2021

Sustainability Report

Inherit the Legacy of Good and Love



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 - 2021 Corporate Social Responsibility

About our report: "Lungyen 2021 Sustainability Report"

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

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

Main Information of this Report

(1) Reporting period and scope:

The subject boundaries of this report include parent-subsidiary companies, affiliated companies and business partners with group organizations. The main body of the group is the Taiwan region. In this report, we will explain the policies, practices and achievements in corporate governance, business performance, environmental protection, and social participation from January 1, 2021 to December 31, 2021.

(2) Materiality principle

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

(3) This report has been prepared in accordance with the" GRI Guidelines: Core Options"

Publication Information

Since 2012, Lungyen has regularly issued the "Corporate Social Responsibility Report" every year, the most recent issue was in July 2021. In line with the "Corporate Governance 3.0-Sustainable Development Blueprint", the report has been renamed as "Sustainability Report" from this issue and will be issued in July 2022. Through this report, we will publicly explain our strategies, goals, actual actions and performance in E, S, and G in 2021 to shareholders, customers, and the general public. This report will be published on the Company's website in electronic form. Welcome to the interested parties who care about us to download and read.

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Assurance Statements of this report

For the specific indicators and words in this report, PwC Taiwan is entrusted to conduct independent limited assurance in accordance with the Statements of Assurance Engagements Standards No. 1 "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



The funeral industry in Taiwan before the 1980s was backwards and unorganized. My father, Shih-Tsung Lee, started Lungyen Life Service Corporation (hereinafter referred to as "Lungyen") and led the funeral industry reform in Taiwan. From the construction of our cemeteries that resemble national parks, to our Zhen-Lung Life Columbarium that offer a different option to commemorate loved ones, the funeral industry landscape completely transformed. The Company' s funeral service staff also undergo strict professional training wearing professional suits that was unheard of at the time with the goal of providing dignified funeral services to the people of Taiwan. Lunyen' s effort to providing the best service product for the afterlife industry reshaped the funeral industry for Taiwan.

Lungyen, transformed the funeral industry into a world class dignified life service industry. Life Service is not just about completing a successful funeral ceremony or just to build beautiful cemeteries and columbariums. Instead, it' s about the importance of remembering how someone lived their life. When life passes away, we replace the cluttered and tasteless funeral process with warm companionship from our funeral directors with the goal of capturing the best moments of the loved one that passed. Through our services and products, our company help people cherish the beauty in life and death. Our deceased family members and friends leave behind not only physical objects, but also warm memories and legacy.

As Lungyen enters our 30th anniversary, the new branding video asks everyone: What is your legacy? Lungyen is created because we believe life is worth celebrating and we encourage people to live life to its fullest. The most important mission of Lungyen is to ascend culture and to continue one' s legacy. I believe that there is no end to the pursuit of better services. Looking towards the future, the company will continue to lead the funeral industry through innovations in services and products with the additional goal of leading better performance in ESG for the funeral industry.

Message from the General Manager

With the positive energy that drives the continuous operation of the enterprise, we have to look farther in the vision of operating the life business.



In the past two years, Covid-19 has disrupted the development of business and economy around the world. When the pandemic brings impermanence, and impermanence brings changes, in the face of changes, I think the pandemic is an excellent opportunity to urge us to rethink how to break the existing framework. The key point of how an enterprise can stand firm amid changes is to exert leadership by building a join participation of common goals with every team member, which starts from cultivating an equal communication platform to ensure a good discussion atmosphere, then to extract the best decisions of team members and reach consensus on decision. And the most important of all is to express recognition and appreciation so enthusiasm of colleagues are encouraged to contribute. The higher the degree of consensus, the stronger the team cohesion, which is the key to the long-term and healthy operation of the enterprise.

In 2021, the pandemic has not slowed down, but has continued to heat up. How to ensure a safe working environment for our colleagues and partners in the front-line service, and how the back-office administrative colleagues to continually support the front-line are pivotal. So we set up a task force to monitor the pandemic status at any time, and discuss the countermeasures for each department. Under the policy of social distancing, how to use technology to meet everyone's needs important when come to business continuation. Our IT capability has become the most important factor keeping our business success during the pandemic period.

Through the quick deploy of crucial IT projects, we can see the effect of digital self-service.

"Sprint Project Series" (referring to the Company's large-scale IT transformation pilots), renovating the foundation for the organization's digital transposition. Within a year, we have successively completed digital service systems such as electronic obituaries, customer self-service areas, online Cemetery Shopping Mall and online contract signing and payment system, which all achieved expected results. Among them, after the paper obituaries was converted to electronic ones, the usage rate exceeded 50%; after the customer self-service area was launched, more than 6,000 people used it, greatly improving the service quality and efficiency for family members. The utilization rate of online contract signing and payment in the first month exceeds 30%, and the accumulated transaction amount so far has reached NT$130 million, which not only contributes to revenue, but also brings energy saving, carbon reduction, environmental protection and sustainable benefits.

Lungyen operates a business that touches and comforts people's hearts.

We have always taken professionalism and compassion as the core of our service, caring for the deceased attentively, taking care of the family members, letting relatives and friends say goodbye through ceremonies, and continuing to provide worship services. As we approach our 30th anniversary and launch a new brand image video and brand slogan - What Is Your Legacy, we hope to bring more positive changes to the future of the industry. Lungyen will also uphold this concept, coupled with the cooperation and technical input of the Far EasTone team, to develop more humanized technology applications, and continue to advocate the beauty of life.

2.Corporate Social Responsibility Policy and Commitment

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

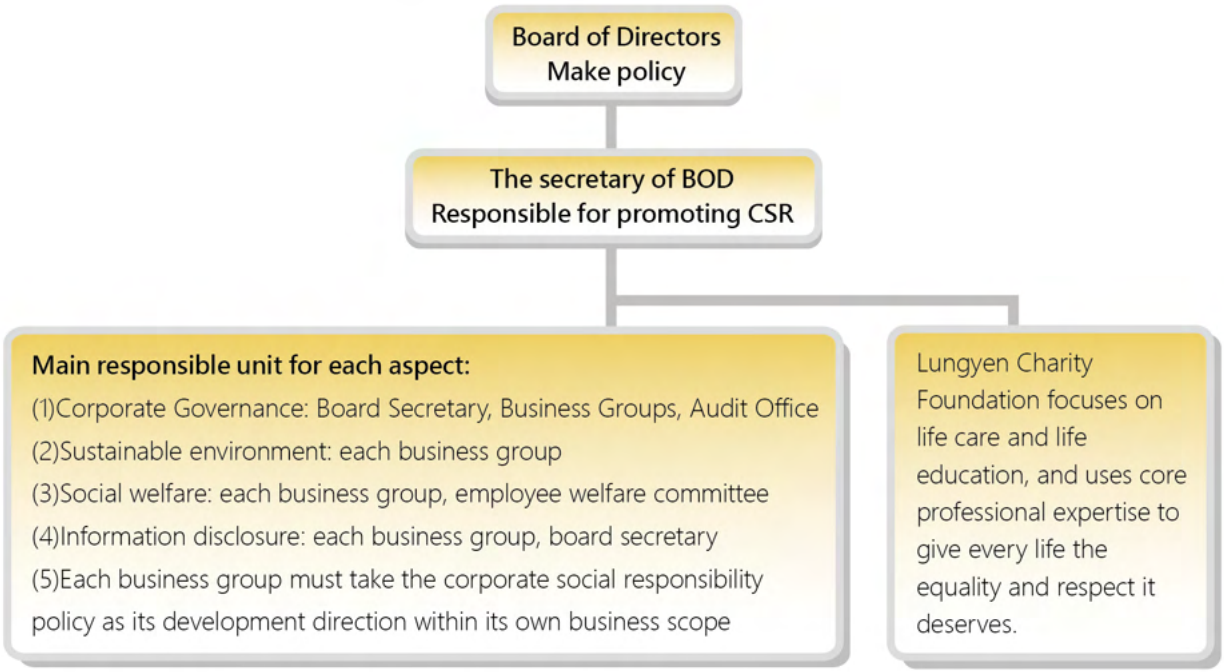
Lungyen's corporate social responsibility: we do not change the original intention of starting a business, adhere to the core values of "professionalism, integrity, compassion", and practice it in corporate governance, environmental protection, social welfare and strengthening corporate social responsibility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

Therefore, we promise:

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

3.Corporate Social Responsibility and Organizational Structure

Lungyen currently has the board of directors as the highest organization leading the development of corporate social responsibility, and established a functional committee "Corporate Governance and Nomination Committee" on June 20, 2018, taking corporate social responsibility 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 social responsibility 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: 503

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 the first quarter of 2022, the total amount of trust provided by the preneed funeral service contract was 17.017 billion (Source: Trust Association of R.O.C.), of which nearly 12.9978 billion was allocated by Lungyen (about 76.38% of the total trust amount provided by preneed funeral service contract).

Trust Statistics of Receipts in Advance

Unit: NT$ million

Item	2019	2020	2021	Q1, 2022
1. trust fund for the preneed funeral service contract	15,051	15,947	16,701	17,017
2. E-ticket deposit trust	11,477	12,360	14,095	0
3. Electronic payment institution payment trust (Deposit)	1,768	3,592	6,459	21,031
4. Gift Certificate Advance Receipt Trust	13,729	14,579	14,372	14,537
5. Pre-sale House Price Trust	26,881	43,754	65,522	72,091
6. Other advance receipt trusts	5,977	5,740	6,058	6,956
Total	74,883	95,972	123,207	131,632

Note:1.When「Electronic payment institution payment trust」refer to the agent of receiving and paying accounts, it shall be listed in "Money Trust - Others (including items not listed).

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 whiling 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 2021, the target companies invested by Lungyen have not violated ESG issues and caused us to stop investing

2.Major Product and Service Locations

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

【Cemetery locations throughout Taiwan】

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



【Funeral service locations throughout Taiwan】

Name of service office	Locations
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., Niaosong Dist., Kaohsiung City
Yilan Service Office	2F., No. 215, Guangrong Rd., Luodong Township, Yilan County
Hualien Service Office	No.100, Sec. 1, Huacheng Rd., Ji'an Township, Hualien County

【Lungyen Exquisite Works】

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

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

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

Ten years of afforestation costing tens of billions of dollars, the construction of "The Palace of Light" starts to create a world-class pilgrimage site for Taiwan

The original intention of Lungyen was to lead the innovation of Taiwan's life industry. Over the years, it has been focusing on this industry and has continued to improve. Its service locartions have spread all over Taiwan, and it has been deeply recognized by competent authorities and consumers. Ten years ago, it was announced that the Japanese architect Tadao Ando would be invited to design several light series life halls for Longyan, and various construction projects have been started one after another with tens of billions of investment. Now the long-awaited masterpiece: the "Palace of Light" Life Memorial Hall, after careful consideration for many years of cultivating tree species and ecological landscapes, has started the construction of the main building, and officially started on March 12, 2021. The "Palace of Light" Life Memorial Hall is located in a green forest surrounded by cherry blossoms. It embodies the architectural aesthetics and environmental concepts of the master. It is expected to become a world-class ecological scenic spot after its completion. In the future, it will be a new artistic landmark for popular pilgrimage for domestic and overseas people.

"The Palace of Light" is located in Baisha Bay Cemetery Park, Sanzhi District, New Taipei City. It is planned to be built with three floors above ground and two floors underground. The total floor area is about 50,247.69 square meters, and the roof is designed to be a huge 81*81 meters mirrored pool, with the waves reflecting the beautiful



scenery of the surrounding gardens. A magnificent large waterfall is also planned on the main side of the building, creating a majestic, awe-inspiring and calm atmosphere. The central ceiling of the "The Palace of Light" is about 18 s high, just like the dome of the Pantheon in Rome, there is a circular hole designed to sprinkle natural light. Entering this art palace of life from top to bottom along the spiral ramp, it can make people feel the warmth, tranquility and spiritual purification. This is the world's first grand and unique design, with a very difficult

construction challenge, but Master Ando believes that the real challenge is to live in harmony with nature, which requires a lot of time and resources to carefully cultivate the surrounding environment.

