

The logo for CLEANAWAY, featuring the word "CLEANAWAY" in a bold, sans-serif font. Above the text are several vertical bars of varying heights, and below it are several horizontal bars of varying lengths, creating a stylized graphic element.

**CLEANAWAY**

可寧衛股份有限公司

A scenic photograph of a rocky coastline at sunset or sunrise. The sky is a clear, pale blue, and the ocean is a vibrant turquoise. Waves are breaking gently against dark, jagged rocks in the foreground. The overall mood is serene and natural.

# CSR 2020

Corporate  
Sustainability  
Report





The world's largest vertical garden (listed in 2015 the Guinness World Records)

#### ★ Sky

The clear blue sky and azure sea are an important part of environmental conservation.

#### ★ Land

Strive in pursuing the balance between our activities as human being on the planet and a sustainable environment

#### ★ Caring-dedicated

Cleanway is aimed at pursuing a better future of production-life-ecology, for humans to begin with coexistence with nature, society, and economy.

#### ★ Technology

Through advancing technology and solutions with significant benefits, Cleanaway focuses on resolving the environmental issues. Cleanaway firmly believes that the value and the belief in circular economy is inestimable.

#### ★ Sustainability

Cleanaway works with all stakeholders to shoulder the responsibility that comes with being a global citizen. Our efforts lie in reaching a balance between developments in mankind and sustaining a green environment.

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## About this Report

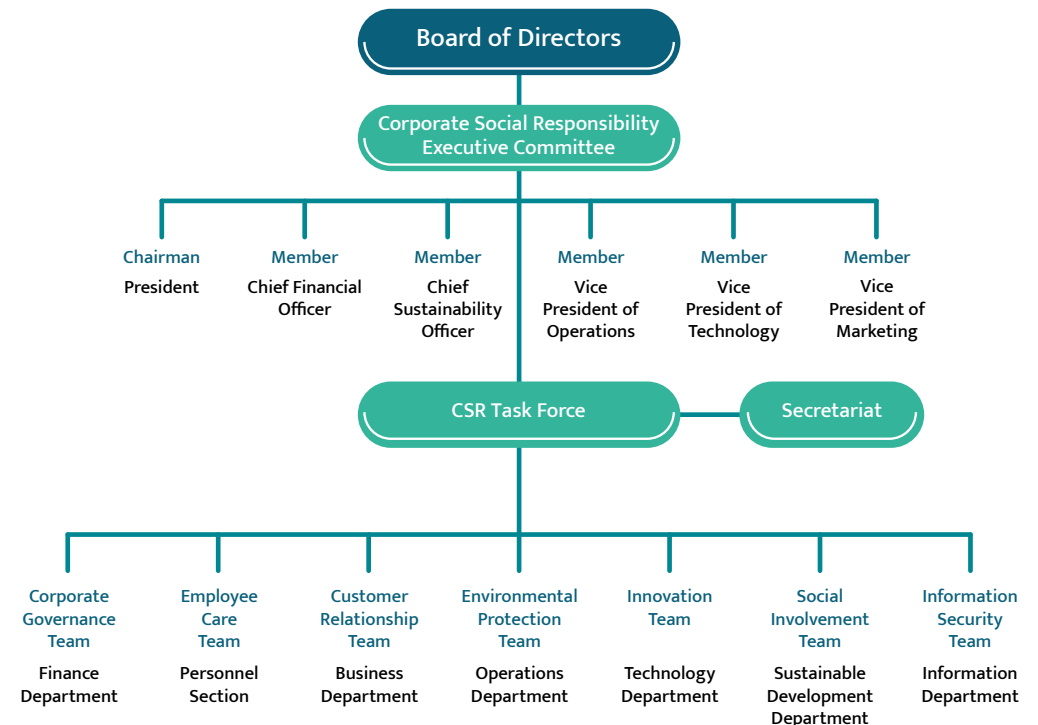
The contents of 2020 Cleanaway Corporate Social Responsibility Report (hereinafter referred to as “this report”) have been compiled from data submitted by Cleanaway Company Limited (hereinafter referred to as Cleanaway or the Company)’s CSR Executive Committee. While pursuing sustainable operations and profits, the Company also gives and disclosures due consideration to stakeholders’ issues of concern in financial, environmental, social aspects, and governance performance in its corporate management guidelines and business operations, to aggressively promote circular economy, fulfill CSR (Corporate Social Responsibility, hereinafter referred to as CSR), and strive in pursuing the balance between our activities as human being on the planet and a sustainable environment

### Period Covered and issue date

- ◆ Cleanaway will continue to issue new editions of the Corporate Sustainability Report (“ESG Report”) each year each year to provide information all stakeholders with a better understanding of understood our performance and achievements within the areas of operational development, social responsibility, and environmental sustainability. We publish the ESG information in our official website: <http://www.cleanaway.tw/responsibility.html>
- ◆ Reporting Period The disclosures in this report are for the year 2020 (from 1/1/2020 through to 12/31/2020).
- ◆ Issue date for the ESG report: August/2021
- ◆ Issue date for the ESG report of previous version: August/2020s

### Boundary and Scope

- ◆ The information disclosed in this report mainly covers the activities of Cleanaway (headquarter) as well as its local affiliates (Da Ning, Chi Wei, Kang Lien Enterprise,) and hereinafter referred to as Cleanaway. The report period is from January 1, 2020 to December 31, 2020. For information integrity and trend comparison, information for some content includes historical data.
- ◆ The report covers Cleanaway’s data and information regarding sustainability, social, and corporate governance issues from the period of January 1 to December 31, 2020. However, to ensure complete disclosure and comparability, parts of the report also included descriptions of initiatives and results before January 1, 2020.



- ◆ The financial data disclosed in this report includes overseas affiliates and has been attested by Deloitte Taiwan. All uses of statistics follow standard practices or rely on publicly available government information and data, but if there are special circumstances, they are explained in the section in which they appear. Environmental data is mainly disclosed in 100%-owned the Cleanaway (headquarters), Da Ning, Chi Wei and Kang Lien Enterprise. Hereby explains, such section is different from the investment companies whose coverage in the previous disclosure are less than 100%.
- ◆ For matters and data not disclosed in this report, please visit our corporate website (<https://www.cleanaway.tw/>).



可寧衛集團組織圖



## Consolidated Financial Statements (excluding reinvested companies with less than 50% shareholding).

- ◆ Taiwan:  
Cleanaway Company Limited, Da Tsang Industrial Company Limited, Da Ning Co., Ltd., Chi Wei Company Limited, Cleanaway Enterprise Company Limited, Kang Lien Enterprise Company Limited, Cleanaway Investment Holding Company Limited, Cleanaway Energy Co., Ltd.
- ◆ SAMOA:  
Cleanaway Investment Holding Company Limited, Cleanaway Shanghai Management Holding Company Limited, Cleanaway Zoucheng Holding Company Limited, Cleanaway Zhejiang Holding Company Limited
- ◆ China:  
Cleanaway (Shanghai) Company Limited, Subsidiary invested and established Cleanaway Zoucheng Co., Ltd.

## Normative References

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option, Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies to disclosure information on environmental, social and corporate governance (economic) aspects.

## Report Management

### Internal Management:

Draft of this report was written by by Cleanaway CSR Task Force and reviewed by each department for accuracy and completeness; the information was then collected and compiled into the report by the CSR Executive Committee.

### External Assurance:

- ◆ This Report has undergone verification of BSI Taiwan Branch in accordance with AA 1000 AS - Type 1, with Statement of Opinions on Verification by Independent Third-Parties appended in Appendices of this Report.
- ◆ Financial data as disclosed at economic aspects is calculated in NT dollars and publicly announced after auditing and attesting by CPAs at Deloitte Taiwan.
- ◆ ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Safety and Health Management System) as introduced by the Corporation have all passed verifications by DNVGL Business Assurance Co., Ltd.
- ◆ Cleanaway promotes greenhouse gas (GHG) emission inventory and investigations

in accordance with ISO 14064-1: 2018. Cleanaway has also commissioned BSI Taiwan Branch to conduct Scope 1 (Direct greenhouse gas emission), Scope 2 (Energy indirect Greenhouse gas emission), and Scope 3 (Other indirect greenhouse gas emission) inventory investigations.

