the greenhouse gas inventory in the third stage (that is, the inventory will be completed in 2026 and the verification will be completed in 2028). The consolidated reporting subsidiaries should apply the greenhouse gas inventory in the fourth stage (that is, the inventory will be completed in 2027 and the verification will be completed in 2029). The company will continue to control the completion of greenhouse gas inventory and verification disclosure schedule in accordance with the reference guidelines and relevant regulations issued by the competent authorities.

The greenhouse gas inventory and verification schedule plan of the Company and its consolidated subsidiaries was approved by the Board of Directors on August 9, 2023, and will be controlled on a quarterly basis based on the achievement of phased goals.

### 3. Greenhouse gas reduction goals, strategies and specific action plans:

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

The Company plans to conduct a greenhouse gas inventory in 2024, covering the main operating bases of the company and its subsidiaries, and will use it as the base year to set targets.

The Company continues to implement education and publicity on energy conservation and carbon reduction, combines office environmental protection actions, and takes root in the work and life of employees, jointly promoting the Company's sustainable operations and environmental protection and caring for the earth. Greenhouse gas reduction strategies and specific action plans will be disclosed in the sustainability report.

## VI. 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.

(1). 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.
- Personnel Management Regulations - Parental Leave Specification

### The status of parental leave without pay in 2023

The Company's application for parental leave without pay is handled in accordance with the law. The situation of parental leave in 2023 is summarized as follows. The proportion of people returning to work in 2023 is compared with the previous year:

Remark	2021	2022	2023
Number of applications for parental leave	3	9	7
Expected number of people who apply for parental leave to be reinstated	5	3	10
Actual number of people who apply for parental leave to be reinstated	4	3	9
Reinstatement rate (actual reinstatement/expected reinstatement)	80%	100%	90%

- Personnel Management Regulations - Resignation notice specification
  - A. A. 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.
  - B. 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.

(2). No age or gender discrimination

- The following table shows the number of employees, gender, age, new recruits, resignations, and remuneration for the three years from 2021 to 2023

For three consecutive years, our company has had an almost 1:1 ratio in the number of male and female supervisors, which shows that our company has no gender discrimination and equal promotion opportunities, making it a gender-equal workplace. The number of female employees in 2023 increased by 3% compared to last year, and the number of new female employees was also be 11 more than male employees, showing that our company is a female-friendly workplace. The age distribution shows that except for those aged 31-50 who continue to make up the majority of the company's employees, compared with the previous year, the total number of employees over 51 years old has been increasing for both men and women, indicating that the Company is a middle-aged and senior-friendly workplace environment without age discrimination.



Year	2021		2022		2023	
Gender	Male	Female	Male	Female	Male	Female
Number of incumbent regular employee as of December 31	237	266	254	292	277	303
Number of non-regular employee as of December 31	3	10	5	9	9	7
Number of management employees	27	32	26	33	31	30
Number of non-managerial employees	213	244	233	268	255	280
Number of employees aged under 30 as of December 31	34	63	42	70	57	78
Number of employees aged 31-50 as of December 31	171	182	175	193	179	193
Number of employees aged over 51 as of December 31	35	31	42	38	50	39
New arrivals throughout the year	37	57	55	88	96	107
Number of employees leaving throughout the year	47	56	39	68	69	98

\* The above table counts the headcount of Lungyen Life Service Corp. in Taiwan (excluding directors, consultants and expatriates).

\* In 2023, male employees account for 48% and female employees account for 52%; employees under 30 years old account for 23%, 31-50 years old account for 62%, and employees over 51 years old account for 15%; the proportion of management positions is 10% and the proportion of non-management positions is 90%.

### (3). Employee salaries and benefits

- Average salary in 2023
  - The average salary of specialists in 2023 increased by 4% compared to last year, which is higher than last year's 1% increase.

Year	2021	2022	2023
Average Salary as of December 31	66,532	67,075	64,859
Average Salary of specialist as of December 31	34,149	34,461	35,880

- 2023 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 measures include maternity subsidies, marriage subsidies, funeral subsidies, and subsidies for club activities and health promotion activities. In 2023, in order to keep employees physically and mentally healthy and continue to develop good exercise habits, the Company specially organized an online walking and weight loss challenge, with a total number of participants of 243. During the one-month period of the walking competition, the total number of steps taken by participating employees exceeded 31 million, with an average of 8,000 steps per person per day. The goal of the weight loss challenge was to lose 2% of the weight healthily within 42 days, and 84% of the total participants successfully achieved the goal. In order to unite the feelings of colleagues from all over the operationing areas and allow colleagues to bring their families to have fun together, a family day was specially chosen to be held at Leofoo Village Theme Park. An



interactive flash mob event between officers and colleagues was arranged on that day, and each person was provided with a NT\$500 credit for food and beverage products. In addition to the coupons, snacks such as marshmallows, popsicles, and lunch boxes are also provided to keep participants entertained and satisfied. At the end, there is a lottery with a total prize of NT\$100,000. A total of 572 colleagues and their families attended the event, with a satisfaction rate of 83%. The Thanksgiving message activity continued this year. The number of messages this time increased by 56% compared with last year, 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:** The Company subsidizes colleagues with delicious lunch boxes, reducing food safety issues when dining out and saving lunch expenses for colleagues.
- **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:** Quarterly events are held every quarter. In addition to preparing delicious afternoon tea, we also produce videos introducing newcomers and conduct health lectures to let colleagues understand the correct methods of healthy eating and weight loss.
- **Prosperous annual activities:** In order to sympathize with the fact that the physical prosperous annual activities has not been held for the past three years due to the epidemic, the Company specially held a two-day and one-night prosperous annual party in 2023 to express gratitude to colleagues for their hard work. The employees were accommodated at The Splendor Hotel-Taichung, and a senior employee award ceremony and prosperous annual party dinner were held, allowing colleagues to relax physically and mentally.

#### Safety maintenance in the workplace in 2023

- The "Workplace Unlawful Infringement Prevention Plan" was introduced, and regular dissemination and education was conducted to maintain a friendly workplace.
- 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.
- Establish a fire prevention management team to conduct "fire drills and publicity" to establish fire escape awareness and related knowledge from daily life, and practice fire escape routes to build colleagues' correct disaster prevention concepts and emergency evacuation response capabilities.
- Establish a series of information security courses to help colleagues develop correct concepts, risk identification, and safe social behaviors when using emails, websites, communication software, etc., to ensure that the Company's information security protection network is complete and to prevent company information from being leaked.