Both Lungyen and Tadao Ando have the spirit of perseverance in pursuit of ideals. Master Ando has invested the environmental aesthetics and architectural essence he has studied over the years in the design of the "Light Series Life Memorial Hall" in cooperation with Lungyen. Therefore, Lungyen also fully cooperates to create a landscape environment that can complement the works of the masters, and strives to realize the lofty concept of "symbiosis with nature". When the field of Sanzhi was not yet developed, we have cooperated across-field with several professors and experts from the Taiwan Native Plant Society, who had cooperated with National Taiwan University, to conduct field surveys on native species, and purchased another tens of thousands of pings of land for sapling cultivation program of thousands of cherry blossoms. The entire park cost nearly NT$1 billion for soil and water conservation projects, and NT$358 million for horticultural landscape planning and engineering, inviting professional teams to create top-level luxury horticultural landscapes to plan rich four-season flowers and ecological green forests. There are eight varieties of cherry blossoms in the park. The flower viewing period is long, and there are also peach and plum gardens and various arbor plantings for fruit picking and recreation. Kelly Lee, Chairwoman of Lungyen Group, said, "My father showed his dream of reforming the life industry and his passion and commitment to caring for nature. Only then did Mr. Ando, who was not easily accepting the case, nod in agreement and decided to work with Lungyen to "build a world-class cemetery". Therefore, I am bound to do my best for my father and for Taiwan to complete this masterpiece of the century that has attracted worldwide attention, to be the pride of my father, and to make Taiwan a model for cross-border cooperation in the global life industry!

Due to the impact of the COVID-19 pandemic, Master Ando was unable to come to participate in this major milestone in person, so he specially recorded a congratulatory video for us. Lungyen also invited many partners and VIP customers who support natural architecture, as well as Deming Ye, Director of the Department of Horticulture and Landscape Architecture, National Taiwan University to witness the event. They exchanged professional knowledge on planting, maintenance and cultivation, so that this vast cemetery park in Sanzhi can have natural landscape with endless growth and colorful flowers. In addition, also designed by Master Ando, the construction of the "The Hill of Light" Memorial Hall in An Tai Cemetery Park in Neimen Township started last year. The Kaohsiung "Gate of Light" funeral parlor under construction will also introduce 360-degree projection and five-sense experience, subverting the traditional form of mourning farewell, and bringing a new look of life technology to the industry. The "Century Cemetery Service Center" next to "The Palace of Light" will also be completed and opened in the second half of this year, providing top-level services for our VIP customers. • Along the way, Lungyen has built a dream steadily and surely, providing professional and high-quality funeral services to the people of Taiwan, as well as a world-class art palace of life. In the future, under the leadership of the new management team, it will continue to promote industrial innovation and establish a new benchmark for life services in Greater China, and is committed to making Lungyen the preferred brand for life care and pre-planning for funeral arrangement.

Lungyen Easy-Signing System





Lungyen tailor-made online signing [Lungyen Easy-Signing System] : Using electronic signing to replace the traditional paper signing method is estimated to save nearly 300,000 pieces of A4 paper every year.

Following the launch of digital solutions such as electronic obituaries, online farewell, digital hall, cemetery online shopping mall, and customer area in 2020, Lungyen will continue to promote the digital transformation of life science and technology in 2021 based on the combination of human nature and technology: [Lungyen Easy-Signing System] Online signing system launched.



3.Operational Performance and Shareholders' Equity

In May 2021, Taiwan implemented the third-level pandemic alert and extended it several times, which had a huge impact on all walks of life, especially the service industry, including retail, catering, and tourism. In the second half of the year, with the issuance of government stimulus vouchers to drive private consumption, and compared with some countries, Taiwan has managed the pandemic well, and has achieved outstanding results in terms of economic growth rate, foreign trade, investment, and consumption, such as the economic growth rate of 6.28. %, a new high in 11 years; the gross domestic product (GDP) per capita exceeded US$30,000 for the first time, showing that the country's economic structural transformation has achieved initial results, and it is more resilient under the impact of the pandemic.

Looking forward to 2022, the problems of labor shortages and unstable supply chains in 2021 will still exist, and the resulting inflationary pressure will continue to affect the performance of the global economy. However, with the increased coverage of vaccines, governments of various countries will not easily restart strict blockades and manufacturers gradually adapt to the operation mode of coexisting with the pandemic, so the global economy is still expected to maintain a recovery trend. Even under the high standard of the previous period, due to that Taiwan has benefited from the recovery of domestic demand and consumption momentum, the continuous investment of domestic and foreign manufacturers in Taiwan, and the continuing global digital transformation trend, the Directorate-General of Budget, Accounting and Statistics, Executive Yuan still predicts that the annual economic growth rate is expected to exceed 4%.

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 2021

Looking back on the Company's 2021 operating results, it maintained stable operations in Taiwan, and continued to develop its Chinese projects. In March 2021, the construction of the "Palace of Light Life Memorial Hall" in Sanzhi District, New Taipei City officially started, gradually realizing the goal of making Taiwan a global model for cross-border cooperation in the life service industry. The two projects in Kaohsiung: the “Light of Hill Life Memorial Hall” in Neimen District, and the "Light of Gate" Funeral Hall are also progressing as scheduled. In addition to a number of major construction projects, various life technology funeral services have also been launched, such as digital halls, electronic obituaries, and online live broadcasts of ceremonies, etc., to provide customers with more refined and convenient services, and to convey the desire for sustainable environmental protection. Besides, the online Cemetery Shopping Mall and the online signing system have been introduced. In addition to achieving the advantages of paperless, energy saving, carbon reduction, and price transparency, it can also reduce people’ s contact under the pandemic, and the signing of contracts is not limited by time and space, which further improves the differentiation of service quality and continues to pursue growth and drive industrial innovation.

The net profit attributable to owners of the parent company for the current period was NT$1.413 billion, the net profit after tax was 41.2%, an increase of 6% over the previous year, and the earnings per share reached NT$3.36.

As of December 31, 2021, the total consolidated asset was NT$67.09 billion, increased by 4.7% compared to the previous year; the total liability was NT$44.72 billion and debt ratio was 66.6%. It includes contract liabilities of NT$41.81 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 11.5% if the company deducted the contract liabilities and relative asset amounts.

The Company’ s development strategy

With the change of society's cognition of life service industry and the change of consumers' concept, it is an ble 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. In 2020, the new chairman replaced, with a 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, widening the gap with peers.

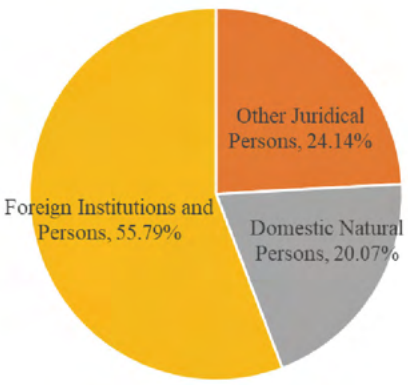
Our 2022 development strategy will focus on the planning and design of the cemetery and columbarium in Taiwan and integrate the needs of the pre-need funeral service contract. With the combination of product sales, it is expected to bring integration to customers with one-stop service for funeral and 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 (According to 2021 US CIA statistics, Taiwan is ranked as "the last" of the 227 countries in the world), 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. On the other hand, in addition to firmly operate Taiwan's existing market, it will replicate Taiwan's successful experience to actively expand the mainland China market, ally local superior teams to implement the Wenzhou project and continue to develop other high-quality projects to achieve the goal of becoming the best funeral service provider in Greater China.

Shareholders' shareholding percentage

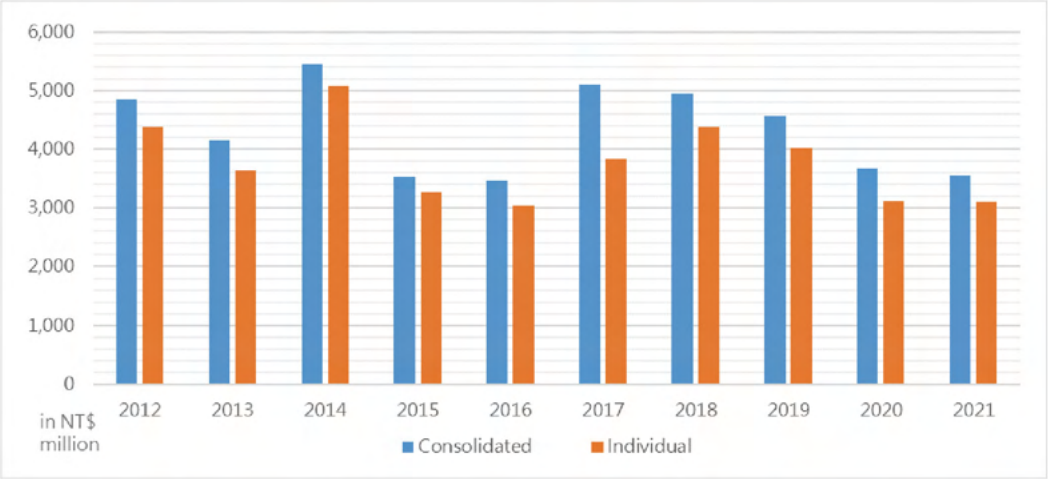
2022.04.26 Unit: Share; %

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Persons	Total
Number of shareholders	0	0	67	16,888	122	17,077
Shareholding	0	0	101,423,030	84,303,007	234,358,162	420,084,199
Holding Percentage	0.00%	0.00%	24.14%	20.07%	55.79%	100.00%

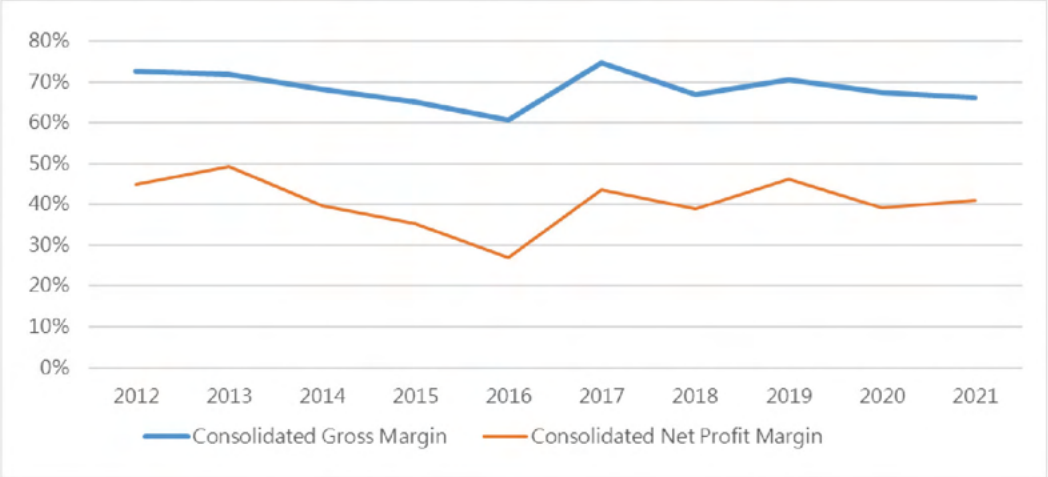


Financial Data

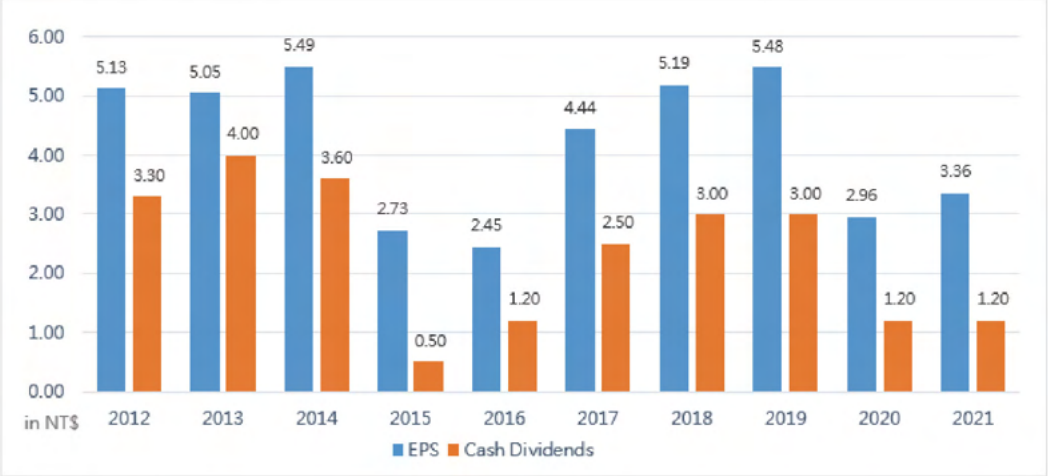
i.2012-2021 Operating Income



ii.2012-2021 Consolidated Gross Margin & Consolidated Net Profit Margin



iii.2012-2021 EPS & Cash Dividend



4.Important Milestones and Honors

■In 2021, the results of the "Taiwan Top 2000 Survey" of "CommonWealth Magazine" were released. Under the unprecedented impact of the COVID-19 pneumonia, Lungyen is still on the list!