## Contact Cleanaway

- ◆ The report is published in Chinese and is available in Cleanaway's official website (<https://www.cleanaway.tw/>). For further information or any suggestion regarding this report, please contact us.
- ◆ Contact: Sustainable Development Department Daniel Liu
- ◆ Telephone: +886-7-622-8422 ext.305
- ◆ Email: 8422@cleanaway.tw





## Commitments to Sustainable Management

Cleanaway was established in 1999. In the past 20 years, we have been focusing on resolving the environmental issues followed by the rapid economic growth in Taiwan. Through innovation, high standards, advanced technologies and efficient management to change public's stereotypical perception on waste management and the realization of the high standards required in the environmental protection industry.

By using big data analytics and calculation to digitalize waste treatment information and automation for more effective waste management. In addition, we are more aware that waste is a misplaced resource. In response to important domestic and foreign political development trends changes in laws, Cleanaway has also incorporated circular economy into its future development policy, and gradually expanded the aspect of circular economy, hoping to remove the burden of linear economy on the environment. Moreover, Cleanaway's sustainable management philosophy has moved towards diversified project operations in recent years, such as the development of relatively environmentally friendly Green Energy to reduce the greenhouse effect, carbon emissions. These are the driving forces behind Cleanaway's transformation towards a win-win situation of sustainable management and corporate social responsibility. Cleanaway strives in pursuing the balance between our activities as human being on the planet and a sustainable environment. We are and will be continuously seeking solutions to protect the environment from irreversible impacts. Together, we really can create a sustainable future for our environment, economy and the society.

Chairman

楊安祥



Cleanaway spares no effort in sustainable operation. We have also achieved a wealth of operational results and compiled our first corporate social responsibility report. The Company voluntarily prepared the Corporate Social Responsibility Report in 2020 and we have won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award, and become one of the companies with the most complete and transparent disclosure of ESG information in Taiwan. The solution of "New Generation Platform for Disposal of Industrial Waste" developed by CHASE Environmental Technology was successfully selected as an indicator case in the Microsoft's 2020 Environmental Sustainability Report. Cleanaway also actively participates in large-scale exhibitions on circular economy topics and responds to the "TASS 2020 Asia Sustainable Supply + Circular Economy Exhibition" in December 2020.

To further connect international trend of ESG sustainable development, Cleanaway accelerates the process of developing smart circular economy, and is committed to becoming national environmental team and helping industries in Taiwan create green supply chains. The actual results and approaches as follows:

- ◆ Establish smart eco 2.0 by using AIoT and cloud services and new business model - Waas (Waste-Management-as-a-service). Intelligent Waste. Traceability System provides cloud services and strengthens real-time alert management; Clearance SOP with AI implementation realizes automatic management of check points; unique mass balance verification assists clients to fulfill proper management.
- ◆ Establish Sustainable Development Department in 2020, aiming at the improvement of efficiency of existing laboratories and continuous improvement of circular economy technology. Based on the waste DNA database accumulated by Cleanaway in the past 20 years, through the analysis of big data, and the discussions regarding the possibilities of material cycle with robust partnerships to carry out recycling, as well as provide more transparent, more complete and safer solutions.

General Manager



Cleanaway has actively responded to the UN's Sustainable Development Goals (SDGs)



**1 消除貧窮**

- ◆ Yang Chi-Chuan Foundation promotes a series of social welfare activities, including emergency aid, Charitable subsidies, and home visiting. With a total of 95 beneficiaries and NT\$6.43 million subsidies.

**2 消除飢餓**

- ◆ At Winter Warmth, Yang Chi-Chuan Foundation's provides warm clothing, necessities with a total of 23 beneficiaries.

**3 良好健康 與社會福祉**

- ◆ Yang Chi-Chuan Foundation organized 114 Blessed Land Tour Groups, benefiting 4,566 people in the process.
- ◆ Cleanaway engaged in 11 social care action activities, contributing a total of NT\$5.02 million in funds.

**4 良好教育**

- ◆ Environmental Education On-campus Teaching Service: 3 organization and 8 schools, with a total number of 187 participants. Environmental Education Activities at Various Plants: 5 visiting organizations with a total number of 187 participants.

**8 體面工作和經濟增長**

- ◆ Protect labor rights and provide better work environment for employees.
- ◆ End child labour in all its forms
- ◆ Provide decent jobs for men, women, young people, and persons with disabilities, and realize equal pay for equal work.

**9 產業、創新和基礎設施**

- ◆ Having imported the most advanced gas turbines for electricity generation from biogas treatment, the Company recycled biogas (methane) produced on landfill sites to generate electricity. A total of 64,560 kWh of electricity can be generated each year for use at various plants, which not only translates into NT\$248,557 worth of annual electricity savings, but can also reduce 32.86 tons of carbon dioxide each year.

**10 減少不平等**

- ◆ No reports or investigations and penalties from the competent authorities due to violations of the Company's "Ethical Corporate Management Best Practice Principles" committed by the directors, supervisors or management of the Company were recorded in 2020.
- ◆ No penalties were imposed by the competent authorities on the Company due to complaints from and unsuccessful communications with various stakeholders in 2020.
- ◆ In 2020, the Company began requiring some suppliers to sign the "Statement of Commitment for Suppliers" to ensure that suppliers are committed to upholding business ethics, including prohibiting bribery, protecting trade secrets, and reporting improper conduct. In the same year, only the parent company of the Group, Cleanaway, has required suppliers to sign the "Statement of Commitment for Suppliers." Out of the Group's 250 qualified suppliers, 91 copies of the "Statement of Commitment for Suppliers" have been successfully received from these suppliers, accounting for 36% of the total number of qualified suppliers.
- ◆ All new recruits attended ethics awareness training in 2020.

**11 永續城市與社區**

- ◆ Leverage waste treatment technologies and strengthen pollution control and improvement.
- ◆ Apply for third-party certification body (BSI) to conduct greenhouse gas assessment, and set the goal of decreasing GHG emissions by 2% before 2030 to compared with the base year of 2019.
- ◆ The World's Largest Vertical Garden can reduce approximately 778.13 kg of carbon dioxide each year.
- ◆ The Cleanaway Environmental Patrol Volunteers regularly patrol the service area of more than 500 hectares.

**12 負責任消費與生產**

- ◆ Waste lighting source recycling and treatment equipment: Actively recycle and reuse waste with a focus of development on circular economy, in order to give waste a new life.

**13 氣候行動**

- ◆ Green energy : Power generation installations: Generate electricity from solar energy and biogas

**14 海洋資源**

- ◆ Continue to promote the implementation of the environmental management system, and improve environmental performance.
- ◆ Implement effluents and waste reduction, effectively use water resources, practice green living, and fully engage in energy conservation and carbon reduction.

**15 陸地、淡水與生態系統**

- ◆ The Company developed one set of featured environmental lesson plans.
- ◆ The Company organized 17 sessions of environmental education event.

**16 和平、正義與強韌的機構**

- ◆ No violations of economic or environmental protection-related laws or regulations were committed by the Company.

## Special Report 1: 2020 Awards and ESG Performance

### Awards

In the first CSR report last year, Cleanaway fully responded to the concerns of stakeholders, which fully disclosure the most complete and transparent ESG information to adhere CSR. Cleanaway also established “Chase Environmental Platform” to provide innovative smart ecoone-stop-shop for its clientele and won two awards in TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award and Growth through Innovation Award.

### Sustainable Performance

Corporate Governance (economic)

Content	Performance
▶ Maintain annual profitability and dividend distribution performance.	▶ Distribution of cash dividends of NT\$10 per share in 2020, which made Cleanaway a stable and profitable company.
▶ Implement board evaluation, attendance rate of each director and the evaluation of each project.	▶ Implementation of board evaluation with 100% attendance rate (including videoconferencing). All performance evaluation items were excellent.
▶ Maintain corporate governance status.	▶ 2020 Corporate Governance Evaluation was 6%~20%, which was higher than 2019 (21%~35%).

Environmental

Content	Performance
▶ Continuously decreasing waste effluents discharged at landfill sites.	▶ In 2020, the amount of effluents discharged at landfill sites was 214 ton, which was a reduction of 4,233 ton from the 4,447 ton in 2018 (the base year), and the total discharge was reduced by 95%.
▶ Gradually increase the use of recycled water at the plants.	▶ Total water consumption at headquarter, solidification plant, and landfill sites: (1) City water consumption: 13,179 ton. (2) Rainwater consumption: 30,679 ton. (3) Reclaimed water consumption: 66,683 ton. Total water consumption is 66,683 ton, of which 80% is reclaimed water.