## (4). Complete Staff Training

- Employee Training Summary

- ✓ 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 2023, we spared no effort to cultivate talents, with a total number of trainee personnel reaching 3,066, including 1,063 professional trainings (including funeral director training), with a cost of more than NT\$600,000 yuan. A total of 11,943 employee training hours were provided in the year, with a total cost of NT\$1,086,518.

Item	New employee training	Supervisor training	Professional Training	Compliance courses	Occupational safety courses	Total
<b>Trainee Personnel</b>	262	151	1,063	1070	520	3,066
<b>Trainee Hours</b>	1,978	376	7,004	1,611	974	11,943
<b>Expense(NT\$)</b>	134,229	120,559	607,630	161,700	62,400	1,086,518

- ✓ In 2023, the number of supervisors trained reached 151, and the cost exceeded NT\$120,000. The course content is detailed below:

Course Title	Number of Trainees	Training Hours	Expense (NT\$)
<b>Workplace Illegal Courses</b>	61	2	120,559
<b>Team Building Course</b>	20	4	
<b>Effective performance interviews</b>	17	3	
<b>Functional Behavioral Interviewing Techniques GROOM</b>	17	3	
<b>Liu, Pi-Jung's most popular negotiation course</b>	36	2	

- ✓ 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: responsible execution, negotiation skills, 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	Number of Trainee	Total
Fire Manager Initial Training	16	12	192
Fire Manager Retraining Course	10	6	60
Corporate Governance Officer Continuing Education	6	3	18
Continuing Training for Auditors	7	6	42
Hygiene Workshop for Certified Chefs	5	8	40
Other professional courses	27.5	2	27.5

- Partnership with Schools
  - ✓ Cooperation Contact: 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, in 2023 we signed an industry-university strategic alliance with Tajen University of Science and Technology to provide cooperation in industry resources, manpower, employment internships, etc.
  - ✓ On-campus talent recruitment briefings: In 2023, a total of 5 sessions were held at National Taiwan University, National Central University, National Chengchi University, Chung Yuan University, and Soochow University. Go deep into the campus to help students better understand Lungyen, and provide career development consulting and job opportunities.
  - ✓ Student Internship: Two internship briefing sessions were held in 2023, and a total of 13 interns were recruited to report in 2024. A total of 6 students stayed in the Company after internship in 2023.
- Tailor-made Professional 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 Lungyan, 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 1,367 certificates since the first certificate of funeral director was issued in May 2014 until the end of 2023. According to the law, there should be 48 funeral practitioners in Lungyen holding funeral director licenses. According to legal regulations, Lungyen should have 48 funeral service personnel holding funeral director licenses. As of December 31, 2023, 101 funeral practitioners in Lungyen have obtained funeral director licenses, accounting for 7.4% of the total number of licenses issued, which has exceeded the legal requirement by 2.1 times, and has become the funeral service company with the largest number of registered funeral directors.



- Professional Funeral Service Training Courses

Understand the meaning of funeral and then understand professional funeral customs. In traditional culture, every ritual in the funeral process has its own meaning, which is a sign of respect and filial piety for the deceased loved ones. Professor Hsu, Fu-Chuan is a master of funeral in Taiwan and a consultant to Lungyen. Professor Hsu has been devoted to the study of funeral etiquette for many years and continues to teach students various funeral and rituals. Lungyen invites Professor Hsu, Fu-Chuan to teach funeral directors every year, striving to continuously improve knowledge of funeral and customs and empathize with others. Funeral directors are trained in how to guide family members to express their grief through rituals, while also helping the soul of the deceased find peace after death. The funeral directors have an important mission. This is not only a ceremony, but also a trust that the family expects to be carried out successfully. Carrying the trust of our families, we uphold the professional attitude and carefully protect the dignity of the deceased, so that each ancestor can pass away peacefully.



In the funeral service training course, Wu, Mu-Jung, a professor of the Department of Pathology of National Taiwan University Hospital, was invited as a lecturer. Discussing the professional issues of life and death, lecturer Wu, Mu-Jung shared many cases from his past experience as a forensic doctor, so that funeral directors can understand the various changes after death. The analysis can help etiquette practitioners better understand that the response measures need to be changed when facing different cases. The value of funeral directors is that when faced with the turning point of life and death, they not only provide professional knowledge and arrangement procedures, but also empathize with the family's mood and provide the best service to the deceased and their families.

- Lungyen's Funeral Training Courses also Include the Development of Professional Customs and Funeral Materials from Various Places

Invite seniors and lecturers with rich professional experience to impart knowledge. This time, a floral art lecturer was invited to introduce flower materials and customized designs for different layouts of venue spaces. The in-depth and simple explanations allow the funeral directors to provide customers with exclusive planning proposals in a more professional manner in the future. Flower arranging is an art and a profession. It is necessary to judge the flowering period and accurately calculate the flower





blooming time, so that the combination of different flower species can show the most beautiful appearance during the ceremony. By imparting new knowledge through lecturers, taking every little thing seriously, and treating every detail rigorously, the family members can have no worries and can concentrate on their thoughts. We value life and carefully carve out every detail to make the funeral ceremony more solemn and discreet. Lungyen always used double the strict standards to achieve perfect scores, guarded the family members and stayed with them, and accompanied the deceased to complete the final graduation ceremony.

Every step and every movement requires precision: In addition to being familiar with professional funeral customs, funeral service training must also pass through physical fitness, conversation, and manners. We specially invited Lecturer Li Chun, who has been in the Navy's honor corps training instructor for 11 years, to teach the funeral service movements. During the training process, every step and every movement must be precise. We use the strictest standards to train funeral directors just to give customers the best service.

Irregular testing and continuous required training: In the farewell ceremony, there are colleagues who guide the officiant to perform actions such as offering incense and bowing according to the master of ceremony's command. This is the basic training for every funeral service staff in Lungyen. In order to make the movements more complete and accurate, for the first time in 2023, all Lungyen funeral service colleagues in Taiwan were convened on a large scale to take tests in February and March. Whether every action or gesture is accurate or not is an item evaluated by the examiner, because we insist that our services must be carefully considered and attentive! Every effort and training is to gain professional recognition, so as to make the family feel at ease and reassured. The last farewell in life is entrusted to us, and we will protect each ancestor.