👍Ranked 29th in Construction industry

👍Ranked 328th in the service industry

👍Ranked 14th the most profitable company in service industry

We believe that there is no best, only better, and the pursuit of better is our constant belief.

■2021 awards for various evaluations

Funeral Service and Cemetery Evaluation Award

✔ An Tai Life Memorial Hall was rated as excellent in the "2021 Annual Kaohsiung Funeral Facilities Evaluation"

✔ Kaohsiung Funeral Service Office was rated as excellent in the "2021 Annual Kaohsiung City Funeral Service Industry Evaluation"

✔ Taipei Funeral Service Office was rated as excellent the "2021 Taipei City Government Funeral Service Industry Evaluation"





■2021 Commonwealth Magazine's "Excellence in Corporate Social Responsibility Award" winners announced, and Lungyen was recognized again

Lungyen takes advantage of its own business to provide burial services and help people in poverty walk the last mile of life, because we believe that it is Lungyen 's responsibility to give back to the society.

Death is a topic that people shy away from, and Lungyen tries hard to reshape the image of the life industry in various ways, from lectures, life experience camps, to musicals, all in the hope of being close to the people, so that the general public can face the real life and death with an open mind. Such a model has been affirmed by Commonwealth Magazine, and won the honor of "Excellence in Corporate Social Responsibility Award- Little Giant" again in 2021. The magazine also published a special article to introduce our efforts.



■The only excellent company in the life industry that has won the TOP 5% of the corporate governance evaluation for 8 consecutive years

Starting with respect for life, we advocate ESG to insist on being the best, implement corporate sustainability, and make customers satisfied which is the affirmation of Lungyen.

Lungyen has advocated the development of ESG for corporate sustainability for many years. Taiwan Stock Exchange and Taipei Exchange announced the results of the 8th Corporate Governance Evaluation: a total of 1,639 companies in Taiwan were evaluated this year, and only 19 listed companies in Taipei Exchange were awarded the Top 5% Excellent Enterprises in Corporate Governance Evaluation for 8 consecutive years. Lungyen has not only won the award for 8 consecutive years, but also ranks among the top 1.16% of Taiwan enterprises. It ranks as the highest-ranking enterprise with 19 major enterprises such as TSMC, UMC, PCSC, and Sinyi. Starting from respecting life, Lungyen advocates ESG to be the best, implement corporate sustainability, and become the best corporate brand in the life industry preferred by consumers.

Lungyen insists on implementing corporate governance to strengthen competitiveness

Since the implementation of corporate governance evaluation in 2014 by Taiwan Stock Exchange and Taipei Exchange, it has urged listed companies to establish good corporate governance practices by implement evaluation indicators such as safeguarding shareholder rights and equal treatment of shareholders, strengthening the structure and operation of the board of directors, improving information transparency, and implementing corporate social responsibility. These authorities believe that the promotion of laws and regulations is a force to help companies grow, and the most important thing is to increase the competitiveness of companies through good corporate governance. Lungyen realized the

importance of corporate governance very early. Therefore, since 2007, it has elected independent directors, and established an audit committee and a remuneration committee. In 2018, the first "Corporate Governance and Nomination Committee" was established, all committees were established prior to the requirements of the statute. Lungyen always prides itself on the top service industry. We have won the honor of being among the best for 8 consecutive years, which is derived from our own requirements and persistence, and it is also to let all stakeholders understand that Lungyen insists on implementing the belief.

Compile a corporate social responsibility report and disclose the operating results

Despite the turbulence of the COVID-19 pandemic and social unrest, we are still moving forward, self-required to implement corporate governance, and seriously value the rights and interests of every shareholder, employee and customer. Lungyen's corporate governance performance has been outstanding. Since 2009, it has compiled a corporate social responsibility report every year to disclose annual operating results to the public and investors, and set higher self-requirements to implement the sustainable operation of the enterprise and protect the rights and interests of consumers.

Drive digital transformation to provide immediate and considerate customer service

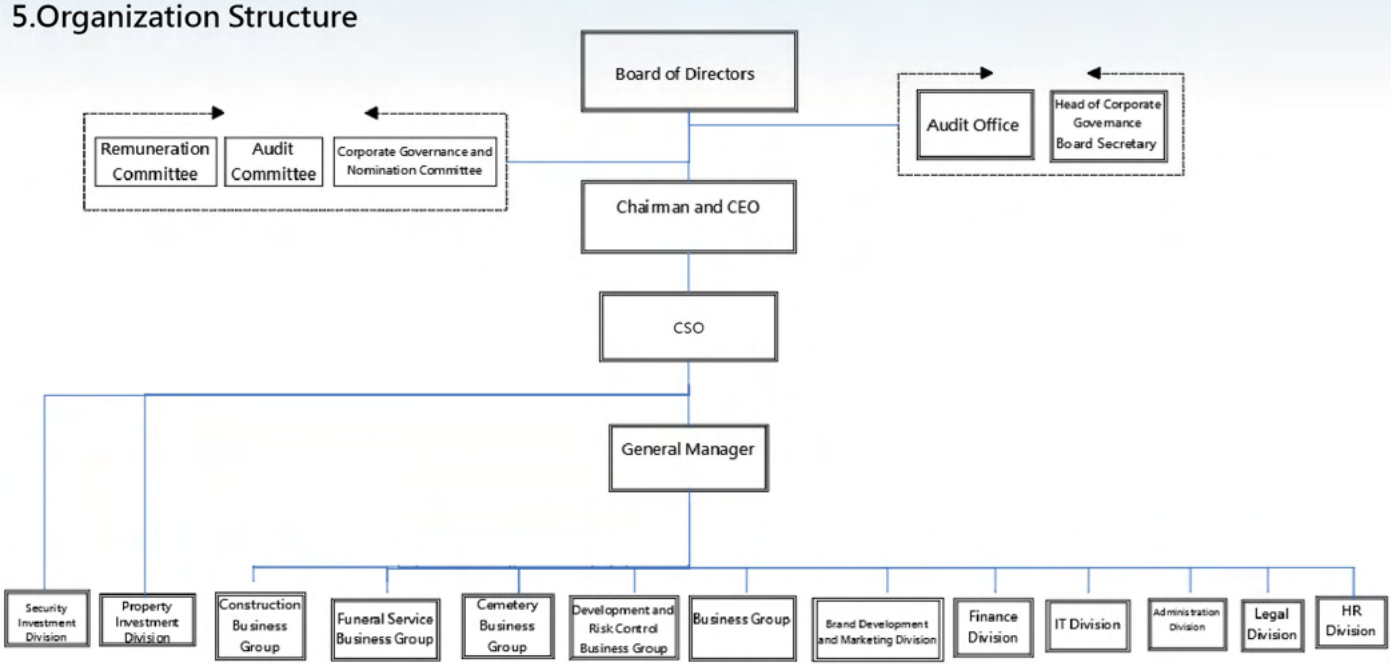
Lungyen has a good corporate physique and operational effectiveness, and continuously invests in innovation in its core business. Recently, it has launched digital transformation to introduce IIMS information monitoring modules and combat information centers, built containerization technology and K8 monitoring mechanisms, improved service expansion flexibility, and implemented DevOps mechanisms to facilitate the deployment of new applications and launch the "Sprint Project Series" to renovate the foundation for the organization's digital transposition. Lungyen has successively completed digital services such as electronic obituaries, customer self-service area, cemetery online shopping mall, and online contract signing and payment system (Lungyen Easy-Signing System) within one year. All of these services have delivered outstanding results, providing customers with immediate and considerate services. Satisfying customers is the affirmation of Lungyen. In the future, Lungyen will continue to strive to do a good job in corporate governance, and become the first in the life industry and the only choice for the best brand enterprise.







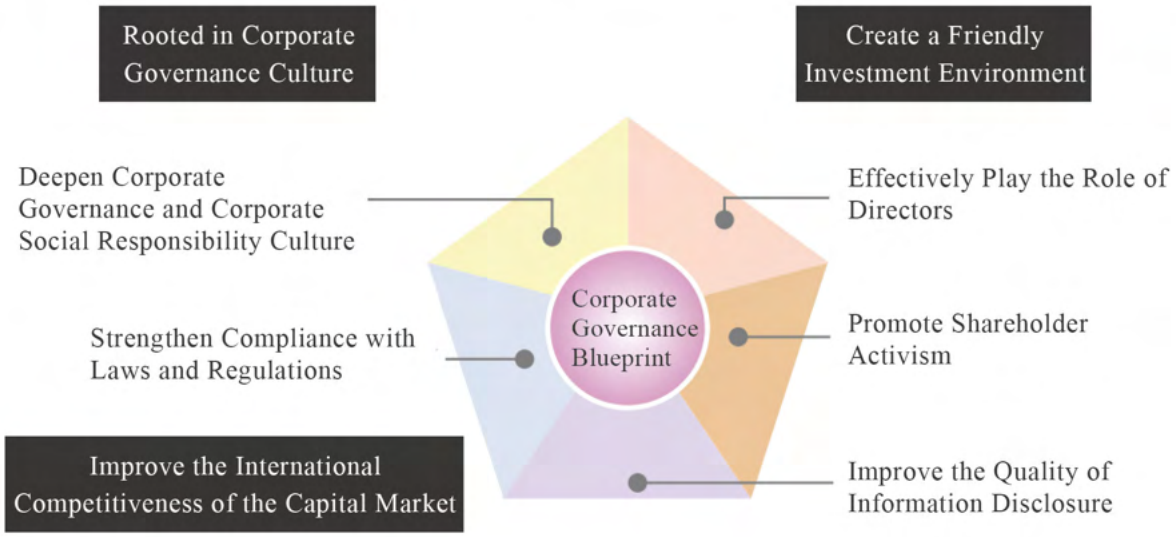
5.Organization Structure



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





1.Board of Directors

The Company has 7 directors, including 3 independent directors.

Involvement of directors: In 2021, a total of 11 board meetings were held, with an actual attendance rate of 83.3%.