Social

Content	Performance
▶ The Company has passed ISO45001 certification and established the "Safety and Health Work Rules" in accordance with the Occupational Safety and Health Act of the Ministry of Labor.	▶ Maintain related certifications of occupational safety and health management system to provide better work environment for employees, and expect to reduce or even eliminate the hazards in the workplace, in order to achieve the goal of sustainable operation and fulfill social responsibility.
▶ Continuously recruiting outstanding talents to join the company.	▶ In 2020, the Company introduced 23 new hires, accounting for 13.9 among all employees. Among them, 56.5% of all new hires are below the age of 30.
▶ Participating in social welfare activities to support the needs of society with love and care.	▶ In 2020, Cleanaway Group donated NT\$10 million to Yang Chi-Chuan Foundation to implement Caring for the Disadvantaged, with a total of 95 beneficiaries, including distributing charity calendars and red envelopes, as well as distributing material resources after ceremonies.

## Special Report 2: COVID-19 Response and Preventive Measures

Since the spread of the coronavirus disease 2019 (COVID-19) outbreak throughout the world in early 2020, the Company has immediately put in place and implemented its own disease prevention measures internally in line with the government's disease prevention policy, with a view to ensuring the safety and health of all employees as well as maintaining the normal operation of the Company.

The Company's COVID-19 prevention measures are listed as follows

Internal

Employees and workplace environment

- ✓ Implement access control in the workplace and require employees to take their body temperatures in the morning and afternoon every day.
- ✓ Require employees to put on a face mask at all times during working hours.
- ✓ Implement safe distancing by spacing out employee seats in the office.
- ✓ Avoid unnecessary customer visits and business trips.
- ✓ Require employees to have lunch at their own seat.
- ✓ Strengthen efforts to raise awareness of disease prevention among employees and call on employees to cut down outdoor travel after working hours to reduce the risk of infection.
- ✓ Enhance self-health management among employees.
- ✓ Ban all related dining events.
- ✓ Disinfect offices and public areas more frequently and maintain good ventilation.

External

Supplies and visitors

- ✓ Enforce real-name registration and various measures including putting on facemask at all times, taking body temperature, and disinfecting both hands.
- ✓ Reduce unnecessary business visits and encourage video conferencing or e-mail communication to reduce the risk of infection.
- ✓ Fill out the Health Declaration Form to ensure visitors' health.
- ✓ Instruct guards to collect letters and parcels whenever possible.





# About Cleanaway



- 1.1 About Cleanaway
- 1.2 CSR Core Values and corporate social responsibility (CSR)
- 1.3 Technologies and Services



## 1.1 About Cleanaway

### I. Company Profile

Company Name: Cleanaway Company Limited

Establishment Date: 1999/May/4th

Paid-in Capital: NTD 1,088,880 thousand.

HeadOffice: No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.)

Number of Employees: 165

Business Locations:

Kaohsiung Head Office, Taipei Office, Kaohsiung Waste Solidification Plant, Kaohsiung

Final Disposal Site, Offices in China: Kunshan (Jiangsu), Shandong (Zoucheng)

Trading Date:

Listed on the Taiwan Stock Exchange on October 5th 2011(Ticker: 8422.TW)

Major Business Items:

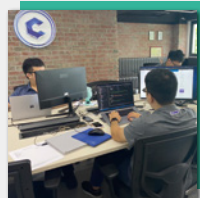
1. Manage in intermediate solidification plant for hazardous wastes
2. Operate landfills for solidified and fixed wastes
3. Operate landfills for industrial wastes

Unit: Thousands of New Taiwan Dollars

Business activities	2018		2019		2020	
	Operating revenue	Proportion of operating revenue	Operating revenue	Proportion of operating revenue	Operating revenue	Proportion of operating revenue
Waste solidification and excavation	946,526	27.87%	668,120	24.69%	729,984	27.23%
Waste landfill	2,290,691	67.46%	1,936,722	71.56%	1,820,140	67.90%
Waste clearing	156,114	4.60%	81,543	3.01%	101,844	3.80%
Others	2,476	0.07%	20,189	0.74%	28,571	1.07%
Operating Revenues	3,395,807	100.00%	2,706,574	100.00%	2,680,539	100.00%

#### Operation Sites

##### Taipei Waste Platform



It integrates artificial intelligence (AI) and big data analysis technology to build an information management platform for waste, providing customers with one-stop clearance services.

##### Taoyuan Recycling

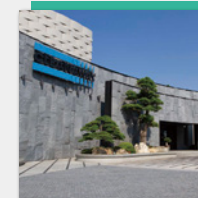


It focuses on the recycling technology for scrap CDs and printed circuit boards as well as metals and develops sustainable engineering strategies.

##### Waste to Energy

To tie in with the national energy transition project, the plant takes part in renewable energy power generation industry. It is committed to transform waste into green power and reduce the dependence on fossil energy in Taiwan.

##### Kaohsiung Final Disposal



Being the largest private landfill and solidification plant for hazardous waste in Taiwan, it is devoted to operate with standards exceeding the regulatory requirements for proper disposal of industrial waste. It also participates in soil pollution remediation work, activating and restoring territorial resources.

##### Incineration



As a professional incineration plant for hazardous waste, it forges alliance with the world's second largest environmental protection company, SUEZ Group in France, introducing top-notch technology and equipment to enhance the waste treatment level in Taiwan.



## II. Company History

1999



- ◆ The subsidiary of Brambles Heavy Contracting Limited (Australia) and one of the Company's shareholders jointly invested and established the Company. The Company was classified as a Class A intermediate treatment solidification plant authorized by the Environmental Protection Administration to process hazardous industrial waste that contains heavy metals. The paid-up capital was NT\$ 50,000 thousand.

2000



- ◆ Cash capital increase of NT\$ 30,000 thousand and the paid-up capital was NT\$ 80,000 thousand after the capital increase. Cash capital increase of NT\$ 20,000 thousand and the paid-up capital was NT\$ 100,000 thousand after the capital increase. Cash capital increase of NT\$ 21,000 thousand and the paid-up capital was NT\$ 121,000 thousand after the capital increase.

2001



- ◆ Cash capital increase of NT\$ 48,000 thousand and the paid-up capital was NT\$ 169,000 thousand after the capital increase.
- ◆ Received ISO9001, ISO14001, and OHSAS18001 certification. Cash capital increase of NT\$ 11,000 thousand and the paid-up capital was NT\$ 180,000 thousand after the capital increase.

2003



- ◆ Cash capital increase of NT\$ 10,000 thousand and the paid-up capital was NT\$ 190,000 thousand after the capital increase.

2009



- ◆ Cash capital increase of NT\$ 200 thousand and the paid-up capital was NT\$ 190,200 thousand after the capital increase.
- ◆ Cash capital increase of NT\$ 200 thousand and the paid-up capital was NT\$ 190,400 thousand after the capital increase. Renamed the Company to Cleanaway Company Limited.

2010



- ◆ Merged and capital increase of NT\$424,136 thousand through the issuance of new shares. The paid-up capital was NT\$ 614,536 thousand. The Company owns 100% of Kang Lien Enterprise Company Limited (Kang Lien), Da Tsang Industrial Company Limited (Da Tsang), and Cleanaway Enterprise Company Limited (Cleanaway Enterprise) to establish one-stop-shop service for waste clearing, solidification, and landfill.
- ◆ Cash capital increase of NT\$ 340,000 thousand through the conversion of capital reserve and the paid-up capital was NT\$ 954,536 thousand after the capital increase. Cash capital increase of NT\$ 30,000 thousand and the paid-up capital was NT\$ 984,536 thousand after the capital increase.
- ◆ The Company's stocks were approved for public issuance.
- ◆ Stocks registered on the emerging market for sales. Invested and established Chi Wei Company Limited.

2011



- ◆ Cash capital increase of NT\$104,344 thousand and the paid-up capital was NT\$1,088,880 thousand after the capital increase.
- ◆ Stocks were listed on the Taiwan Stock Exchange. Invested NT\$650,000 thousand and NT\$930,000 thousand in 100%-owned subsidiaries Chi Wei Company Limited and Da Tsang Industrial Company Limited.

2012



- ◆ Invested and established Cleanaway Investment Company Limited with NT\$ 80,000 thousand.
- ◆ Subsidiary invested and established CCL Investment Holding Company Limited (Samoa).
- ◆ Subsidiary invested and established CCL Investment Holding Company Limited (Samoa). Subsidiary invested and established Cleanaway (Shanghai) Company Limited.