#### (5). Diverse Employee Communication Channels

- lycares Mailbox: If employees have any opinions about the Company, they can respond to the general manager through this mailbox.
- Irregular thematic surveys
- 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.

- 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

### (1). Customer Opinion

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 2023, a total of 1,782 customer feedback were received, and 1,761 cases have been closed, with a closing rate of 99.8%.

I. Opinion Category Statistics										
Case Classification	2016	2017	2018	2019	2020	2021	2022	2023	Total	%
Praise	588	903	894	574	511	689	1,536	1,549	7,244	84.4%
Customer Complaint	96	58	50	52	66	63	63	51	499	5.8%
Suggestion	67	68	47	38	39	19	21	10	309	3.6%
Petition	32	24	29	58	45	52	124	172	536	6.2%
Total	783	1,053	1,020	722	661	823	1,744	1,782	8,588	100.0%
Number of cases closed	783	1,053	1,020	722	661	823	1,744	1,761	8,567	
Case Closing Rate	100%	100%	100%	100%	100.0%	100.0%	100.0%	98.8%	99.76%	

II. Opinion Source Statistics										
Source	2016	2017	2018	2019	2020	2021	2022	2023	Total	%
Customer Service Hotline	53	29	44	32	53	47	63	42	363	4.23%
Parallel Unit Transfer	36	18	10	13	27	19	40	11	174	2.03%
Immediate Response Area	230	583	709	364	441	623	1,395	1,346	5,691	66.27%
Customer Service Mailbox	27	17	13	24	30	20	20	15	166	1.93%
Government Letter	17	11	23	45	24	17	37	106	280	3.26%
Business Satisfaction Survey		8							8	0.09%
Telephone Interview	16	16	5	3					40	0.47%
Audit Check			3						3	0.03%
Letter of Care	404	371	213	241	86	85	155	211	1,766	20.56%
Independent Filing						6	13	11	30	0.35%
Customer Letter						6	21	40	67	0.78%
Total	783	1,053	1,020	722	661	823	1,744	1,782	8,588	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.

(1). 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

(2). How to Communicate Effectively with Investors:

1. Investor Conference: A total of 4 conferences held in 2023
2. Telephone Conference
3. Company Visit
4. E-mail

(3). Investor Conference Topics:

1. Reporting Operating Results
2. Industry Changes and Trends
3. Future company outlook and development priorities

(4). 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.
2. Shareholders can ask questions by phone or email.



3. 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 2023.
4. Shareholders' general meetings are held regularly. On May 26, 2023, Lungyen's annual general meeting was held to explain the Company's operating results and future development, with an attendance rate of 78.62%.
5. An annual report is issued every year in accordance with regulations and sent to shareholders at the shareholders' meeting.
6. The official website has an investor area to provide investors with the information they need.
7. 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.)

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. 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.

In 2023, a total of 190 construction-related contracts with integrity clauses were signed, with a contract value of NT\$404,685,472.

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

1. Hold supplier interactive meetings to promote the consistency of the ideas of both parties.
2. The official website provides the personal mailbox of independent directors, providing a channel for direct communication between suppliers and independent directors.
3. Interact with peers and suppliers through relevant associations

Lungyen Group currently joins the relevant organizations as follows:

- A. Taiwan Funeral Association
- B. New Taipei City Funeral Association
- C. Taichung City Funeral Association
- D. Kaohsiung City Funeral Association
- E. Taipei Funeral Service Industry Association
- F. General Chamber of Commerce of the Republic of China
- G. Columbarium and Cemetery Management and Development Association of the Republic of China
- H. 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.

### (1). 2023 Sponsored Events

Lungyen Sanzhi Memorial Hall

- ✓ Charity material donation: Taiwan Foundation for Geriatric Emergency and Critical Care, Huashan Foundation, New Taipei City Haochao Community Children and Children Welfare Promotion Association, New Life Social Welfare Development Promotion Association, Sanzhi District Office, New Taipei City Fire Brigade No. 3, Flying Life Association of Christ



- ✓ Donate 1,200 14kg garbage bags to the Double Ninth Festival Respect for the Elderly event in Pingpuli, Sanzhi District





- ✓ Sponsored the Sanzhi District Elderly People's Association to conduct public welfare activities for the elderly's home safety and improvement studies
- ✓ Donate to the funds for the natural ecology and energy saving and carbon reduction seminars in Yuanshanli, Fuduli and Baxianli in Sanzhi District and 138 pieces of 25kg garbage bags/2150 pieces of 14kg garbage bags
- ✓ Sanzhi Elementary School Sports Games Funding
- ✓ Sanzhi Farmers Association-Farmers' Day Funds
- ✓ Donate to Sanzhi Charity Association's 2023 end-of-year condolence charity event for low-income households: [In the cold winter, we send warmth]
- ✓ Lungyen Sanzhi Memorial Hall has long been investing resources to take care of neighbors and disadvantaged families. It has also made long-term donations to Sanzhi Baxian Palace to hold the "Year-End Charity Activities", distributing New Year's red envelopes and materials to low-income elderly people to accompany them in the New Year. On January 8, 2023, the Longyan volunteer team arrived at Sanzhi Baxian Temple at 8:30, and together they helped deliver supplies to disadvantaged families and elderly people living alone. The supply packages were full of love from many kind-hearted people, including white rice, oil, soy sauce, rice vermicelli, bean noodles and other supplies. Seeing the elderly with limited mobility, volunteers stepped forward to help them pick up supplies. The elders expressed their gratitude enthusiastically, and felt an indescribable warmth in their hearts. We have been deeply involved in various places in Taiwan, and we will continue to deliver warmth and brings happiness!