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

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

2.Audit Committee

The Company consists of 3 independent directors to form the audit committee. In 2021, 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 2021, a total of 7 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 2021, a total of 5 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 Wang, Huai, Yu, Ying-Chi and Chen, Ming-Te, 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	✓Market Image ✓Corporate Governance ✓Operational Performance ✓Customer Service and Products ✓Personal Data Protection	(1) There is a dedicated unit for investor relationship maintenance to provide investors with the information they need, including financial information, corporate governance systems, etc. (2) Irregularly hold investor conference, and actively conduct two-way communication with shareholders and investors (3) Hold regular shareholders' meetings to explain the Company's operating results and future development (4) Annual report is issued every year according to regulations and sent at the shareholders' meeting (5) The official website has an investor area to provide investors with the information they need (6) Regarding the monthly revenue information, in addition to being disclosed in the Market Observation Post System (MOPS), it is also simultaneously announced in the investor page on the Company' s official website (7) Set up an email box and contact number on the Company's web site to establish a smooth communication channel between investors and the Company
		Shareholder Services Contact : JihSun Securities Stock Agency Department (02)2541-9977 Investor Relations Contact : Trista Wan (02)6615-9999 ext.88823 IR@lyls.com.tw
Employee	✓Non-discriminatory ✓No Forced Labor ✓Anti-corruption ✓Labor Relations ✓Occupational Health and Safety ✓Compliance with Social Laws and Regulations ✓Career Development and Talent Cultivation ✓Personal Data Protection	(1) Employee Opinion Mailbox: If employees have any opinions on the Company, they can report to the general manager through the lycares@lyls.com.tw mailbox. (2) Irregular thematic questionnaire survey (3) 5186 mailbox: Providing a channel for employee complaints, which is handled by the supervisor of the audit office to protect the rights and interests of employees (4) Quarterly meetings are held every quarter for two-way communi cation (5) The Chairman and the general manager will share with all employ ees in the way of e-mail according to the actual cases generated in the work, and educate employees about the correct concept.
Supplier	✓Supplier Evaluation ✓No discrimination ✓Anti-corruption ✓Social Regulatory Compliance ✓Supplier Procurement and Management ✓Product Liability Regulatory Compliance	(1) The Company has signed an integrity clause with the supplier to protect the rights and interests of both parties. The supplier can also use the 5186 complaint hotline to file a complaint with the Company. (2) Hold regular supplier meetings (3) Randomly check the service quality provided by suppliers from time to time, encourage suppliers with good performance, and give education and punishment to suppliers with poor performance. We expect suppliers to stand on the same side as the Company, grow together, and provide a satisfactory service together.
Customer	✓Supplier Evaluation ✓No discrimination ✓Anti-corruption ✓Social Regulatory Compliance	(1) The Company has a customer satisfaction department, which pro vides 0800 toll-free customer service line to protect customers' rights and interests, and set up a mailbox for consumer disputes, so that customers can report service problems to the Company. (2) Regularly conduct questionnaire surveys or telephone interviews on customer service matters, actively understand customers' opinions on service, and continuously improve service quality



IV.Sustainable Environment Development

1.Environmental Protection Policy

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

(Table 1) Sanzhi Baisha Bay Cemetery Park is monitored by Land Engineering Consultants Co., Ltd.
List of monitoring dates over the years:

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

"*" represents manual monitoring in some areas (D, E, G, H area and land No. I)

(Table 2) Futan Cemetery Park is monitored by High Land Geotechnical & Construction Co., Ltd
List of scheduled monitoring dates:

Monitoring Times	Monitoring Dates	Note
1	2020/05/08	The 1st regular monitoring of all areas
2	2020/06/10	The 2nd regular monitoring of all areas
3	2020/07/10	The 3rd regular monitoring of all areas
4	2020/08/11	The 4th regular monitoring of all areas
5	2020/09/09	The 5th regular monitoring of all areas
6	2020/10/12	The 6th regular monitoring of all areas
7	2020/11/11	The 7th regular monitoring of all areas
8	2020/12/09	The 8th regular monitoring of all areas
9	2021/01/11	The 9th regular monitoring of all areas
10	2021/02/08	The 10th regular monitoring of all areas
11	2021/03/09	The 11th regular monitoring of all areas
12	2021/04/09	The 12th regular monitoring of all areas

(Table 3) Futan Cemetery Park is monitored by Do It Engineering Consultants, Inc.
List of scheduled/actual monitoring dates:

Item	Scheduled Monitoring Date	Actual Monitoring Date	Note
1	2021/10/23	2021/10/23	This time was the initial value measurement
2	2022/01/23	-	Not yet measured
3	2022/04/23	-	Not yet measured
4	2022/07/23	-	Not yet measured
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.

■Planting planning:



We strictly protect the undeveloped 5.3 hectares, and keep the existing trees and ecology intact. The 9-hectare conservation area is optimized for tree species to meet the needs of the overall landscape. In addition to cherry blossoms, a variety of native tree species are planted around the main building "The Palace of Light". The surrounding area of the entire park is divided into eight blocks, and various types of trees are planted according to different landscape plans. As of December 2021, a total of 1894 trees have been planted in the park. The results of tree species planting are as follows:

Except for the Century Cemetery in Sanzhi, all the parks in Taiwan are planned and designed under the premise of a lot of greening, and the design is actually implemented.

For the Hill of Light in Antai, Kaohsiung, we conducted a comprehensive survey of the trees in the park before the project was carried out. Within the scope of the Hill of Light buildings and water conservation projects, the affected trees will be preserved and transplanted to other suitable locations in the area. We replace purchase with transplantation, and take concrete actions to respect the environment and protect natural resources. A total of 10 trees were transplanted in the scope of the Hill of Light: 3 trees were autumn maple tree, 9 trees were Araucaria lobularis, and 1 carambola tree with humanistic value; 5 trees were shrubs. Among the 13 autumn maple trees that are expected to be transplanted within the scope of the water conservation project, all of them are big trees with a diameter of more than 40cm at breast height, and there are 5 old trees with a diameter of more than 60cm, which are very precious. As mentioned above, under the premise of respecting the environment and ecology, the "greening" required by government regulations will be improved into tree planting, and the absorption of green-

house gases such as carbon dioxide will be expanded, so as to fulfill the sustainable corporate social responsibility.

In Baoshan, Taichung, the green planting area in the park will be newly increased in 2021. A total of 28 new trees, 20 kinds of shrubs, vegetation, grass and flowers will be newly planted, and the area of nectar plants will be added, which not only adds a lot of landscape color, but also creates biodiversity environment. In addition to a friendly environment, the existing toilets were converted into barrier-free spaces, and emergency calling equipment was added to enhance the safety of users.



■Industry-Academia Collaboration:

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

In recent years, Lungyen has invested heavily in the landscape planning of large-scale cemeteries, hoping to drive a new wave of tomb sweeping combined with tourism in the future. At the same time, we hope to fulfill our corporate social responsibility and do our best for Taiwan's environment and ecology. Feeling the difficulty of cultivating horticultural and landscape talents, the "Taiwan University Lungyen Horticultural Landscape Development Fund" was specially set up. In the donation ceremony held on April 23, 2021, General Manager Wang, Frank Chun-Chung of Lungyen and Te-Ming Yeh, Director of the Department of Horticulture and Landscape Architecture, National Taiwan University, jointly announced that they will work together to achieve the profession development of outstanding students.

The public is paying more and more attention to the ecological environment. Horticulture is an important profession to transform the ecological environment and beautify people's lives. The demand for related talents will also continue to expand. General Manager Wang, Frank Chun-Chung explained the main reasons for the donation: "Lungyen currently has seven cemetery parks in Taiwan, with a total area of about 73.6 hectares. In order to realize the concept of "coexistence with nature", a high proportion of planting ecological space has been reserved in each park, and a lot of resources have also been invested in environmental conservation and landscape planning projects, but the follow-up maintenance and operation are the most important keys for sustainable development. Therefore, we hope that through the cooperation with the "Department of Horticulture and Landscape Architecture of National Taiwan University", we can provide the plant species in the park for academic research, and also support the department to hold relevant teaching and research activities, in order to cultivate more young professionals."

Te-Ming Yeh, Director of the Department of Horticulture and Landscape Architecture, National Taiwan University also said, "When I first visited the Sanzhi Cemetery Park of Lungyen, I was very surprised by the rich tree species and landscape planning that I saw in front of me. Different from the high-density planning of general cemeteries, there are not only many varieties of cherry blossoms, but also peach blossoms, plum blossoms, apricot blossoms, tassel, tung tree and other tree species scattered throughout the park, and you can enjoy the flowers and the scenery all year round. I am very impressed that companies engaged in traditional life services pay so much attention to the maintenance of the natural environment and horticultural landscapes."

Horticultural landscape is a key element in the planning of Lungyen's "Light Series Life Memorial Hall". The "Palace of Light" in Sanzhi District of New Taipei City has nearly 1,000 cherry blossoms and 8 varieties in total, and has the largest plum and plum garden in northern Taiwan. It is expected to become a place for rest, cherry blossom viewing and fruit picking sightseeing check-in hotspots. ◦ The "Hill of Light" located in the Neimen District of Kaohsiung has the appearance of a layered staircase and green plants, which are integrated with the surrounding hilly landscape. It is planned to plant a large number of flowers and trees on both sides of the slope, which is believed to attract many flower-viewing tourists to come to pilgrimage. Therefore, Lungyen looks forward to having more outstanding talents in horticulture and landscape to join the team in the future to jointly maintain the beautiful garden that can match the architecture of Master Ando.

As a business owner thirsty for talents, Lungyen "reserves" high-end talents with practical actions. Through the establishment of the "National Taiwan University Lungyen Horticultural Landscape Development Fund", it subsidizes the teaching and research funds of the department, organizes related seminars, forums, workshops and other activities, and rewards talent development, which not only fulfills corporate social responsibility and promotes environmental sustainability, but also improve horticulture and landscape technology and cultivate professional talents to be the next generation of ecological elites for Taiwan.





■In 2021, a total of 21 contracts for landscape greening (planting and maintenance) amounted to NT$29.58 million.

3.Commodity Planning and Environmental Protection

■Planning and design of green buildings:

As long as the products planned by Lungyen belong to the building category, meeting the standard of green building has been listed as one of the necessary review items.

■Material specifications comply with environmental protection

Lungyen attaches great importance to the use of materials by suppliers, not only considering environmental protection, but also the health of users. Therefore, in the contract with the supplier, the part of the material is expressly stipulated that it must comply with the regulations on green building materials in Section VI of the Regulations "Architectural Technical Regulations, Architectural Design and Construction".

In 2021, there are 28 contracts that meet the requirements of green building materials with a contract value of 4.6 billion. And there are 3 contracts for the independent procurement of environmental protection and energy saving equipment with a value of 6.8 million.

4.Implementations for Energy Saving and Carbon Reduction

■2021results

Water and Electricity

The comparison of the overall electricity and water consumption with the revenue is as follows:



Year	2020	2021	Difference from previous period (%)
Revenue (NT$)	3,663,507,000	3,550,643,000	-3.08%
Electricity Consumption(kWh)	9,903,560	9,545,151	-3.62%
Water Consumption (ton)	44,847	53,227	18.69%
Revenue per kWh	370	372	0.54%
Revenue per ton of water	81,689	66,708	-18.34%

The electricity consumption in 2021 was reduced by 358,409 degrees compared with 2020, and the carbon emission was reduced by 179.921 kilograms (according to the 2020 electricity emission coefficient announced by the Bureau of Energy, each kilowatt-hour of electricity will emit about 0.502 kilograms of CO2)

Specific measures for energy saving and environmental protection of the headquarters in 2021:

(1)Strategy and Objectives

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

A. Regularly record the electricity consumption, provide the monthly electricity usage of each unit, and track the abnormal situation for review and improvement.

B. Set up a contracted capacity execution unit with Taipower Company, review and analyze the contracted capacity value and power factor value, regularly adjust the reasonable electricity consumption contract, and apply to Taipower Company for changes.