2013



- ◆ Subsidiary invested and established Cleanaway Zhejiang Holding Company Limited (Samoa)
- ◆ Subsidiary invested and established Cleanaway Zoucheng Holding Company Limited (Samoa)

2014



- ◆ Subsidiary invested and established Cleanaway Zoucheng Co., Ltd.
- ◆ Subsidiary invested and established Da Ning Co., Ltd.

2015



- ◆ The green wall of Chi Wei Landfill in Gangshan is the world's largest vertical garden and is listed in the Guinness World Records.
- ◆ Invested RMB 6,000 thousand in 100%-owned subsidiary CCL Investment Holding Company Limited (Samoa) Invested RMB 3,000 thousand in 100%-owned subsidiary Cleanaway Zhejiang Holding Company Limited (Samoa)

2016



- ◆ Invested RMB 3,000 thousand in 100%-owned subsidiary Cleanaway Zhejiang Holding Company Limited (Samoa)
- ◆ The headquarter of the Group was inaugurated in Gangshan District, Kaohsiung, the characteristic green building won two awards in the Commercial Building division and the Open Space Vertical Planting division of "The 6th Kaohsiung LOHAS Building Kaohsiung Green Building Awards "

2017



- ◆ Invested US\$ 500 thousand in 100%-owned CCL Investment Holding Company Limited (Samoa)

2018



- ◆ Invested US\$ 500 thousand in 100%-owned CCL Investment Holding Company Limited (Samoa)
- ◆ Invested NT\$ 650,000 thousand in Cleanaway SUEZ Environmental Resources Limited Invested NT\$ 15,000 thousand in Chase Environmental Co., Ltd.

2019



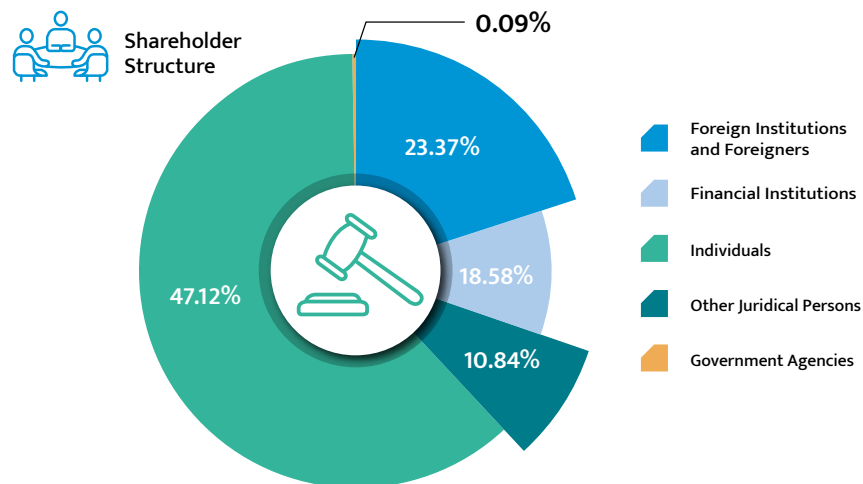
- ◆ Invested NT\$ 55,000 thousand in Cleanaway Energy Co., Ltd.
- ◆ Invested NT\$ 55,000 thousand in Cleanaway Energy Co., Ltd. Invested NT\$ 55,000 thousand in Cleanaway Energy Co., Ltd.

2020



- ◆ Established the CSR Executive Committee
- ◆ Corporate Social Responsibility Report won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award Obtained ISO45001 Certification, CHASE obtained ISO27001 Certification

### III. Ownership and Legal Form



### IV. Changes in Operating Scale

Cleanaway SUEZ Environmental Resources Limited, a joint venture between Cleanaway Co. Ltd., Suez S.A., and RSEA Engineering Corporation (the equity has been transferred to the Ministry of Economic Affairs), officially took over operation and business of DaFa Business Waste Treatment Plant by RSEA Engineering Corporation at the end of 2018, which allows more waste treatment capacity and items in the company's waste treatment business operations.

Changes in Company's capital structure: None

Changes in Company's administrative structure: None

Changes in suppliers: All suppliers are stable without major changes.



## 1.2 CSRCore Values and corporate social responsibility (CSR)

### I. Core Values

Environmental protection laws become increasingly rigorous and refined and cities have expanded so much that the wastelands at the edges of early cities have become valuable for land development due to urbanization. Cleanaway team takes mature technologies, steady operation, and professional management in environmental services as the business philosophy of sustainable development. For many years, it has been deeply involved in various industrial one-stop-shop service for waste clearing. From sampling and analysis prior to signing the contract, the establishment of physical properties data, to clearance and transportation at clients' site, entry control, quality control and operations for the proportion of incoming materials, and quality inspection after treatment completion - all aspects such as quality control, environmental protection, safety, and health, are taken into account. With rigorous operating standards, the Company has never experienced major environmental and safety incidents, which is the core value of Cleanaway Group.

### II. CSR Development and Implementation

#### Implementation of Corporate Governance

1. The Company has established and implemented the "Corporate Governance Best Practice Principles" in August 2011 CSR.
2. To establish a good governance system for the Board of Directors, improve supervision functions, and strengthen management functions of the Company, the Company has established the Procedures for Board of Directors Meetings including the main contents of the proceedings, operations, matters to be stated in the meeting minutes, announcements, and other matters for compliance which shall be handled in accordance with the provisions of these Rules. For employees, the Company has established related reward/punishment in Work Rules to ensure the employees understand and actively participate in CSR activities.
3. The Finance Department of the Company serves as the unit responsible for corporate governance. The Chief Financial Officer is responsible for the supervision and dedicated personnel of the Finance Department provide Directors and Supervisors with the information required for executing business operations. They assist directors and supervisors with legal compliance, organize related matters for meetings of the Board of Directors and shareholders' meeting in compliance with the law, apply for and changing company registry, produce meeting minutes of board/shareholder meetings, and periodically assess the independence and competence of the CPA. They also report directly on related matters they are individually responsible for to the Chief Financial Officer.

4. The Company has established Codes of Ethical Conduct, Work Rules, and reasonable salary and remuneration policies with a performance evaluation system to effectively implement incentives and disincentives. Article 40 of the Articles of Incorporation states that if the Company registered profits in the year, it shall appropriate no less than 1% of the profits as remuneration for employees. The Board of Directors shall determine whether to distribute the remuneration in stocks or cash. The distribution of employee remuneration shall include employees of affiliated companies that meet the criteria. However, a sum shall be set aside in advance to pay down any outstanding cumulative losses.

#### Sustainable Environment Development

1. The Company has established the "Energy and Resource Management Procedures" to regulate and evaluate the use of various resources. We also promote the use of renewable materials in the Company operations in cases where the product quality remains unaffected to reduce the impact on the environment.
2. As the Company operates in a special industry and our products and services are provided in accordance with environmental protection regulations, the Company has established a laboratory to rigorously implement reviews. The Company is an intermediate treatment solidification plant. We process waste that contain various heavy metals. In addition to implementing regular environmental quality monitoring tasks for nearby air, groundwater, and soil based on the requirements of the competent authority for environmental protection, we also established dedicated environmental management personnel.
3. The Company has established multiple initiatives for energy conservation and carbon emissions reduction including central air-conditioning temperature settings in the office environment, use of energy conservation lighting equipment, and using public transportation.

#### Promote Social Inclusion

1. Community Care:
  - ◆ Blessed Land Tour Group Program
  - ◆ Care and Warmth Giving Action
  - ◆ Condolences to victims in the fire truck accident in Kaohsiung City
  - ◆ A Visit to the "To the Moon: Liu Kuo-Sung" exhibition held in the Kaohsiung Museum of Fine Arts
  - ◆ Sanhe Village Community Center Construction Project
  - ◆ Taitung County Indigenous Baseball Fund
  - ◆ A Course on Hippotherapy in Care for Children
2. Environmental Friendly:
  - ◆ Cleanaway Environmental Education Program

- ◆ Cleanaway Environmental Conservation Volunteering
  - ◆ Community Development
  - ◆ The world's largest vertical garden
- (For detailed activity information, please refer to Chapter 6. Social Inclusion on p.133.)