- ✓ Fuiten Memorial Park (Wanli)
- ✓ Donate charity materials
- ✓ Lungyen Futian has been donating materials to the Wanli District Office in New Taipei City for a long time to provide the needs of poor families. The New Taipei City Wanli District Office specially issued a "Certificate of Appreciation", and Lungyen Futian was invited to receive the award. In the future, we will actively work hard to continue to cultivate the local area, care for the society, and be enthusiastic about public welfare. We will never tire of it and give back to the society.
- ✓ Fugun Memorial Park (Taoyuan)
- ✓ Donate charity materials: Taoyuan City Government Social Affairs Bureau New House Family Service Center
- ✓ Lienyuan Memorial Park (Hualien)
- ✓ Charity supplies: Hualien County Social Care Association



- ✓ Guanghua Community Development Association, Ji'an Township, Hualien County
- ✓ Baoshan Memorial Park (Taichung)
- ✓ Charity material donation: Nantou County Red Cross Society
- ✓ Chiayun Memorial Park (Chiayi)
- ✓ Charity material donation: Jialin Nursing Home, Chiayi City Charity Association, private Mindao Home, Huashan Foundation, One Heart Correctional Institution, Jiaai Special Education Development Center, Chiayi County Private Zhongpu Correctional Institution, Ren'an Social Welfare Charity Foundation, Ann's Home
- ✓ Antai Memorial Park (Kaohsiung)
- ✓ Charity material donation: Jinzhu Elementary School, Jingyi Elementary School, and Gouping Elementary School in Neimen District, Kaohsiung City

## 6. Charity

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). Free Burial and Emergency Relief

We firmly believe that every life deserves equal respect and a good farewell, so Lungyen Charity Foundation has long been helping poor families who cannot afford burials, or those who have died alone and have no one to support them, to successfully complete the last journey of life. The life service industry is the core business of Lungyen Life Service Corp., based on social ethics and feedback, combined with Lungyen's own expertise and resources, and dedicated division of labor. "Free Burial Assistance" helps families or individuals who are unable to carry out burials. Most of the economic factors are part of the original problem. It is also one of the most obvious channels for the family to seek help before more uncontrollable situations occur. Usually, there are more hidden events behind the case or the client that are not known to the outside world. Before a deeply regrettable social incident occurs, if you can get warm assistance from the outside world in time, you can reduce the risk of the regret happening. Through Lungyen's professional services, every life can have a dignified and fulfilling life without regrets.

In 2023, a total of 22 free burial cases were accepted, 18 free burial cases were performed, and 4 emergency relief cases were accepted and subsidized. The last case served this year is an elder who lives on a subsidy. She and her grandson, who lives in school, rely on each other spiritually and in life. She is a good grandmother who cares about her grandson. The grandson of the case said that his grandmother had just met him the day before to give him some snacks, but how could he have known that she was found lying on the road two days later. She was sent to the hospital for emergency treatment, but died before arriving at the hospital. This is really a big blow to the grandson who lives with his grandmother. Fortunately, with the help of the social worker, the patient was referred to the Lungyen Charity Foundation, and we assisted the client in organizing a simple and grand farewell ceremony. At the farewell ceremony, the grandson, who was in tears, managed his grandmother's funeral properly and successfully with the help of the funeral service colleagues. We also learned from his mouth that the funeral service colleagues not only provided the warmest assistance during the ceremony, but also took the initiative to care for his subsequent life needs after the ceremony. This greatly encouraged the grandson and gave him the strength to continue to have faith alone. During the interview, he expressed that he also wanted to become someone capable of helping others in the future.



In addition to its own business operations, Lungyen can also establish links with employees to assist the Company providing services, such as serving as corporate volunteers. Through joint promotion with stakeholders and charity fundraising, more people in need have the opportunity to jointly help those in need. We believe that more care means less sadness. We have invested in volunteer burial services for a long time to safeguard the autonomy of life, so that everyone has the right to a good death, and continue to establish a positive concept of treating life correctly to solve social problems and continue to play a role 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

(2). New Taipei City Tamsui District Caring for Disadvantaged Families Services: Dragon Boat Festival and Mid-Autumn Festival Love Activities

In 2023, Lungyen Charity Foundation and Lungyen corporate volunteers co-organized the New Taipei City Tamsui District Caring for the Disadvantaged Association's annual love-spreading activities during the Dragon Boat Festival and Mid-Autumn Festival to strongly support local charity and deepen local care. The supplies we send during the Dragon Boat Festival remind every family of the importance of summer cleaning to maintain quality of life and health. During the Mid-Autumn Festival, we purchase high-quality pomelo from elderly farmers in Hualien to express our care. We use high-quality pomelo to wish everyone "eat pomelo and live a long life (tsiah iū tn̄g huè-siū)". On the one hand, it helps the elderly farmers, and at the same time, it also makes the farmers happy. Everyone receives warm care, allowing good things to connect with each other and promoting the spirit of social good.



This project corresponds to the first of the SDGs set by the United Nations - the elimination of all forms of poverty. Number of direct beneficiaries of this project: 1,330



### (3). Public Welfare Lectures

- Public Welfare Lectures on Mental Health

The purpose of life education is to hope that everyone can live healthy and happy lives. We note that mental health is just as important as physical health. In 2023, intern psychologists from the Department of Life and Health Psychology Counseling of the National Taipei Nursing and Health College, which is continuously supported by the Lungyen Charity Foundation, combined with the Yuxinxiang Psychological Counseling Center, will bring a series of 10 public welfare lectures on healing life to the public. Through a series of lectures on different themes, the audience is taught to learn to embrace themselves and find their inner courage.

講座將會陸續開放報名，敬請留意官網資訊！

**癒·系列**  
Let's heal!

**癒心鄉心理諮商中心**  
2023諮商公益系列講座

**醫療主題**

- 4/13 失智與失落  
1000-1130AM 張淑玲 諮商實習心理師
- 5/25 老病死生好好走：安寧善終、生死兩安  
1000-1130AM 王美惠 諮商實習心理師  
林育偉 國防醫學院護理學博士

**關係主題**

- 4/26 陪伴的意義與力量  
1400-1600 張智宇 諮商實習心理師
- 5/04 親密與孤獨：在關係中享受孤獨  
1000-1130AM 林淑芳 諮商實習心理師
- 5/16 從矛盾到清晰—談愛情的選擇  
1200-1330 張淑玲 黃宜華 諮商實習心理師

**照顧者主題**

- 4/25 暴龍媽媽的修煉之路：談親子溝通  
1400-1600 陳聖靜 諮商實習心理師
- 5/23、5/30 擁抱大齡，開啟優雅的下半場  
1600-1730 蕭永品 陳聖靜 黃郁珊 諮商實習心理師