C. Participated in the 2021 energy conservation promotion plan for small to medium industrial energy users promoted by the Bureau of Energy, Ministry of Economic Affairs, and entrusted the National Taiwan University of Science and Technology Energy Conservation Diagnosis Service Center to conduct inspections of relevant system equipment at the headquarters, and propose an analysis of the current status of the use of various energy-consuming equipment, and propose energy conservation improvement suggestions and energy-saving benefit assessment.

D. During consecutive holidays, it is announced that all units must unplug electrical appliances, such as water dispensers, refrigerators, computers, printers, etc.

E. The corporate headquarter conducts energy-saving air-conditioning management, uniformly set the optimum temperature to 27 degrees, and promotes that the air-conditioning is not turned on except in summer, which is environmentally friendly and good for health.

F. 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.

G. 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.

H. 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.

I. Posting stickers to remind turning off the lights to avoid wasting electricity.

J. Adjust the lighting time of the advertising signs on the exterior wall according to different season.

K. Immunity toilet power saving settings and turn off the power when leaving the bathroom.

L. 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%.

M. Set up garbage sorting and resource recycling areas.

N. Bring your own reusable cups instead of paper cups to meetings.

O. The corporate headquarter uses automatic sensor and aerator faucets to effectively reduce water consumption.

(2)Energy saving and carbon reduction results of corporate headquarter in 2021

A.Results of energy saving and carbon reduction in corporate headquarter- Electricity consumption: carbo emissions increased

Electricity consumption in headquarter	kWh	CO2 emissions (KG)	Remarks
Year 2020	1,321,600	663,443	In 2021, the electricity consumption of the corporate headquarters increased by 23,600 kWh (an increase of 1.8%). According to the 2020 electricity emission coefficient announced by the Bureau of Energy: each kWh of electricity emits about 0.502 kg of CO2, so the carbon emission increased by 11,847 kg.
Year 2021	1,345,200	675,290	
Increase (Decrease)	23,600	11,847	

B.Results of energy saving and carbon reduction in corporate headquarter- Office Printer: carbon emissions decreased

Corporate Headquarter Office Printing Volume	Number of sheets used	CO2 emissions (KG)	Remarks
Year 2020	362,080	6,517	In 2021, the office printing volume of the corporate headquarter was reduced by 66,246 sheets (a decrease of 18.3%), and the carbon emission of each A4 paper is about 0.0068KG, so the carbon emission was reduced by 450 kg. Please refer to the carbon label product information of the Environmental Protection Administration, Executive Yuan, R.O.C.(Taiwan) – Chung Hwa Pulp Co., A4, 70g per pack of 500 sheets, carbon footprint data / labelling unit 3.4kg CO2e / per pack.
Year 2021	295,834	5,325	
Increase (Decrease)	(66,246)	(450)	

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

Since the launch of the electronic obituary service in 2021, it will be a win-win situation for all parties. Customers do not need to print, write, or mail, and at the same time, relatives and friends who come to participate in condolence ceremonies can also use this convenient mechanism to order flowers online and query farewell ceremony relevant information (time, location, traffic...etc.).

The customized "Electronic Obituary" service provides a variety of design styles for customers to choose from, meeting the needs of family members to transmit obituaries to relatives and friends in real time, without the need for time-consuming personal delivery or mailing. ; The electronic obituary has also added convenient functions such as " survey on willingness to participate", "ordering flower baskets for funerals", and "online memorial message". Through mobile phones or computers, relatives and friends can reply online whether to attend the funeral ceremony, order flowers immediately, or leave a memorial message to convey condolences to the deceased.

For customers, the electronic obituary allows family members to easily count the number of attendees on the day of the funeral, so as to arrange the venue of the ceremony hall and the number of return gifts as soon as possible, and more intimately provide family and friends with intimate functions such as "traffic guidance" and "reminder of funeral etiquette". Families, relatives and friends take advantage of this digital technology service to save the hassle.

The memorial message in the electronic obituary is a great function. In the future, it can be combined with the multimedia auditorium to project the memories of relatives and friends in the farewell venue through projection, creating a unique and touching life graduation ceremony.

In 2021, the number of services that replaced paper obituaries with electronic obituaries has reached 1,481, which can reduce carbon emissions by 1,794.972KG (Note).

Note: Based on the average of 101 obituaries printed for one case, 149,581 sheets of paper are saved in one year, and the carbon footprint data of each B4 paper is 0.012KG.





V.Social Welfare Maintenance

1.Relations with Employees

■ 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 2021】

The Company's application for parental leave without pay is handled in accordance with the law. The parental leave application in 2021 is summarized as follows, and the proportion of people returning to work in 2021 has increased significantly to 80% compared with the previous year:

Remark	2020	2021
Number of applications for parental leave	5	3
Expected number of people who apply for parental leave to be reinstated	4	5
Actual number of people who apply for parental leave to be reinstated	1	4
Reinstatement rate (actual reinstatement/expected reinstatement)	25%	80%

■【The following table shows the number of employees, gender, age, new recruits, resignations, and remuneration for the three years from 2019 to 2021】

● For three consecutive years, the number of female colleagues is higher than that of male colleagues regardless of whether they are supervisors or non-supervisors, indicating that the company is a gender-equal workplace without gender discrimination.

● The number of female employees in 2021 grew positively compared to last year, and the number of new female employees in 2021 was also 20 more than that of men, indicating that the company is a female-friendly workplace. In 2021, the proportion of female supervisors was 54.2%.

● The age distribution shows that in addition to the employees aged 31-50 who continue to be the main force of the company, the total number of employees over the age of 51 has an increasing trend compared with the previous year, which shows that the company is a middle/elderly-aged friendly workplace, and there is no age discrimination.

Year	2019		2020		2021	
Gender	Male	Female	Male	Female	Male	Female
Number of incumbent regular employee as of December 31	249	266	246	261	237	266
Number of non-regular employee as of December 31	4	10	3	9	3	10
Number of employees who are department heads or above	27	31	26	32	27	32
Number of employees who are not department heads	226	245	223	238	213	244
Number of employees aged under 30 as of December 31	64	69	48	65	34	63
Number of employees aged 31-50 as of December 31	162	183	165	177	171	182
Number of employees aged over 51 as of December 31	27	24	36	28	35	31
New arrivals throughout the year	46	87	33	38	37	57
Number of employees leaving throughout the year	38	64	39	48	47	56

■【Average salary in 2021】

- The average salary of all staff in 2021 increased compared to last year; the average salary of specialists decreased slightly compared with the previous year due to the decrease in the number of employees.

Year	2019	2020	2021
Average Salary as of December 31	63,709	66,320	66,532
Average Salary of specialist as of December 31	35,096	34,286	34,149

■ Complete employee benefits:【2021 Employee Benefits】

- The employee welfare committee was established according to the law, and the funds were allocated according to the law and operate normally.
- Retirement System
  — Employees' Retirement Pension: Comply with the Labors' Standard Act, the Company should raise 2% of monthly salary for retirement pension for those who were onboard before June 30, 2005, deposit to assigned treasury in Bank of Taiwan, and pay to workers according to Labors' Standard Act.
  — Labor Pension Act: Since July 1, 2007, for employees who select to apply to Labor Pension Act, should raise 6% of monthly salary for retirement fund to Employee's Individual Account of Labor Pension.
- Employee welfare includes maternity subsidies, marriage subsidies, funeral subsidies, and the employee leisure building provides SPA areas, swimming pools, gyms and other facilities for employees to use. The Company also organizes various employee activities such as clubs, ball games, fitness classes, Christmas and Thanksgiving activities from time to time. In 2021, a total of 230 people signed up for the online walking competition, a total of 59 people signed up for the online karaoke competition, a total of 28 teams participated in the shooting challenge, and a total of 35 entries were collected for the Thanksgiving message event.
- 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 pandemic prevention insurance was specially insured for front-line colleagues, and the number of insured people was about 350, so that front-line colleagues can work with peace of mind. For frontline colleagues who have doubts at critical moments, the company provides PCR or home-based screening reagent tests to ensure that they are free of the virus before they are on duty to protect employees and customers.
- Staff meal assistance during the pandemic prevention period: Even during the time of diversion to work, we still continue to provide delicious lunch boxes for colleagues who go to work at the headquarters, and only charge employees NT$30 for each meal, which is convenient for colleagues to eat and reduces the risk of infection when eating out.
- Staff Health Examination: It is better than the law to hold regular employee health examination (every 2 years for general employees, and once every 1-2 years for supervisors), and open inspection items at the expense of colleagues to remind colleagues to pay attention to their own health regularly and maintain optimal working conditions.
  In 2021, regular employee health examination was arranged, and a professional team was entrusted to the Company to conduct tests including basic testing, ultrasound, X-ray, etc., as well as blood and urine tests.

Pandemic prevention actions have also been done well: the real-name system of health insurance cards was adopted, and disinfection, masks, and social distancing was also properly arranged. Breakfast is also arranged after the health examination, so that colleagues can take it back to their seats and enjoy it easily.



- Seasonal activities: Hold seasonal activities every quarter, regularly communicate with employees about the company's policies, introduce newcomers and hold birthday parties. In conjunction with the quarterly activities, special seminars are also held from time to time to increase the skills of employees in life and work.
- Prosperous annual activities: In order to protect the health of customers and employees and avoid the risk of cross-infection across regions, the 2021 annual meeting was held online, and activities such as online games and online lottery was arranged, and employees were invited to perform talent shows to boost team morale.

■ Safety maintenance in the workplace and professional improvement of employees

Providing a safe environment is the most basic obligation of an enterprise. In addition to the goodness of hardware and equipment in Lungyen, we regularly require colleagues who maintain safety to receive relevant training, and encourage colleagues to participate in external training courses to enhance professional knowledge and skills.

【Safety maintenance in the workplace in 2021】

- In 2021, the "Workplace Unlawful Infringement Prevention Plan" was introduced, and regular dissemination and education was conducted to maintain a friendly workplace.
- In 2021, the online training on "Sexual Harassment Prevention" was implemented for all employees to ensure that all supervisors have basic knowledge of laws and regulations to avoid breaking the law.
- The company's quality management team regularly inspects the services and hardware equipment throughout Taiwan, and maintains the facilities to provide colleagues with a perfect office environment.



【2021 Staff Training】

- Lungyen is committed to creating a continuous and rich learning environment, and in order to achieve development goals, enrich the knowledge and skills of employees and develop their potential, so as to improve work efficiency and promote professionalism, the Company has formulated "Education and Training Methods", including pre-employment training, intensive training, professional field training and on-the-job training under this concept.
- In 2021, the new management team is committed to cultivating talents. The training cost was 2.5 times that of last year. The total training person-time was 2,206 for a total of 4,383.4 hours, and the total expense was NT$841,128.