## 1.3 Technologies and Services

### I. Site Remediation and Land Value Rebuilding

Safety is the priority on a contaminated site. When a contaminated site is found, the first step is the site assessment, including information gathering, and unknown waste sample analysis to confirm the waste characteristic. Once waste location, compositions and quantities are identified, we will offer an overall waste cleaning plan minimizing resource using and the impact to the environment. After the waste is removed and well-treated, and the site is no longer listed as contaminated site, the work is completed. Cleanaway to offer very large-scale site decontamination processes in-situ resulting in ability of clients to reuse sites for high value development.

#### ► Procedure



### II. Solidification Technology

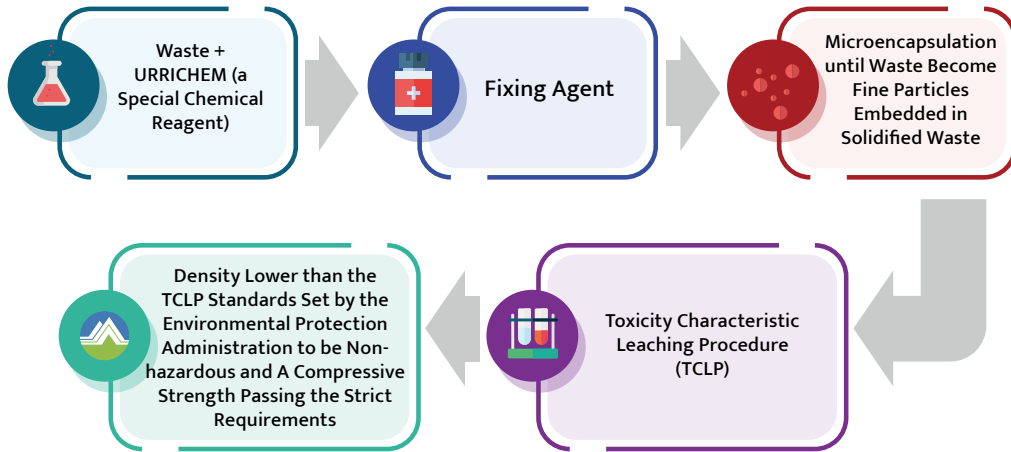
The Company is an intermediate treatment solidification plant. We use the intermediate solidification process to neutralize waste and use effective management in the landfill to achieve the purpose of appropriate processing and disposal. We also conduct over 60 remediation projects through solidification processes and deliver them into our subsidiaries specializing in landfill. This provides a mechanism for high safety standards and trackable source.

#### Acceptable Waste Code

- (Class A) Processed Hazardous Industrial Waste: 23 items
- (Class C) Waste with Toxicity Characteristics: 11 items
- (Class S) Contaminated Soil: 7 items



► Procedure



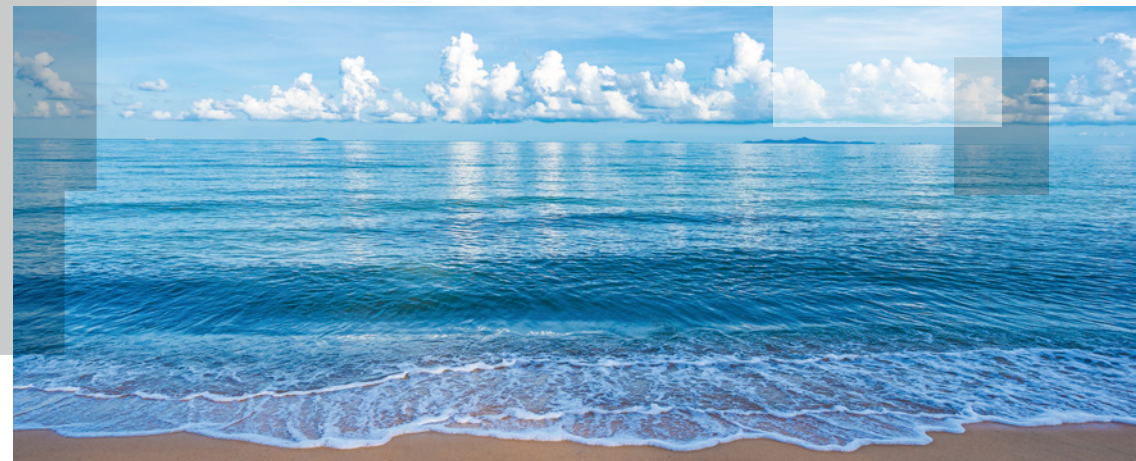
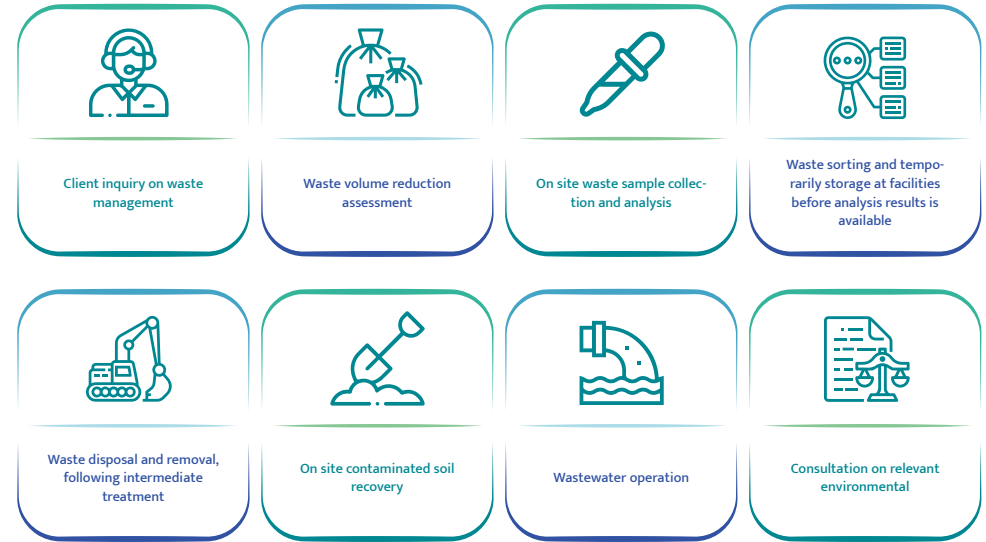
► Pictures



■ III. Integrated Environmental Consulting Services

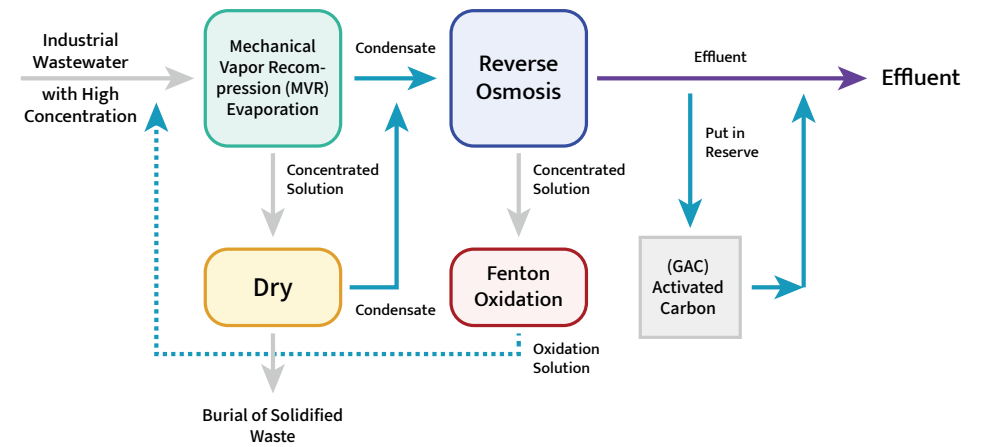
We regard ourselves as an environmental protection service industry and provide overall solutions to environmental problems for various institutions. At the end of waste disposal of the industrial chain, we start with waste removal and transportation, integrate the circular economy of the waste industry, accurately divert waste and strive to finally dispose of and recycle waste generated in industrial activities, so that waste is no longer a misplaced resource, and waste that cannot be recycled and reused can be properly disposed of.