**情緒療癒主題**

- 6/05 情緒智慧盒：情緒的功能與意義  
1200-1330 顧清 諮商實習心理師
- 6/08 儀式的功能與療癒  
1000-1130AM 張祐瑾 諮商實習心理師

—感謝龍巖慈善基金會協助辦理



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- A Brief Discussion on Inheritance Wills and Inheritance Tax System\_ Late Beauty Life with Love and No Regrets Seminar Points Lecture  
In the "Adult Guardianship Seminar" of the Taipei City Adult Guardianship Duty Implementation Plan for Adults with Disabilities in 2023, a "Briefly Talk about Inheritance Wills and Inheritance Tax System \_Late Beauty Life with Love and No Regrets" points lecture will be provided to cultivate people with disabilities, Social workers, counselors, therapists or researchers in the fields of the elderly and government departments receive 3 hours of study hours and related professional knowledge to apply in their professional fields.

- The source of Grief Healing is in Love. A Public Lecture on Life Transformation after Bereavement. Thanks to Professor Li, Pei-I, Director of the Department of Death and Health Psychology Counseling at the National Taipei University of Nursing and Health Science, for giving the lecture "The Source of Grief Healing in Love: A Discussion on Life Transformation after Bereavement". She provides lots of helpful advice and information to help us better understand and care for our own grief. We should learn how to face and let go of grief, and give ourselves enough time and space to heal. Let us cherish every moment of life together and face our emotions and needs bravely.
- Co-organizer of the Funeral Behavior in Taiwan's Social Changes\_Professor Tsang, Huan-Tang's Retirement Academic Seminar  
The association co-organized a seminar on the retirement of Professor Tsang Huan-Tang in the Department of Thanatology and Health Counseling, National Taipei University of Nursing and Health Science. Former supervisory committee member and associate professor of Cultural University Chang, Kuei-Mei was invited to give a special lecture on "Changes and Prospects of Funeral Legal System". Nearly 100 teachers and students from industry and academia attended. Scholars from all walks of life were invited to discuss issues such as Taiwan's funeral governance, legal reform, and pet funerals, which benefited the students a lot. Professor Tsang Huan-Tang has devoted himself to life care and cultivation projects, demonstrating his tireless efforts. Professor Li, Pei-I, the department chair, presented blessings and flowers on behalf of the teachers and students of the Department of Thanatology and Health Counseling. Professor Tsang Huan-Tang also donated a collection of his retirement essays "Review of Life and Death" to the Department Alumni Association. He hoped that through this seminar, participants would view life and death events with a more positive, correct and optimistic attitude.



Number of direct beneficiaries of this project: 631

#### (4). Scholarships

Department of Thanatology and Health Counseling, National Taipei University of Nursing and Health Science/Department of Life-and-Death Studies, Nanhua University

The Lungyen Charity Foundation continues to donate scholarships to support students from the Funeral Service Group of the Department of Life-and-Death Studies of Nanhua University and the Department of



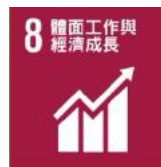
Thanatology and Health Counseling of the National Taipei University of Nursing and Health Science, helping the award-winning students to focus more on their studies and improve their professional abilities. Every year, the Foundation provides the "Lungyen Life Education Scholarship" to the Funeral Service Group of the Department of Life-and-Death Studies of the Nanhua University to help the award-winning students from disadvantaged families study with peace of mind. At the same time, Lungyen Life Service Corp. also provides internship opportunities to help students properly prepare for professional skills, promote smooth employment in the future, and improve family economic status.



By donating student scholarships to the Department of Thanatology and Health Counseling at the National Taipei College of Nursing and Health Science, we help these intern psychologists focus more on learning and promote the development of grief counseling. At the same time, we also assisted the Yuxinxiang Public Welfare Psychological Counseling Center to provide public welfare counseling services to the public, allowing intern psychologists to focus more on case services and professional growth, and cultivating professional manpower of grief counseling psychologists for the society.







This project corresponds to the eighth item of the Sustainable Development Goals (SDGs) set by the United Nations - decent work and economic growth.

Number of direct beneficiaries of this project: 53

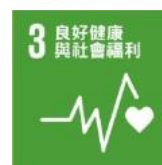
#### (5). Care for Seniors: Welfare for the Elderly

"2023 Grandpa Color Walk - Be Brave and Not Afraid to Get Passionate" walking activity

Lungyen Charity Foundation continues to participate in the "Grandpa Color Walk" organized by the Hongdao Elderly Welfare Foundation. In order to encourage elderly people with limited mobility to go outdoors more often and interact with people, we donated NT\$200,000 to arrange transportation for the elderly to participate in the event, provided exclusive environmentally friendly bags to the elderly, and even encouraged colleagues to serve as daily workers to cheer up the participating elders, and greet the finishing elders at the finish station to wear medals and give out finishing gifts. The garden party booth also prepared games that attracted many enthusiastic elders to challenge and win prizes. We hope to continue to inspire the elders to take action to promote physical and mental health and regain their passion for life.







This project corresponds to the third item of the Sustainable Development Goals (SDGs) set by the United Nations - good health and social welfare.  
Number of direct beneficiaries of this project: 2,600

#### (6). Child Welfare

- Lungyen Elementary School After-School Tutoring Class

Lungyen promotes the development of ESG life education and continues to subsidize the funding for supplementary classes at Lungyen Elementary School in rural Yunlin, so that children in middle and lower grades can have specialized teachers to lead their studies after school for free, and assists Lungyen Elementary School in rural Yunlin to take care of low-income households, students with physical and mental disabilities, aboriginal students and children of foreign spouses to make full use of educational resources in their after-school life. This help to solve the problem of no daycare classes in remote rural areas, allowing parents to work with peace of mind, reducing the occurrence of social problems and preventing accidents involving children alone at home. If calculated based on the lowest supplementary class tuition fee in 2023 (NT\$3,000 per month), the foundation's donation has saved NT\$837,000 in day care class fees for families in the lower and middle grades of Lungyen Elementary School, which is a significant benefit.