Item	New employee training	Supervisor training	Professional Training	Field Training	Other Courses	Total
Person-Times	144	123	1128	11	800	2,206
Person-Hours	852.8	733	2102.1	250.5	445	4383.4
Expense(NT$)	23,677	335,280	388,471	87,700	6,000	841,128

- In 2021, in order to strengthen the ability of supervisors, a number of supervisor training sessions was held to improve the communication and management ability of supervisors. The details of the event are as follows:

Course Title	Number of Trainees	Training Hours	Expense (NT$)
Super team development study	30	7	335,280
Effective Communication and Leadership Course (Tier 1)	32	7	
Effective Communication and Leadership Course (Tier 2)	29	7	
Cases of the Key to Successful Digital Transformation	6	3	
Spokesman Practical Training	20	3	
Talking about Intellectual Property Management from the Perspective of the Board of Directors	6	3	

- In order to break through the limitations of distance and time for provide an environment for colleagues to learn at any time, we provide an online learning platform, and incorporate external courses (such as stress management) to teach colleagues how to control stress and adjust their emotions. At the same time, various internal courses are recorded to provide colleagues more learning opportunities. Online courses cost NT$111,000 in 2021.
- In order to maintain a healthy workplace and handle it according to the law, the Company regularly assigns colleagues to participate in course lectures, or completes professional training hours according to law, and assigns colleagues to upgrade their professions from time to time in order to provide better services to customers. The records of colleagues assigned to participate in the course are as follows:

Course Title	Training Hours
American ISA Professional Arborist Training	108
2021 Health Horticulturalist Training Certification Workshop	108
2021 Taipei Workplace Gender Equality Indicators Dissemination Conference	3.5
War and Protection of Invisible Assets - Trade Secrets and Non-compete	6
Education and training of the Ministry of Labor's 2021 "Employee Assistance Program Promotion Plan"	6
2021 Implementation Plan for Promoting the Labor-Management Conference Mechanism	7
Fraud Risk Audit Practice and Management	6
How to Use Digital Technology to Explore and Improve Operational Processes and Fraud Detection - Audit Practice Discussion	6

■ Partnership with Schools - recruiting talent

- 【Partnership with schools】
  - ◎ In order to promote industry-university exchanges, establish a good relationship between the Company and school teachers and students, reserve outstanding talents in advance, and publicize the company's excellent funeral service equipment and measures, enhance the company's image and consolidate the Company's external cooperation and communication channels, we welcome all school groups apply for visits and accept applications for internships by students in colleges and universities. In 2021, we adjusted the application for visits in order to comply with the pandemic prevention policy of the Command Center, but we will continue to welcome applications from schools in the future.
  - ◎ On-campus talent recruitment briefings: In 2021, a total of 3 sessions were held at National Taiwan University, National Central University and National Cheng-Chi University.
  - ◎ Student Internship: 2 internship briefing sessions were held in 2021, a total of 10 interns were recruited, of which 3 students stayed in the Company after the internship.



● Funeral Director Training

In order to improve the literacy and service quality of funeral practitioners in Taiwan, the Ministry of the Interior promulgated the "Funeral Management Regulations" in July 2012 to amend the regulations that a certain scale of practitioners should set up full-time funeral directors and add the management methods for funeral practitioners to standardize the services content and standards of the industry and practitioners. Since then, funeral directors, like lawyers, accountants, and doctors, have become "specialized technical personnel" who need to pass the "national examination" to practice, moving towards the professional "teacher" generation and gain the respect and status of the society. To become a funeral director, you must first obtain a Class B technician certificate in the funeral service category, enrich professional knowledge and skills, and complete 20 credits of professional courses. The courses include funeral hygiene in the field of health science, funeral management in the field of social science, and burial culture in the field of science and the humanities. In addition to the learning of knowledge and skills, practical experience is particularly important, so it is also a necessary condition to actually engage in funeral service work for more than 2 years. Only if the above three conditions are met, can an application be made to the central competent authority for the issuance of an etiquette teacher certificate.

Lungyen hopes to give customers the best service quality, so to become an excellent etiquette teacher in Longyan, it is necessary to pass various tests and practical social experience. Only after repeated training, testing, and repeated confirmation can we play the role of a service personnel in the last journey of life. The Company also guides the employed funeral service staff to obtain the Class B Technician Certificate in the Funeral Service Category.

The Ministry of the Interior, R.O.C. has issued a total of 1,243 certificates since the first certificate of funeral director was issued in May 2014 until the end of 2021. According to the law, there should be 48 funeral practitioners in Lungyen holding funeral director licenses. In fact, 116 funeral practitioners in Lungyen have obtained funeral director licenses, accounting for 9.33% of the total number of licenses issued, which has exceeded the decree by 2.4 times, and has become the funeral service company with the largest number of registered funeral directors. Funeral directors are an important role in leading the graduation ceremony in life. It is not easy for enterprises to cultivate an excellent funeral director, and it takes at least 2-3 years.

● Dissemination of Life Education

Is the subject of life difficult? Or is it simple? In the past, everyone avoided talking about this topic, and maybe there were many regrets in their hearts and there was no chance to make up for them. There was no turning back after life passed, and it was impossible to start all over again when life was over. We have seen too many stories, and we feel sorry for these "too late". As Lungyen in the life industry, we would like to share with you our attitude towards life through the little pieces in the service process. Cherish, grasp, miss, inherit.

◎ April 23, 2021: Life Lecture-Dr. Chen, Yong-Yi: "The Lesson of Life"

"What is life?" Dr. Chen, Yong-Yi, a psychologist, asked a philosophical question at the beginning, and the audience fell silent and thought carefully. Life is always full of change and adversity, but how do we face it? There is no best answer, but instead of forcing ourselves to face it with positive energy, we can express our emotions in a timely manner. In a series of changes, we will slowly get to know ourselves, guard our true self, and live a richer life after adversity. At this point, let's go back and think: "What is life?" Thanks Dr. Chen, Yong-Yi for bringing "The Lesson of Life" to Lungyen's partners. We have benefited a lot, and we have taken this opportunity to rethink the meaning of working in Lungyen, and hope that we can radiate more light and heat and bring more warmth to life.

◎ Facebook Life Education

◎ Talking-Love Facebook fan group is not just a channel for publishing company information, the important thing is that through this channel, we can convey many concepts of life and death, sacrifice, and meaning to the public. Respect life and live well.



● Life's Love Letter Blog

Number of articles: 420/Total number of viewers: 1.294 million

In the process of birth, aging, illness and death, only "death" is an inevitable major event in life. However, due to social customs and traditional taboos, people are generally ignorant of "death". In the past 30 years, Lungyen has undertaken numerous cases, seen numerous partings, and seen many regrets, so we hope to contribute to Taiwan's "life education" and therefore created the "Love Letter to Life" website platform.

"Love Letter to Life" shared good articles with the media and publishers, talking about the good death and the end of life, the way of dealing with grief, and the value of art and life. Since 2018, Lungyen has also launched the "Moving of Lungyen Employees" internally, inviting Lungyen employees to share the inspiration from their work, and seeing the joys and sorrows of life from real stories, which is more likely to resonate with readers.

"Love Letter to Life" invites the public to face parting well, cherish time, and embrace life, so as to live a wonderful life without regrets.

● Diverse Employee Communication Channels

(1)Employee Opinion Mailbox: If employees have any opinions about the Company, they can respond to the general manager through the mailbox lycares@lyls.com.tw.

(2)Irregular thematic surveys

(3)Mailbox 5186 provides a channel for employee complaints. The supervisor of the audit office is responsible for handling to protect the rights and interests of employees.

(4)The supervisors of each unit will share with all employees through meetings and announcements according to the actual cases generated at work, and educate employees on correct concepts.

(5)From time to time, the general manager will hold briefing sessions for the introduction of the policy, and personally explain the purpose and direction of the policy to the employees.



2.Relationship with Customers

Customer Feedback

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

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

(1) Funeral Service Care Questionnaire

(2) Cemetery Service and Care Questionnaire

(3) Customer Service Line

(4) Customer Service Mailbox

(5) Official website consumer dispute mailbox

(6) New customer transaction care telephone interview

(7) Telephone interview for funeral service care at the end of the way

(8) LINE Instant Reflection/Praise: Sales men can report problems or praise colleagues on behalf of customers.

(9) Parallel unit notification: proactive reporting mechanism for each unit when encountering problems reported by customers

(10) 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

(11) 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 2021, a total of 823 customer feedback were received, and 812 cases have been closed, with a closing rate of 98.66%.

The Company's standards for closing the case are relatively strict. In addition to the customer's satisfaction with the company's response, improvement measures must be completed before the case can be classified as closed.

I.Opinion Category Statistics

Case Classification	2016	2017	2018	2019	2020	2021	Total	%
Praise	588	903	894	574	511	689	4,159	82.2%
Customer Complaint	96	58	50	52	66	63	385	7.6%
Suggestion	67	68	47	38	39	19	278	5.5%
Petition	32	24	29	58	45	52	240	4.7%
Total	783	1,053	1,020	722	661	823	5,062	100.0%
Number of cases closed	783	1,053	1,020	722	661	812	5,051	
Case Closing Rate	100%	100%	100%	100%	100.0%	98.66%	99.78%	

*The number of closed cases is counted up to 2022/01/31.



II. Opinion Source Statistics								
Source	2016	2017	2018	2019	2020	2021	Total	%
Customer Service Hotline	53	29	44	32	53	47	258	5.10%
Parallel Unit Transfer	36	18	10	13	27	19	123	2.43%
Immediate Response Area	230	583	709	364	441	623	2,950	58.28%
Customer Service Mailbox	27	17	13	24	30	20	131	2.59%
Government Letter	17	11	23	45	24	17	137	2.71%
Business Satisfaction Survey		8					8	0.16%
Telephone Interview	16	16	5	3			40	0.79%
Audit Check			3				3	0.06%
Letter of Care	404	371	213	241	86	85	1,400	27.66%
Independent Filing						6	6	0.12%
Customer Letter						6	6	0.12%
Total	783	1,053	1,020	722	661	823	5,062	100.00%

3.Relationship with Investors

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

The functions of Investor Relations Management:

(1)Help to enhance the Company's investment value

(2)One of the important measures to protect investors

(3)Important content of corporate governance

(4)The need for normalization, marketization, institutionalization and gradual transition to a buyer's market in the securities market

- How to communicate effectively with investors:
  1.Investor Conference: A total of 4 conferences held in 2021
  2.Telephone Conference
  3.Company Visit
  4.Email
- Investor Conference Topics:
  1.Reporting Operating Results
  2.Industry Changes and Trends
  3.Future company outlook and development priorities
- How do investors obtain company public information:
  1.There is a dedicated unit of the Investor Relations Department to provide investors with the information they need, including financial information, corporate governance systems, etc. Shareholders can ask questions by phone or email.
  2.The investor conference was held irregularly, and the management team conducts two-way communication with shareholders and investors. A total of four communication meetings were held in 2021.
  3.Shareholders' general meetings are held regularly. On July 23, 2021, Lungyen's annual general meeting was held to explain the Company's operating results and future development, with an attendance rate of 82.45%.
  4.An annual report is issued every year in accordance with regulations and sent to shareholders at the shareholders' meeting.
  5.The official website has an investor area to provide investors with the information they need.
  6.The official website discloses the personal email addresses of independent directors.

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

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

(1)Communication Channel

A.The Company has signed an integrity clause with its suppliers to protect the rights and interests of both parties. In 2021, a total of 229 contracts with integrity clauses(*) were signed, with a contract value of 4.9 billion. 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.

B.The official website discloses the personal mailboxes of independent directors, providing a channel for suppliers to communicate directly with independent directors.

C.Hold regular supplier meetings

D.The quality of service provided by suppliers is randomly selected from time to time, and suppliers with good performance are encouraged, those with unsatisfactory performance are also given due education and punish ment. We expect suppliers to stand on the same position as the Company, grow together, and provide a satisfac tory service together.

(2)Requirements for Suppliers

● Engineering Safety Guidelines

The Company's engineering contracts clearly stipulate the "construction manual" and "contractor site safety and hygiene management rules" to regulate the manufacturer's relevant construction safety regulations.

(3)Proportion of purchase expenditure from local suppliers: The Company's suppliers are all domestic.

(4)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.

● Every life is unique: "Pack Taiwan Animal Care Association" and Lungyen think so.

When Lungyen volunteers brought towels and blankets collected by employees to the "Pack Taiwan Association" in Sanzhi, the dogs at the scene were very enthusiastic. Even though their faces are damaged and their bodies are mutilated, they still warmly welcome us with wagging tails.

The Pack Taiwan Animal Care Association is different from general shelters. It specializes in sheltering animals that have been abandoned, neglected or have disabilities. Many of them are even stray dogs whose legs were pinched by the animal trapping team at the top of Sanzhi Mountain. These dogs have a low rate of adoption due to disability, so many have lived in the association for many years, so they need a lot of care and support from everyone and welcome everyone to adopt instead of buying.