► 8 Consultation Services



## IV. Technology Highlights

Cleanaway group obtained a U.S. patent of Method for deeply processing highly contaminated wastewater and wastewater processing system using (Patent No. : US 10,870,598 B2) in 2020, which is an effluent processing system for high contaminated effluents. Such system is designed for deeply processing highly contaminated wastewater having salts and volatile organic compounds, comprising (high levels of total dissolved solids, chemical oxygen demand, ammonia, and volatile organic compounds). The system includes: a mechanical vapor recompression member (MVR), a reverse osmosis member (RO), a Fenton's oxidation member, active carbon (AC) adsorption, and a drying member. This technology can be applied to the treatment of wastewater from industries such as semiconductor industry, chemical industry, dyeing and finishing industry, PCB manufacturing industry, etc. After treatment, the water is not only in compliance with the most severe quality standards but recyclable, so as to achieve the goal of zero liquid discharge. The concept of deeply processing highly contaminated wastewater and wastewater processing system using as below:



### Cleanaway's Patents

Year	Patents
2018	Waste eat treatment device (M 553791)
2018	waste debris unloading device (I 631067)
2018	waste debris unloading device (M 553725)
2018	soil scrubbing device (M 564487)
2018	surface oil floatation device (M 564488)
2018	Volatile Organic Compound Wastewater Treatment System (I 663129)
2020	Oil-contaminated soil washing system (I 688425) · Method for deeply processing highly contaminated wastewater and wastewater processing system using (Patent No.: US 10,870,598 B2)





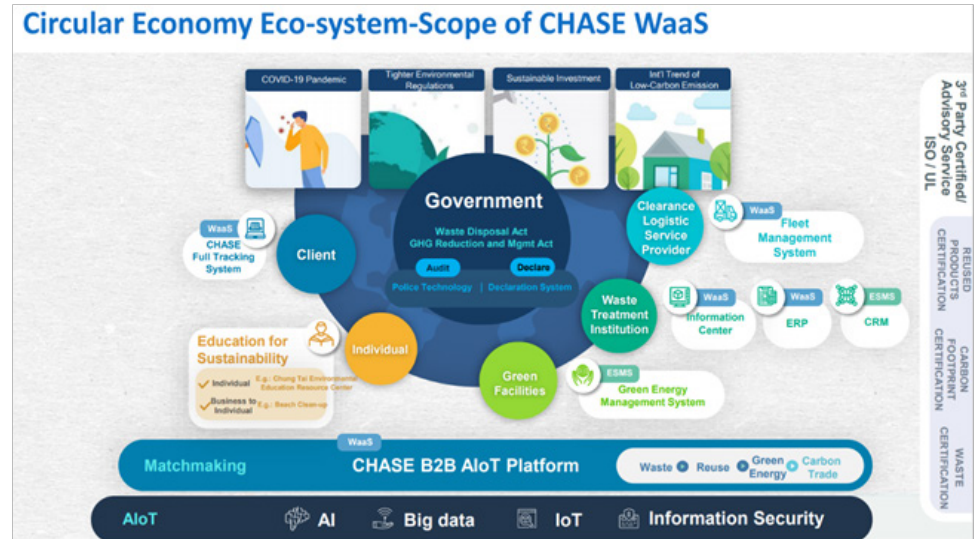
▶ Cleanaway laboratory  
Three certificates from ERA (US) on solid and liquid blind testing



■ V. New Circular Economy Eco-system

Chase Environmental Technology provides innovative cloud service “Intelligent Waste Traceability System” by using AI techniques and big data analytics to digitalize all of our commercial processes to improve operation efficiency. The system transforms waste business services from Software as a Service to Waste-Management as a Service. Moreover, with AI, the goal of proper waste treatment and resources regeneration are achievable by using AI to obtain information from AIoT image recognition, automatic image captioning, level sensors, and electronic scales; and identifying check points through AI and big data analytics to report alerts in real-time.

In addition to “Intelligent Waste Traceability System” which enables customers to deal with their waste problem immediately with no location limited, Chase also offers customized MES & EHS Integration Information Center to accelerate transformation and upgrading of traditional environmental industry. Through the power of digital technologies, companies are able to grow while strengthening the risk management process, and hence successfully establish a green supply chain.





# 2

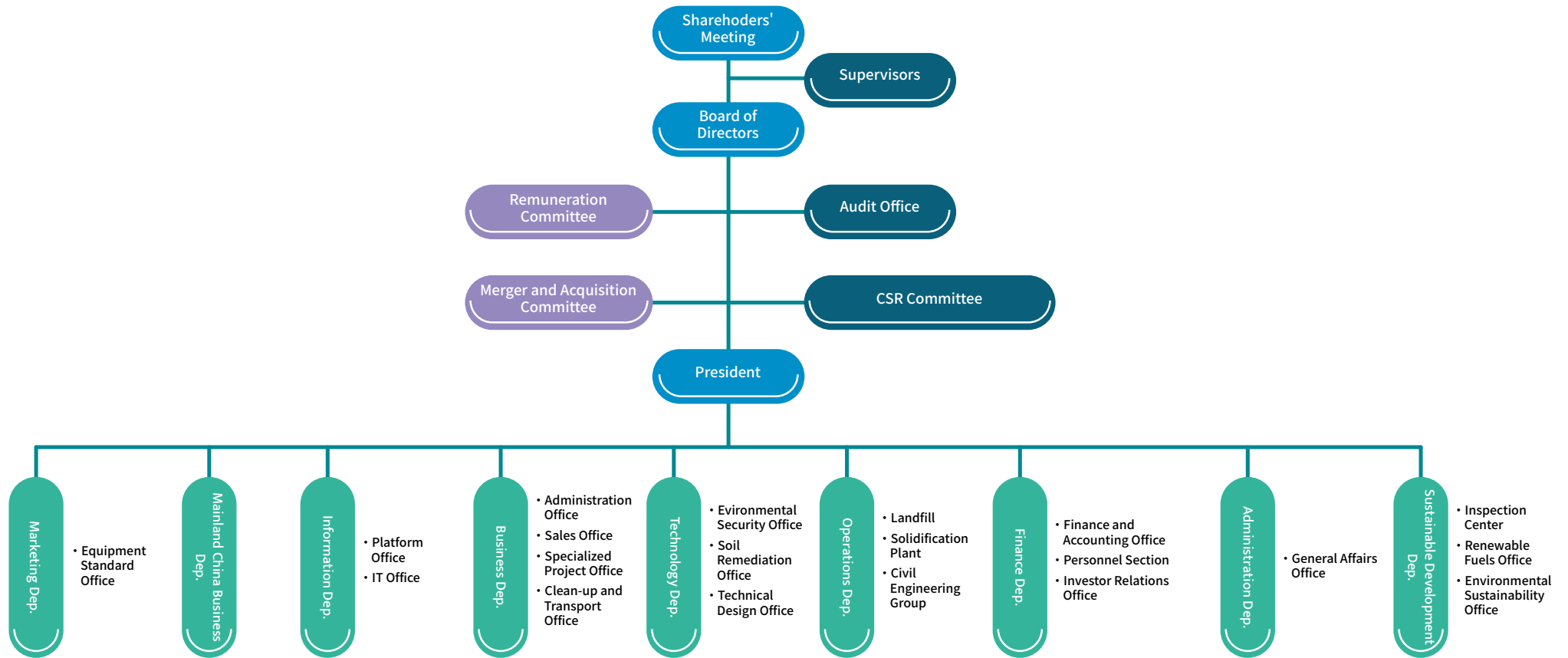
- 2.1 Organizational Governance
- 2.2 Business Performance
- 2.3 Business Continuity  
Management
- 2.4 Ethical Corporate  
Management and Ethics
- 2.5 Regulatory Compliance



## 2.1 Organizational Governance

### I. Governance Structure

Cleanaway develops effective corporate governance and implement practices in accordance with Company Act, Securities and Exchange Act, and relevant laws and regulations, to ensure management performance, while safeguarding the rights and interests of investors and other stakeholders. The Company also aims for its disclosure to be transparent and the fulfillment of CSR as the goals of corporate governance.