- Ciao! Come and Go to Italy~Teachers and Students of Lungyen Elementary School Experience Traveling Abroad and Build International Outlook

In order to encourage children from Lungyen Elementary School to learn independently and build a worldview, the Lungyen Charity Foundation worked with teachers to plan an immersive travel simulation experience in Italy. This experiential activity, "End of Year Gratitude, Come and Go to Italy~" assisted by volunteers from Lungyen Enterprises, allows children to fully learn the complete experience from setting off by plane to returning home happily. Volunteers played the role of flight attendants and guided the children to their seats with their boarding passes, played the lifesaving training video on the in-flight and enjoyed the in-flight desserts. During the process, they also led the children to learn two Italian words "Ciao, Grazie!" When arriving in "Italy", the Lungyen Enterprise Volunteer Team acted as a customs officer and experienced the scene of customs clearance. The whole school also enjoyed the freshly cooked dishes from the pasta truck and fully experienced traveling in Italy. Chairman Liang, Jian-Yun said: "In order to cultivate children's international outlook and international etiquette, we planned this meaningful experience activity with Principal Hu, Wen-Chung. It not only allows the children to open their horizons and explore new exotic customs, but is also quite helpful for their learning and growth." During the trip, the children made perfect use of the Ciao and Grazie they had just learned. The teachers and volunteers present witnessed the effectiveness of active learning, and the children also enriched their life experience and international outlook.

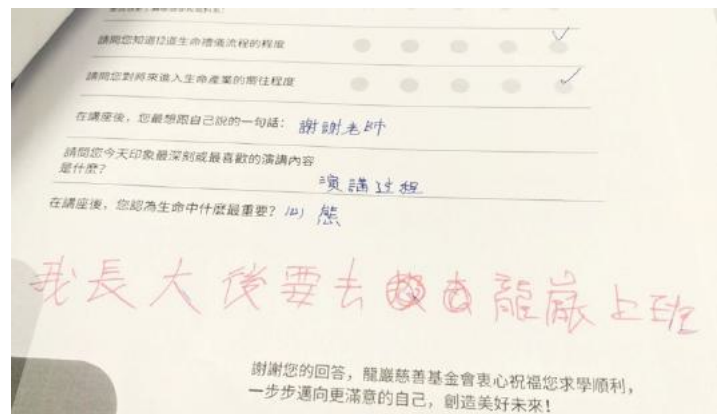








- Sports Scholarship Program to Help Outstanding Students Realize their Dreams**  
 The Foundation continues to donate to New Taipei City's "Excellent Sports Students' Dream Implementation Plan", allowing outstanding students from more difficult families to attend school and train with peace of mind, reducing the burden on students' families, thereby developing their talents and moving forward with full concentration towards their dreams. By cooperating with the New Taipei City Education Bureau and fulfilling corporate social responsibilities, we sincerely hope to use love and care so that there will be no regrets at every stage of life. In the 2023 school year, a total of 18 students from 15 schools were subsidized, and scholarships were provided every year according to the learning stage to fully support the children in realizing their dreams.

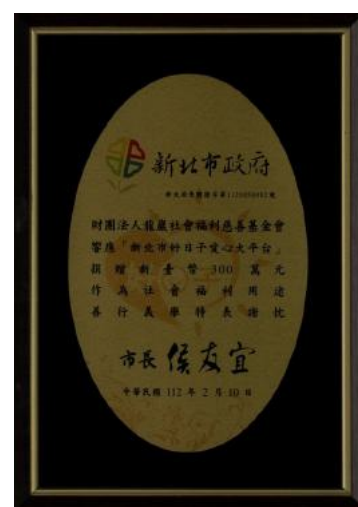




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幫助新北弱勢體育績優學生 龍巖捐助300萬



- Financial Support for Disadvantaged Students in Sports Specialization

The Foundation continues to care for Lin, Hao, who is about to enter high school in the third grade of junior high school this year. He needs to practice for at least 6 hours every day. Because of this subsidy, he has no time to mess around. So his mother is very grateful to the foundation for giving him the opportunity to pursue his dream, staying on the right path eliminates the chance of going astray. Lin Hao is working hard to prepare. He hopes to successfully enter the ideal high school baseball team and continue to move forward on the road to baseball! Please cheer him on!





- pave the Way for Children's Dreams and Sing Out the Confidence and Joy of Life  
The Foundation donated money to the Bora Junior High School Choir, the Kinsan Elementary School Chorus and the Yeonong Elementary School Choir, which were jointly formed with the Nibun Chorus, to participate in the "2023 12th World Choir Competition" in Gangwon City, South Korea, with moving and resonant songs. The song resonates with life and won double gold medals in the "Championship Category" and "Open Category". We help children and young people in Liugui District and Taoyuan District of Kaohsiung City take this opportunity to transcend themselves and go global to expand their life horizons, understand that victory is not unearned, and winning awards generates self-confidence! The Foundation's donation has been recognized by local teachers and villagers for its contribution to the education of indigenous children, allowing the Foundation's services to successfully reach aboriginal areas.





- Love You and Protect You Year-End Gratitude Gift Plan**  
 In order to continue and expand the spirit of corporate social responsibility of Lungyen Life Service Corp., the Foundation invites company colleagues and the general public to participate in the "2023 Love You and Protect You Gift Pledge Campaign" at the end of the year, and gather social resources to pay attention to the children growing up. This event successfully raised NT\$99,400, expecting that 293 gifts will be delivered to the children cared for this year before December 25, so that they can feel the care and warmth from the society and move forward to the New Year with the blessings of the donors. We also encourage children who receive gifts to see their own value and personally collect a leaf that represents their uniqueness and send it back to bless the donors of end-of-year gifts, so that love and kindness can circulate forever.



This project corresponds to the fourth item of the Sustainable Development Goals (SDGs) set by the United Nations - quality education. Number of direct beneficiaries of this project: 682



## (7). Life Education

- The Foundation's Official Website Provides Business Promotion and Heart Health Resource Sharing  
This year, the Foundation has added website content and functions: online psychological assessment scales and heart-healing cards, government resources related to heart health, and a series of heart health lectures to record and save. We hope to provide more mental health knowledge and skills to help more people establish correct psychological concepts and learn ways to effectively cope with stress and manage emotions, to help visitors to the website stay in a healthy mental state and live a happier and more active life.