Lungyen has been deeply involved in the Sanzhi area for nearly 30 years, and has always attached great importance to the feedback of the neighbors. It not only provides financial and material assistance to local villagers, but also calls on colleagues to serve as volunteers and build a better society together.





● Charity material donation in 2021



6.Charity

● Lungyen warmly protects the anti-pandemic personnel. In addition to donating the New Taipei City Pandemic Prevention Fund, we also sent the gold-medal-winning chef's special nutritious meal to cheer up the front-line medical staff of National Taiwan University Hospital.

The pandemic COVID-19 continued to expand. Lungyen, who spared no effort in public welfare, took the lead in donating NT$3 million in the name of "Lungyen Charity Foundation" at the end of May as the New Taipei City Government's Pandemic Prevention Fund, adding screening stations and subsidize the resources of front-line medical and police personnel. Recently, due to the rising number of daily infected cases, the workload of medical staff at the forefront against the pandemic has increased significantly, and they may not have time to take care of their own health and nutritional needs. In order to sympathize with the hard work of the frontline medical staff, Lungyen specially arranged the gold-medal-winning chef of its own staff restaurant to design and plan the nutritious menu. Since June 2, 2021, we have prepared 200 nutritionally balanced meal boxes every day and delivered the meal boxes to the "National Taiwan University Medical School Affiliated Hospital", which has recently been strained due to the treatment of patients diagnosed with COVID-19. We hope that the frontline medical staff can enjoy delicious and nutritious meals and thank them for their brave protection of Taiwan by supporting with more concrete actions.

● Lungyen focuses on its own business and takes actions to support public welfare

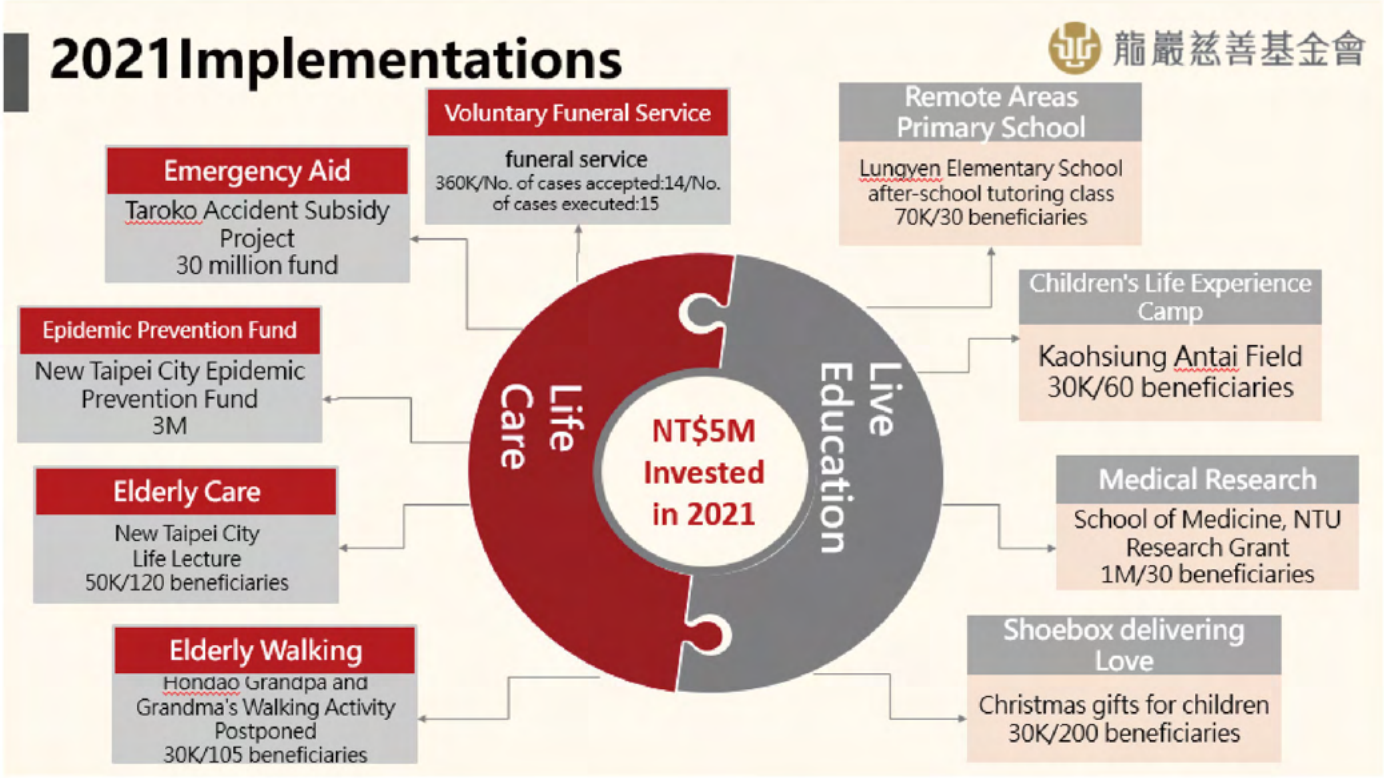
Lungyen has been focusing on the development of its own business for 30 years, and has successfully transformed the black industry into a colorful life industry. In recent years, Lungyen has developed rapidly, but it has never forgotten to shoulder its social responsibility. Over the years, Lungyen has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



Lungyen Charity Foundation

Based on respect for life, Lungyen Charity Foundation upholds Lungyen 's core values: "professionalism, integrity, and compassion" to support charitable public welfare activities and give back to the society. This is exactly what we want to do, must do and continue to do.

As long as we can do it, Lungyen is willing to contribute our strength to every stage of life. In 2021, a total of 5 million was spent on social welfare through the Lungyen Charity Foundation.



- Voluntary Funeral Service: Love makes the way home not lonely

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

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

  As the government has successively promoted joint funerals and funeral expenses reductions, and local public welfare groups have provided funeral expenses subsidies, the number of applications has declined slightly. In 2021, a total of 14 cases were accepted and 15 cases were executed. In addition to its own business operations, Lungyen can also establish links with employees to assist the Company providing services.

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

(1) Give back to the society through Lungyen's professionalism, so that every life has the right to receive equal respect and courtesy

(2) Let funeral service staff participate in social welfare, build empathy and maintain the enthusiasm and original intention of service

(3) Let all stakeholders show their love to assist the disadvantaged in reporting applications

(4) Improve the brand's positive public image and reputation



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

- 【Taiwan Railway Taroko No. 408 Train Accident】Emergency Assistance

  In order to provide longer-term assistance to the families of the victims of Taiwan Railway Taroko No. 408, this emergency rescue plan is specially designed to help students who have been in trouble and lost their loved ones due to accidents. We provide emergency assistance or short-term, medium- and long-term assistance to achieve phased economic assistance goals, and provide longer-term continuous care and follow-up assistance to accompany these families through difficult times.

  (1 case inquired but not applied)



- Pandemic Prevention Fund

  In 2021, the COVID-19 has spread rapidly since mid-May, especially in the Greater Taipei area. Therefore, the "Lungyen Charity Foundation" donated NT$3 million to the New Taipei City Government as a pandemic prevention fund, added quick screening stations in the pandemic hot areas, and subsidized the first-line pandemic prevention medical staff and police and firefighters performing pandemic prevention tasks. We look forward to being able to get through this difficult time with everyone and do our best to fight the pandemic in Taiwan.



● Elderly Care

【Late Beauty Life, To Love without Regrets】Public Welfare Lectures

In addition to promoting long-term charitable voluntary funeral services to assist poor families dealing with the funerals, Lungyen also takes "life education" and "life care" as its main goals, hoping to promote and convey relevant knowledge through various activities. Therefore, we specially cooperated with the "New Taipei City Social Affairs Bureau" to hold a public welfare lecture on "Late Beauty Life, To Love without Regrets ", to guide the elderly people to plan a blueprint for their old age, to work hard to realize their dreams, and to discuss the issues of the end of their lives, so as to paint a perfect picture for their own lives.

We conducted keynote lectures with "heritage planning" as the core, explaining the overview of heritage taxation system, the statutory requirements for making an advance will, the structure and operation of will trusts, etc. Combined with the participation of the business team and the local neighborhood office and other units, Lungyen will continue to promote the idea of self-determined and hospitable life in order to expand the public welfare image of the Lungyen Charity Foundation.





● Children’ s Life Experience Camp

We have faced countless partings, and we know that expressing love must be timely and without regrets, and life education must take root from an early age, so Lungyen Charity Foundation launched children’ s life experience camp.

We use beautiful treasure boxes to explain to children that life is as precious as jewelry, so when life comes to an end, we should also put it in the safe and treasure it.

Life education does not need to be a heavy topic. Through hand-painting to imagine the appearance of heaven, and through the treasure hunt game of imitating the columbarium-entry process, children can experience the way of saying goodbye to life with laughter.

We hope that one day, when the children are about to say goodbye, this activity can bring them a little bit of positive influence, a little less regret and a little more fulfillment.



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

  There is a rural primary school with the same name as ours: "Lungyen Elementary School" in Baozhong Township, Yunlin County. Therefore, special funds are planned to subsidize the after-school tutoring of the school's students, and corporate volunteers are arranged to go to the school to share life education. Colleagues also raised a lot of new stationery items, hoping that the children can have sufficient learning tools at the beginning of the semester. Lungyen illuminates the learning hope of children in remote villages with practical actions

  Lungyen Elementary School, located in Baozhong Township, Yunlin County, is located in a remote rural area. Currently, there are only 42 students in grades 1 to 6 in the school, of which 70% are from disadvantaged families such as intergenerational education, single parents and new immigrants. Since parents have to work to earn money, they are less able to take care of their children after school. Therefore, the school has set up an "after-school care study class" to assist children in the lower grades in their after-school learning. However, the relevant funds for the school to hire teachers need to rely on donations from various parties. Therefore, after learning about this, the Lungyen Charity Foundation has specially planned a budget to support Lungyen Elementary School's "After-school Care Class Learning for Lower Grades" program, hoping that children can have better study companionship. We believe that children will not be alone if you have love after school.

  In addition to subsidizing study programs, Lungyen Charity Foundation has also initiated an internal fundraising campaign, inviting colleagues to donate new stationery items that are not used at home, including pens, erasers, rulers, pencil boxes, pencil sharpeners, or even toys, schoolbags, etc. A total of 2 large boxes of stationery were collected, which were delivered to Lungyen Elementary School by more than 20 internal and external volunteer partners on March 4, 2021. We hope that the children can have sufficient learning tools at the beginning of the semester. In addition, the sharing of life education is also arranged for students to understand the meaning of life through interesting story and picture books, so that school children in remote villages can feel full of love.





- Shoebox delivering Love, Making Christmas Dreams Come True

  Over the years, Lungyen has been committed to promoting life education. In the early spring of 2021, Lungyen initiated volunteers to visit the "Lungyen Elementary School" located in a remote township in Yunlin. On behalf of the "Lungyen Charity Foundation", they donated funds to support the school's "after-school tutoring classes for lower grades" and used story picture books to share life education with school children while collecting their Christmas wishes. Therefore, we saw that the wishes of children in remote villages were so small that it makes people feel distressed. Therefore, this winter, we specially launched the material collection plan [Shoe-box delivering Love, Making Christmas Dreams Come True], calling on the internal and external colleagues from various regions to collect, pack and distribute together. A total of 200 shoebox gifts were collected to fulfill 40 students' small wishes of Lungyen Elementary School, we also brought a warm gift to the children in the six tutoring class in the rural areas of central and southern Taiwan. It is hoped that through the small shoe box filled with the hearts of Lungyen prople, the children in remote villages can realize their dreams





and celebrate Christmas together.