## II. Board of Directors

- ◆ The Board of Directors (the Board) is the top management and highest decision-making body of the company. Its duties and functions include: appoint and supervise the upper management of the company, and supervise operational performance. The Board shall be accountable to the General Meeting of Shareholders where the remuneration to the directors shall be finalized by the General Meeting of Shareholders. The result of operation determined by the shareholders and recognized by Board shall be served for assessing the management performance of the top management of the Company. Through the assessment of the performance of Board, the Company could upgrade the quality and efficiency of decision-making by the Board for the effective and efficient management and monitoring of the Company. In addition, the attendance of the directors to Board meetings will be disclosed in the annual report of the Company. This disclosure helps to ensure all directors perform their duties and obligations as required, and the function of monitoring and governance by the Board.
- ◆ Guidelines are being formulated for diversified membership of the board of directors, considering the organization culture, business model and long-term development. Apart from assessing the education and experience of candidates, the Company also references to the opinions of stakeholders and abide by the “Rules and Procedures for Election of Directors” and the “Corporate Governance Best Practice Principles” to ensure the diversity and independence of directors.
- ◆ The current nomination of the Board of Directors has four seats, three seats for independent directors, and two supervisors (including one female, and eight males; one is between age 30 and 50, and 8 are over age 50). Employment of each director is 3 years (from July 1, 2019, to June 30, 2022). Board members are responsible for operation and supervision. Each director has a suitable professional background, including leadership, operational judgement, operational management, risk management, industrial knowledge, and global market outlook. In addition, each of the three independent directors has his own expertise in finance, taxation and financial affairs, environmental engineering and waste treatment. All Directors have the professional knowledge, skills, and experience necessary to perform their duties and they uphold fiduciary principles and exercise due care to maximize benefits for all shareholders. All supervisors are familiar with the relevant needs of various stakeholders in the company's industry, and are helpful with achieving certain effect on the operation of the supervisory company.
- ◆ The Company established the Special Committee for Merger/Consolidation and Acquisition and Remuneration Committee, and all of which are independent directors. The remuneration committee convenes at least twice a year, whereas special committee for merger/ consolidation and acquisition convenes irregularly.

### ► Information on Directors and Supervisors:

Title	Name	Primary work or academic experiences	Titles also held at the Company and other companies
Chairman	Ching-Hsiang Yang	Studied in the Department of Business Administration, Dayeh University	Chairman of Da Ning Co., Ltd., Director of CCL Investment Holding Company Limited, Cleanaway Shanghai Management Holding Company Limited, Cleanaway Zoucheng Holding Company Limited and Cleanaway Zhejiang Holding Company Limited

Title	Name	Primary work or academic experiences	Titles also held at the Company and other companies
Director Representative	Cheng-Lun Tao	Department of Business Administration, Tamsui Oxford University College EMBA, National Sun Yat-sen University	Chairman of Da Tsang Industrial Company Limited, Chi Wei Company Limited, Kang Lien Enterprise Company Limited, Cleanaway Zoucheng Co., Ltd., Cleanaway (Shanghai) Company Limited, Director of Cleanaway Investment Company Limited, Da Ning Co. Ltd., Cleanaway Zoucheng Holding Company Limited, Chin Wei Environmental Consultant
Director Representative	Chong-Meng Lai	UCLA MBA President, Asia, Brambles Heavy Contracting Limited (Australia)	Director of Da Tsang Industrial Company Limited, Chi Wei Company Limited, Da Ning Co. Ltd., Kang Lien Enterprise Company Limited, Cleanaway Enterprise Company Limited, Cleanaway Investment Company Limited., Cleanaway (Shanghai) Company Limited
Director	Kun-Yu Chang	Department of Finance, Fortune Institute of Technology	
Independent Director	Wen-Tsai Yang	Master from the Graduate Institute of Finance, Chaoyang Yunlin University of Technology Deputy Director, National Treasury Administration, Ministry of Finance Director, National Taxation Bureau of Kaohsiung City, Ministry of Finance	Director, Kaohsiung Red Cross Nursery Center Independent Director, Southeast Cement Corporation
Independent Director	Juu-En Chang	PhD in Civil Engineering, Tohoku University, Japan Minister of Environmental Protection Administration	Professor, Department of Environmental Engineering, National Cheng Kung University Independent Director of Green River Holding Co. Ltd.
Independent Director	Kuo-Shuh Fan	PhD in Environmental Engineering, Ohio State University Vice President, National Kaohsiung University of Science and Technology Convener, Man-made Disaster Division, National Disaster Prevention and Technology Center For Disaster Reduction CEO of General Waste Recycling and Disposal Fund	President of CEITA Adjunct Chair Professor, Department of Environmental, Safety and Sanitation Engineering, National Kaohsiung First University of Science and Technology

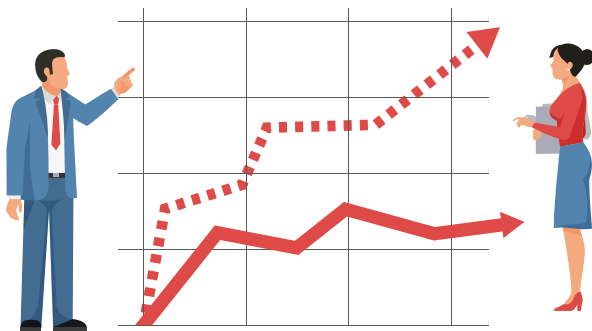
Title	Name	Primary work or academic experiences	Titles also held at the Company and other companies
Supervisors	Cheng-Han Hsu	Executive Management Course, EMBA, I-Shou University	Chairman, Fu-Kuo Development Co., Ltd. Director of Baiham Enterprise Co., Ltd., MuNi Kang Co., Ltd., Chan Lien Co., Ltd.
Supervisors Legal Representative	Chin-Hui Ling	Distribution Management Department, Nanying Vocational High School	Chairman, Kang Hsin Investment, Ltd.

III. The chairman of the Company's highest governance unit is not a member of the management team, nor holding any positions.

#### IV. Remuneration Committee:

The Remuneration Committee has three seats, convened by Wen-Tsai Yang and two members: Juu-En Chang and Kuo-Shuh Fan. Both members are independent directors. The Remuneration Committee held two committee meetings in 2020 (March 20 and December 18) to discuss compensation of the Company's directors of the Board and executives and subsequently report its resolutions to the Board.

V. The Company established CSR Management Committee in 2020, the members of committee report the relevant issues and international developing trends of Economy, Environment and Society to the Board of Directors to gain the sustainable knowledge of top management team members. From Board of Directors, top management level down to all the departments commit into Cleanaway's sustainable commitment with vertical management and horizontal communication, it respond to the material issues of economy, environment and society.



## 2.2 Business Performance

The Company mainly operates hazardous industrial waste removal and processing. The main businesses scope includes solidification and clearing of sludge waste that contain hazardous heavy metals, solidification and clearing of dust from the steel industry that contain hazardous heavy metals, solidification and clearing of flying ash that contain hazardous heavy metals from urban incinerators, solidification and clearing of waste that contain hazardous asbestos waste, and improvement of control site and remediation site with soil and groundwater pollution. The combined revenue of the Company and subsidiaries of the Company in 2020 was NT\$2,680,539 thousand, a decrease of 0.96% compared with NT\$2,706,574 thousand in 2019. After deducting operating costs and operating expenses, we generated NT\$1,447,300 thousand in operating profit. Compared to 2019, operating profit increased by NT\$ 24,214 thousand, with an increase rate of 1.7%. The decrease in revenue and increase in net operating profit were mainly due to the decrease in excavation revenue. Looking back at the business performance in the past year, Cleanaway gradually adjusted its business direction and laid out the environmental protection industry vertically. By enriching the Group's waste management methods, Cleanaway attempted to treat the wastes that are not suitable for direct landfill by a more appropriate method, in an attempt to gradually reduce the number of final landfills and maximize the output value of landfill storage volume. This effort is expected to extend the life of the two landfills in active service in Cleanaway to 15 years. In addition, the Company shall decrease the dependence on project revenue, increase the proportion of process customers' income, and reduce revenue fluctuations due to project contracting characteristics.

Unit: Thousands of New Taiwan Dollars

Item/ Year	2018	2019	2020
Operating revenue	3,395,807	2,706,574	2,680,539
Gross Profit	2,147,117	1,822,440	1,882,112
Operating profit (loss)	1,702,834	1,423,086	1,447,300
Nonoperating income and expenses	12,031	25,027	40,424
Income before tax	1,714,865	1,448,113	1,487,724
Profit from continuing operations	1,714,865	1,448,113	1,487,724
Net profit of this period	1,320,610	1,176,226	1,173,798
Other comprehensive income (net income after-tax)	-204	3,908	-821
Total comprehensive income in the current period	1,320,406	1,180,134	1,172,977
Earnings per share (NT\$)	12.13	10.83	10.81
Employee benefits	248,893	231,703	220,642
Dividend payment	1,088,880	1,088,880	1,088,880
Government tax payment	394,255	271,887	313,926

Note 1: The appropriations yearly earnings and cash dividends per share are approved by Cleanaway's Board of Directors in its meeting in the following year.