- Family Ethics Promotion Activities  
Lungyen Charity Foundation held a mini workshop "Family Ethics Life Education" before the Dragon Boat Festival, "Sewing Sachets - Dragon Boat Festival Safety and Health", and invited visiting company colleagues to participate, encouraging everyone to sew sachets and pass on each sachet filled with blessings. Some people give sachets to their children, some to their significant other, some to relatives or friends, and some to themselves! No matter who the blessing was for, every participant received the happy feeling of love and being loved! "The ability to bless others" and "the ability to receive blessings from others" are equally important in life. Through this small activity, we encourage everyone to embody love, enhance the beautiful balance of family and interpersonal relationships around them, and obtain the blessings they need in life.



Number of direct beneficiaries of this project: 74,158

- Lungyen Love Volunteer Team  
 Number of volunteers serving in 2023: 2023  
 Number of volunteer service hours in 2023 years: 508  
 Number of people directly receiving services in 2023: 79,454



**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

<b>Statement of use</b>	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.
<b>GRI used</b>	GRI 1 : Foundation 2021
<b>GRI Sector Standards</b>	During the reporting period of this report, no applicable GRI industry standards have been published.

<b>GRI Standards</b>	<b>Disclosure Name</b>	<b>Report Section</b>	<b>Page</b>
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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	90-93
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2-7	Employees	V.1 Relationship with Employees	54-62
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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	25-26 26 27 27
2-11	Chair of the highest governance body	II.5 Organization Structure III.1 Board of Directors	24 25-26



GRI Standards	Disclosure Name	Report Section	Page
<b>GRI 2: General Disclosures 2021</b>			
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2-13	Delegation of responsibility for managing impacts	II.5 Organization Structure	24
2-14	Role of the highest governance body in sustainability reporting	I.3 Corporate Sustainability Organization and Structure II.5 Organization Structure	8 24
2-15	Conflicts of interest	II.5 Organization Structure III.1 Board of Directors	24 25-26
2-16	Communication of critical concerns	III.7 Stakeholder Communication	28-31
2-17	Collective knowledge of the highest governance body	III.1 Board of Directors	25-26
2-18	Evaluation of the performance of the highest governance body	III.1 Board of Directors	25-26
2-19	Remuneration policies	V.1 Relationship with Employees	56-57
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2-21	Annual total compensation ratio	V.1 Relationship with Employees	56-57
2-22	Statement on sustainable development strategy	I.1 Message from the Chairwoman and General Manager I.2 Corporate Social Responsibility Commitment	5-7 8
2-23	Policy commitments	I.2 Corporate Social Responsibility Commitment I.3 Corporate Social Responsibility Organization and Structure III.6 Anti-corruption	8 8 28
2-24	Embedding policy commitments	I.2 Corporate Social Responsibility Commitment	8
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GRI Standards	Disclosure Name	Report Section	Page
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2-27	Compliance with laws and regulations	I.2 Corporate Social Responsibility Commitment	8
2-28	Membership associations	V.4 Relationship with Suppliers	64-65
2-29	Approach to stakeholder engagement	III.7 Stakeholder Communication	28-31
2-30	Collective bargaining agreements	V.1 Relationship with Employees	54
<b>GRI 3: Material Aspects 2021</b>			
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 28-31
3-3	Management of material topics	Main Information of this Report II.2 Major Products and Service Locations III.7 Stakeholder Communication	1 10-16 28-31
<b>GRI 202 : Market Presense 2016</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	V.1 Relationship with Employees	56
<b>GRI 203 : Indirect Economic Impacts 2016</b>			
203-1	Development and impact of infrastructure investment and services supported	V.5 Relationship with Community Residents	65-67

GRI Standards	Disclosure Name	Report Section	Page
<b>GRI 204 : Procurement Practices 2016</b>			
204-1	Proportion of spending on local suppliers: The Company's suppliers are all domestic ones	V.4 Relationship with Suppliers	64-65
<b>GRI 205 : Anti-corruption 2016</b>			
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	28
205-2	Communication and training about anti-corruption policies and procedures	III.6 Anti-corruption	28
<b>GRI 304 : Biodiversity 2016</b>			
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	32 34-41
<b>GRI 308 : Supplier Environmental Assessment 2016</b>			
308-1	New suppliers that were screened using environmental criteria	IV.3 Commodity Planning and Environmental Protection	41-42
<b>GRI 401 : Employment 2016</b>			
401-1	New employee hires and employee turnover	V.1 Relationship with Employees	56
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	56-57



GRI Standards	Disclosure Name	Report Section	Page
401-3	Parental leave	V.1 Relationship with Employees	54-55
<b>GRI 402 : Labor-Management Relations 2016</b>			
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	54
<b>GRI 403 : Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system: Engineering Safety and Workplace Safety	V.1 Relationship with Employees V.4 Relationship with Suppliers	57 64
403-3	Occupational health services	V.1 Relationship with Employees	57
403-4	Worker participation, consultation, and communication on occupational health and safety	V.1 Relationship with Employees	56-58
403-5	Worker training on occupational health and safety	V.1 Relationship with Employees	57-59
403-6	Promotion of worker health	V.1 Relationship with Employees	56-58
403-8	Workers covered by an occupational health and safety management system: Workplace safety, health check, insurance	V.1 Relationship with Employees	56-58

GRI Standards	Disclosure Name	Report Section	Page
<b>GRI 404 : Training and Education 2016</b>			
404-1	Average hours of training per year per employee	V.1 Relationship with Employees	58
404-3	Percentage of employees receiving regular performance and career development reviews: Annual performance review applies to all employees	V.1 Relationship with Employees	54
<b>GRI 405 : Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	V.1 Relationship with Employees	55-56
405-2	Diversity of governance bodies and employees	V.1 Relationship with Employees	56
<b>GRI 413 : Local Communities 2016</b>			
413-1	Operational activities through local community communication, impact assessment and development plan	V.5 Relationship with Community Residents	65-67



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F, TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Limited Assurance Report

### To Lungyen Life Service Corporation:

We were engaged by Lungyen Life Service Corporation (“Lungyen”) to provide limited assurance over the selected information attached as Appendix I (“the Subject Matter Information”) on the 2023 Sustainability Report of Lungyen (“the Report”) for the year ended December 31, 2023.