Before Christmas holiday on December 23, 2021, Lungyen once again called on more than 20 internal and external volunteer partners to visit "Lungyen Elementary School" again with Christmas gifts. Children welcome volunteers with the most enthusiastic Christmas singing performance. Lungyen Foundation volunteers presented Christmas gifts to the children, hoping that the children would have sufficient learning tools during their schooling, and at the same time enjoy leisure and entertainment, and study in a happy environment. Every child couldn't wait to open the gift excitedly. When seeing the innocent and lovely smiles on their little faces, every volunteer was deeply moved. On the same day, the volunteers also led the children to make Christmas gifts. We prepared hand-made bags, and the volunteers accompanied the children to complete a simple and appropriate Christmas wreath.

Participating volunteers said: Most people may have a negative impression of life industry, but I think this job is very meaningful, not only can I accompany the bereaved family through the most grief stage, in the volunteer activities I can also give back to the society. This is really meaningful!

- Donate Gold-Award-Winning Chef's Special Mid-Autumn Mooncake to care for disadvantaged women and children



The Garden of Hope Foundation has long supported women, children and youth who have suffered sexual abuse and domestic violence, and has continued to raise resources for the objects of support. Lungyen has long been concerned about social issues and devoted itself to social welfare. On the eve of the Mid-Autumn Festival, September 17, 2021, Lungyen paid a special visit to The Garden of Hope Foundation and presented 100 boxes of mooncake gift boxes made by the gold award-winning chef team of our staff restaurant, celebrating the Mid-Autumn Festival with women and children of the Foundation together. We hope to heal the soul through food and celebrate the Mid-Autumn Festival together. Although the pandemic has affected the resource collection of many public welfare and social welfare units, we hope that we can invite enterprises that are enthusiastic about public welfare to pay attention to more social welfare units in need and provide more resources to assist.

Lungyen has always taken the practice of corporate social responsibility as an important spirit of sustainable operation. We use this corporate social responsibility report to represent our determination and confidence.

VI. Appendix I: GRI Standard Index

Category	Index Number	Explanation	Section	Report Contents	Page
General Disclosures	102-1	Name of the organization	II.1	Company Profile	6
	102-2	Activities, brands, products, and services	II.2	Major Products and Service Locations	7-10
	102-3	Location of headquarters		Editor's Note	1
	102-4	Location of operations	II.2	Major Products and Service Locations	7-8
	102-5	Ownership and legal form	II.1	Company Profile	6
	102-6	Markets served: The geographic location where the product or service is provided; Industries served; types of clients and beneficiaries	II.2	Major Products and Service Locations	7-10
	102-7	Scale of the organization: total number of employees; operating locations; product introduction; operating performance and shareholders' equity	II.1 II.2 II.3	Company Profile Major Products and Service Locations Operating Performance and Shareholders' Equity	6 7-10 11-13
	102-8	Information on employees and other workers	V.1	Relationship with Employees	27-34
	102-9	Supply chain: includes the main elements related to the organization's activities, major brands, products and services	II.2 V.4	Major Products and Service Locations Relationship with Suppliers	7-10 37
	102-10	Significant changes to the organization and its supply chain	V.4	Relationship with Suppliers	37
	102-11	Precautionary Principle or approach: The Company's operations are not closely related to environmental changes, and have not yet reached the level of formulating early warning principles and methods. Not applicable for this indicator.		Not applicable	
	102-12	External initiatives: The scope of operation of the Company has not been signed and approved by the organization formulated by external economic, environmental and social regulations, principles or other initiatives. Not applicable for this indicator.		Not applicable	
	102-13	Membership of associations	V.4	Relationship with Suppliers	37
	102-14	Statement from senior decision-maker	I.1 I.2	Message from the Chairwoman and General Manager Corporate Social Responsibility Commitment	3-4 5
	102-16	Values, principles, standards, and norms of behavior	I.3 III.6	Corporate Social Responsibility Organization and Structure Anti-corruption	5 19

Category	Index Number	Explanation	Section	Report Contents	Page
	102-17	Mechanisms for advice and concerns about ethics: Solicit advice on ethical and legal behavior, and organizational integrity; report violations of ethical or illegal behavior, and organizational integrity	III.1 III.2 III.3 III.4 III.5 III.6 III.7	Board of Directors Audit Committee Compensation Committee Corporate Governance and Nomination Committee Audit Office Anti-corruption Stakeholder Communiacation	18 18 18 19 19 19 20
	102-18	Governance structure: A committee of the highest governance unit; a committee responsible for decision-making on economic, environmental and social topics	II.5	Organization Structure	17
	102-40	List of stakeholder groups: Stakeholder organizations that the organization communicates with	III.7	Organization Structure	20
	102-41	Collective bargaining agreements: The Company is not large enough to form a group agreement. Not applicable for this indicator.		Not applicable	
	102-42	Identifying and selecting stakeholders	III.7	Stakeholder Communication	20
	102-43	Approach to stakeholder engagement: Including the frequency of communication with different stakeholder groups and formats	III.7	Stakeholder Communication	20
	102-44	Key topics and concerns raised: How the organization responds to these key themes and concerns, including through reporting; and the stakeholder groups that raised each of the key themes and concerns	III.7	Stakeholder Communication	20
	102-45	Entities included in the consolidated financial statements	II.3	Operating Performance and Shareholders' Equity	11-13
	102-46	Defining report content and topic Boundaries: Explain the process for defining report content and subject boundaries. Explain how the organization follows reporting principles to define report content		Main Information of this Report	1
	102-47	List of material topics: List all material themes identified in the process of defining the content of the report		Main Information of this Report	1
	102-48	Restatements of information: This situation has not occurred in the Company. Not applicable for this indicator.		Not applicable	
	102-49	Changes in reporting: This situation has not occurred in the Company. Not applicable for this indicator.		Not applicable	

Category	Index Number	Explanation	Section	Report Contents	Page
	120-50	Reporting period		Main Information of this Report	1
	120-51	Date of the most recent report		Publication Information	1
	120-52	Reporting cycle		Main Information of this Report	1
	120-53	Contact person for questions regarding the report		Publication Information	1
	120-54	Claims of reporting in accordance with the GRI Standard		Main Information of this Report	1
	120-55	GRI content index		Appendix	45-48
	120-56	External assurance		Appendix	50-51
Specific Subject: Economy	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	V.1	Relationship with Employees	29
	203-1	Development and impact of infrastructure investment and services supported	V.5	Relationship with Community Residents	37-39
	204-1	Proportion of spending on local suppliers: The Company's suppliers are all domestic ones	V.4	Relationship with Suppliers	37
	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	19
	205-2	Communication and training about anti-corruption policies and procedures	III.6	Anti-corruption	19
Specific Subject: Environment	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 IV.2	Environmental Protection Policy Planting Maintenance	21-22 22-23
	308-1	New suppliers that were screened using environmental criteria	IV.3	Commodity Planning and Environmental Protection	24
Specific Subject: Social	401-1	New employee hires and employee turnover	V.1	Relationship with Employees	28
	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	29-30
	401-3	Parental leave	V.1	Relationship with Employees	28
	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.	V.1	Relationship with Employees	28

Category	Index Number	Explanation	Section	Report Contents	Page
		For organizations with a group agreement, indicate whether the group agreement specifies a notice period and relevant provisions for consultation and negotiation.			
	403-1	Occupational health and safety management system: Engineering Safety and Workplace Safety	V.1 V.4	Relationship with Employees Relationship with Suppliers	30 37
	403-3	Occupational health services	V.1	Relationship with Employees	29-30
	403-4	Worker participation, consultation, and communication on occupational health and safety	V.1	Relationship with Employees	29-30
	403-5	Worker training on occupational health and safety	V.1	Relationship with Employees	31-32
	403-6	Promotion of worker health	V.1	Relationship with Employees	29-30
	403-8	Workers covered by an occupational health and safety management system: Workplace safety, health check, insurance	V.1	Relationship with Employees	29-30
	404-1	Average hours of training per year per employee	V.1	Relationship with Employees	31
	404-3	Percentage of employees receiving regular performance and career development reviews: Annual performance review applies to all employees	V.1	Relationship with Employees	28
	405-1	Diversity of governance bodies and employees	V.1	Relationship with Employees	28
	405-2	Ratio of basic salary and remuneration of women to men	V.1	Relationship with Employees	28-29
	413-1	Operational activities through local community communication, impact assessment and development plan	V.5	Relationship with Community Residents	37-39

Appendix II: Assurance Summary Sheet

No.	Information on Assurance Items	Applicable Benchmarks	Page
1	In 2021, a total of 116 funeral service personnel in Lungyen obtained the funeral director license.	The total number of employed funeral service personnel in Lungyen who have valid funeral director licenses issued by the Ministry of the Interior on December 31, 2021	33
2	In 2021, a total of 823 customer feedback were received, 812 cases have been closed, and the closing rate is 98.66%.	According to the statistics of Lungyen's internal "opinion management platform", the number of opinions and feedbacks (including customer complaints, suggestions, praise, and complaints) filed in 2021 and the number of cases completed before January 31, 2022 according to the standard management method of the opinion platform	35
3	A total of 15 voluntary funeral services performed in 2021	The total number of voluntary funeral services completed by Lungyen Charity Foundation in 2021	40
4	In 2021, a total of 229 contracts with integrity clauses (*) were signed, with a contract value of 4.9 billion. *Integrity clauses regulate that suppliers cannot pay Lungyen or its affiliates' directors, managers, employees or affiliates commissions, percentage fees, agency fees, post-payment fees or other benefits.	The total number of contracts with integrity clauses and the total contract amount in the engineering supplier contracts with an amount of more than NT$200,000 signed by Lungyen Group(*) in 2021 * Including Lungyen, Yuji Development Corporation and Lung-Fu Business	37
5	In 2021, a total of 28 contracts met the requirements of green building materials, with a contract value of 4.6 billion	Refers to the engineering supplier contracts, bids or invitations including green building materials, environmental protection equipment and standard specifications for formaldehyde content for "interior decoration" and "construction projects" with an amount of more than NT$200,000 signed by Lungyen Group(*) * Including Lungyen, Yuji Development Corporation and Lung-Fu Business	24
6	At the end of 2021, female supervisors accounted for 54.2%	The ratio of Lungyen's "employed female supervisors" divided by Lungyen's "all employed supervisors"(*) on December 31, 2021. *According to the Lungyen Personnel Management Regulations, a supervisor is defined as a person who is responsible for managing and mentoring subordinates. The statistical scope of this indicator covers all employees on the job, but does not include employees who are on leave without pay, employees of overseas companies, employees of subsidiaries, and independent directors, consultants, contractors.	28
7	In 2021, the number of services that replaced paper obituaries with electronic ones has reached 1,481, which can reduce carbon emissions by 1,794.972KG(*) * Calculated based on an average of 101 obituaries printed per case, 149,581 sheets of paper are saved in one year, and the carbon footprint data of each B4 paper is 0.012KG	Total number of cases where electronic obituaries replace traditional paper obituaries in 2021 2021 reduction in the number of printed obituaries and their converted carbon emissions due to the adoption of electronic obituaries(*) * For the conversion data of carbon emissions, refer to B4, 80g, Paper Star photocopying paper of the product carbon footprint information website	27

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會計師有限確信報告

資會綜字第 22002612 號

龍巖股份有限公司　公鑒：

本事務所受龍巖股份有限公司（以下稱「貴公司」）之委任，對　貴公司選定 2021 年度永續報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關　貴公司選定 2021 年度永續報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於　貴公司 2021 年度永續報告書第 61 頁之「確信項目彙總表」。　前述確信標的資訊之報導範圍業於永續報告書第 1 頁之「報告書期間及範疇」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

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

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

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行包括查詢、觀察、檢查等測試，以取得有限確信之證據。

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pwc 資誠

此報告不對 2021 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，2021 年度永續報告書中屬 2020 年 12 月 31 日及更早期間之資訊未經本會計師確信。

會計師之獨立性及品質管制規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

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

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依適用基準編製而須作修正之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師　張瑞婷　張瑞婷

2022 年 7 月 29 日