### Applicable Criteria of the Subject Matter Information

Lungyen shall prepare the Subject Matter Information in accordance with applicable criteria required by Global Reporting Initiative Standards (“GRI Standards”) issued by Global Sustainability Standards Board as set forth in Appendix I.

### Management’s Responsibilities

Lungyen is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Lungyen is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

### Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.





### Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Lungyen;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Lungyen. Therefore, the different stakeholders may have different interpretations of such information.

### Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

### Other Matters

We Shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report are Yu-Ting Huang and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)  
Aug 8, 2024

### Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



## Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria																									
1	III-1 Board of Directors	<ul style="list-style-type: none"><li>Diversity of the board of directors: 71.4% of board members are male and 28.6% are female; 0% are under 30 years old, 42.9% are between 31 and 50 years old, and 57.1% are over 51 years old; local nationality accounting for 71.4%, foreign nationality accounted for 28.6%.</li></ul>	GRI 405-1  Diversity of governance bodies and employees																									
	V-1-(2) No age or gender discrimination	<ul style="list-style-type: none"><li>The following table shows the number of employees, gender, age of 2023<table><tr><th colspan="3">2023</th></tr><tr><th>Gender</th><th>Male</th><th>Female</th></tr><tr><td>Number of incumbent regular employee as of December 31</td><td>277</td><td>303</td></tr><tr><td>Number of non-regular employee as of December 31</td><td>9</td><td>7</td></tr><tr><td>Number of management employees</td><td>31</td><td>30</td></tr><tr><td>Number of non-managerial employees</td><td>255</td><td>280</td></tr><tr><td>Number of employees aged under 30 as of December 31</td><td>57</td><td>78</td></tr><tr><td>Number of employees aged 31-50 as of December 31</td><td>179</td><td>193</td></tr><tr><td>Number of employees aged over 51 as of December 31</td><td>50</td><td>39</td></tr></table></li><li>*The above table counts the headcount of Lungyen Life Service Corp. in Taiwan (excluding directors, consultants, and expatriates).</li><li>*In 2023, male employees account for 48% and female employees account for 52%; employees under 30 years old account for 23%, 31-50 years old account for 62%, and employees over 51 years old account for 15%; the proportion of management positions is 10% and the proportion of non-management positions is 90%.</li></ul>		2023			Gender	Male	Female	Number of incumbent regular employee as of December 31	277	303	Number of non-regular employee as of December 31	9	7	Number of management employees	31	30	Number of non-managerial employees	255	280	Number of employees aged under 30 as of December 31	57	78	Number of employees aged 31-50 as of December 31	179	193	Number of employees aged over 51 as of December 31
2023																												
Gender	Male	Female																										
Number of incumbent regular employee as of December 31	277	303																										
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Number of employees aged under 30 as of December 31	57	78																										
Number of employees aged 31-50 as of December 31	179	193																										
Number of employees aged over 51 as of December 31	50	39																										
2	IV-1-(1) Continuous greening and soil and water conservation	<ul style="list-style-type: none"><li>Each park continues to implement planting plans and entrusts professional monitoring companies to continuously and regularly conduct quality testing of the park’s catering and drinking water, as well as monitor soil and water conservation conditions in sloping parks (for example: rain gauges, water level observation wells and inclinometers). And during the development of the park, geological drilling was conducted to truly understand the geological conditions and provide a basis for the selection of engineering geological parameters, so as to truly understand the safety of the park buildings and ensure the safety of personnel.</li><li>A total of 18 contracts for soil and water conservation environmental assessment and monitoring were signed in 2023, with a total amount of NT\$16,577,675.</li></ul>	Material topics set by Lungyen_  Measures for Continuous greening and soil and water conservation																									
3	IV-2-(2) Gardening Maintenance	<ul style="list-style-type: none"><li>In addition to the newly completed Taoyuan Fugang landscape project in 2023, all cemeteries across the province have budgeted for horticultural maintenance. In order to maintain the high standards of design and engineering quality, a large amount of manpower will be invested in horticultural maintenance operations, with a total implementation amount of NT\$18,806,940 (tax included).</li></ul>	Material topics set by Lungyen_  Planting and Maintenance																									



No.	Corresponding Section	Subject Matter Information	Applicable Criteria
4	IV-3-(2) Material specifications comply with environmental protection	<p>■ 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 Chapter 17, Section VI of the Regulations "Architectural Technical Regulations, Architectural Design and Construction". A total of 34 green building materials (design and materials) contracts were signed in 2023 with a total amount of NT\$ \$104,218,293.</p>	<p>Material topics set by Lungyen_</p> <p>Green building, the contract number, and the amount of green building</p>
5	IV-4-(3) Implementation status	<p>■ Digital Obituary</p> <p>In 2023, the number of services that replaced paper obituaries with electronic obituaries has reached 3,875. Calculating the average number of sheets saved per piece is 101, a total of 391,375 sheets of paper was saved in this year. The paper used for the electronic obituary is 140g B4 paper. Since there is no carbon emission calculation for this type of paper for reference, the carbon emission of 80g B4 paper is calculated as 0.012KG, which can reduce the carbon emission by 4,697KG.</p> <p>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.</p> <p>Source: Information on carbon label products of the Environmental Protection Administration, Executive Yuan</p>	<p>Material topics set by Lungyen_</p> <p>Environmental benefits-effect of electronic obituary</p>
6	IV-4-(3) Implementation status	<p>■ Lungyen Easy-Signing System - Digital Signing System</p> <p>Lungyen tailor-made digital signing system: Electronic signing is used to replace the traditional paper signing method. The number of digital signings executed in 2023 is 2,521. Based on the number of sheets used in each contract, a total of 35,888 sheets of paper can be saved. The carbon emission of each A4 paper is about 0.0068KG, which can reduce the carbon emission by 244.04kg of CO2 in total.</p> <p>(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)</p>	<p>Material topics set by Lungyen_</p> <p>Environmental benefits-effect of - Lungyen Easy-Signing System</p>
7	V-1-(4) Complete Staff Training	<p>■ As of December 31, 2023, 101 funeral practitioners in Lungyen have obtained funeral director licenses.</p>	<p>Material topics set by Lungyen_</p> <p>Number of funeral director licenses obtained</p>