## 2.3 Business Continuity Management

### I. Quality Assurance & Risk Management Policy

Cleanaway's implementation of risk management policies and risk measurement standards are in accordance with Regulations Governing Establishment of Internal Control Systems by Public Companies to establish the internal control system and execute such system exactly based on the purposes to strengthen the operation of the company and adapt environmental changes.

With an independent and fair position, the laboratory provides professional services to both external and internal customers with the right working attitude to accelerate or even exceed the requirements agreed with customers. In order to achieve this goal, all inspectors uphold this belief, and concerted apply various quality assurance systems and techniques to ensure that relevant quality assurance can be effectively implemented and maintained.

### II. Laboratory Quality Assurance & Risk Management Implementation Strategies

1. The establishment of laboratory quality management system aims to be recognized by TAF in 2021 to become globally accepted, and leverage competitiveness as well as the image of quality management.
2. Improve inspectors' professionalism and capabilities by making advancements and holding training courses.
3. Provide unparalleled service by creating CRM database for immediate responses.
4. Constantly monitor the accuracy measurement results and participate in global proficiency testing or interlaboratory comparisons.

### III. Environmental Management Policy

1. Regular environmental quality monitoring tasks for air, groundwater, and soil based on the requirements of the competent authority for environmental protection
2. Properly control the work environment to reduce the environmental impact of air, noise and vibration.
3. Precautionary Principle or approach:  
Each plant (site) regularly implements environmental monitoring program in accordance with environmental impact assessment and permit management regulation approved by the competent authority (Environmental Protection Administration), to understand the status of environmental quality as a performance indicator for management.

## IV. Risk Management Policy

**Scope of risk management:** The Company is committed to integrating and managing all potential risks arising from strategies, operations, finances, and hazards that may have an impact on the operations and profitability of the Company in a proactive and cost-effective manner. The Company identifies potential risks according to risk categories, with the aim of providing appropriate risk management to all stakeholders. Risk management at the Company includes managing "market risk," "waste disposal and collection risk," "raw material risk," "water resource risk," "climate change risk," "occupational safety and health risk," "environmental risk," "natural disaster risk," and "information risk."

**Risk management and control:** The Group has established a sound internal control system, as well as effectively implements and regularly reviews this system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, in response to changes in the external environment of the Group, so as to ensure that the design and implementation of the system continue to be effective. **Risk management policies and organization:** Since identifying risk events is a responsible action that should be taken by a company to strengthen its operations, the Company strictly implements various risk controls to reduce business risks and crises, with a view to achieving the goal of sustainable management.

Risk category	Potential risk	Control strategies and practices
Market risk	Restrictions on treatment methods	<ul style="list-style-type: none"> <li>◆ The Group actively adjusts and develops a variety of treatment methods based on trends in environmental regulations and waste disposal issues, so as to improve client-side integrated waste disposal and collection services.</li> </ul>
Waste disposal and collection risk	Risk of falling waste	<ul style="list-style-type: none"> <li>◆ Require sales executives to obtain complete information on the status of waste to be handled during contract signing, and coordinate the relevant tasks with the disposal and collection unit; for example, the disposal and collection unit is required to take leak prevention and covering measures when transporting drippable or bulk waste.</li> </ul>
Raw material risk	Risk of disruptions in material supply	<ul style="list-style-type: none"> <li>◆ Maintain at least two suppliers of portland cement used for solidification, where both the Company and the suppliers have entered into long-term supply agreements; therefore, the Company is able to prevent any disruption in material supply effectively.</li> <li>◆ Establish an appropriate inventory system and maintain a portion of the inventory for operating needs, in order to respond flexibly to material demand in solidification and treatment.</li> <li>◆ Collect business information or conduct factory surveys to learn about and keep abreast of changes in market operations, so that the Company can respond early to such changes.</li> </ul>
Water resource risk	Water resource management	<ul style="list-style-type: none"> <li>◆ Set up eco-flood detention ponds to store floodwater arising from heavy rainfalls, as well as use recycled rainwater to irrigate plants in site areas and as a source of process water for solidification.</li> <li>◆ Recycle used water in site areas and use it for dust suppression and solidification on landfill sites, thereby properly utilizing recyclable water sources.</li> </ul>



Risk category	Potential risk	Control strategies and practices
Climate change risk	Carbon emission management	<ul style="list-style-type: none"> <li>Promote the Group's low-carbon living and consumption to drive the development of a low-carbon society.</li> <li>Install solar photovoltaic systems on closed landfill sites to generate and use renewable energy.</li> <li>Produce biomass energy using biogas obtained from landfill sites and generate electricity using gas turbine power generators.</li> <li>Set up plans to lay large areas of turf and beautiful plant walls in the Group's factory areas as these plans can effectively reduce carbon dioxide in the atmosphere.</li> <li>Conduct comprehensive assessments on the impact of climate change and policy factors on market demand and production output, as well as carry out short- and medium-term operational planning to prevent an increase in operating costs due to stricter environmental policies and regulations.</li> <li>Conduct careful and detailed assessments on material capital expenditures that may arise from environmental changes, and formulate countermeasures against possible risks arising therefrom in advance to mitigate the negative impact of such risks.</li> </ul>
Occupational safety and health risk	Risk of management system implementation	<ul style="list-style-type: none"> <li>Incorporate the ISO 45001 management system and successfully obtain the certification, implement operation control, and raise awareness of occupational safety and healthy protection measures to prevent occupational accidents.</li> <li>Implement an employee care system, conduct health checkups for employees each year, care for employees' health, and provide a friendly workplace.</li> <li>Strengthen hazard identification and risk assessment, and take appropriate preventive measures, so as to control risks to acceptable levels.</li> <li>Plan and formulate audit plans and include contractors in the scope of audit, so as to reduce unsafe behavior, strengthen guidance, and make improvements.</li> </ul>
Environmental risk	Environmental load	<ul style="list-style-type: none"> <li>Committed to controlling air and effluent pollutants and strengthening water recycling and reuse.</li> <li>Properly manage the reduction and treatment of derivative waste to prevent secondary pollution problems.</li> <li>Minimize the landfilling area and strengthen covering to reduce rainwater infiltration and erosion problems.</li> <li>Install surface run-off wastewater collection and treatment facilities to optimize the quality of surface runoff.</li> </ul>

Risk category	Potential risk	Control strategies and practices
Natural disaster risk	Earthquake risk Rainfall risk Typhoon risk	<ul style="list-style-type: none"> <li>Reinforce the specifications of hardware structure in factory or site areas, and set up a dedicated civil engineering unit to conduct regular and post-earthquake monitoring, so as to keep track of changes in hardware facilities and implement enhanced measures when necessary.</li> <li>Inspect drainage and flood detention facilities as well as emergency water pumping equipment in response to the risk of extreme rainfall, so as to prevent surface run-off from affecting landfill facilities due to inadequate drainage.</li> <li>Implement patrol inspection and maintenance of hardware facilities in factory or site areas, and take typhoon-related measures immediately after a typhoon warning is issued to prevent erosion and accumulation of water, which can affect the structure of the facilities, due to poor on-site drainage.</li> <li>Establish an emergency response plan and conduct drills regularly to strengthen employees' response capabilities and prevent sudden or unforeseen natural disasters that can affect operations and cause financial burden.</li> </ul>
Information risk	Anomalies in information systems	<ul style="list-style-type: none"> <li>Equip the systems with firewall and antivirus software, ensure that information personnel undergo regular examinations and tests, and build a complete antivirus mechanism.</li> <li>Strengthen disaster prevention, information security, monitoring, reporting mechanism, anomaly management, and backup.</li> <li>Conduct information security training and promotion to enhance employees' understanding and awareness of information security.</li> </ul>

The Company actively promotes the implementation of risk management mechanism and reports the operation of the mechanism to the Board of Directors once a year. The operation of the mechanism in 2020 is explained as follows:

1. The Board of Directors approved the Company's risk management policy.
2. The CSR execution team was given the responsibility to implement risk identification and propose control strategies and practices with respect to potential risks.
3. Members of the CSR execution team were tasked to supervise the enhanced implementation of the risk management mechanism at the unit level.
4. The CSR execution team was charged with promoting the concept of risk management to strengthen awareness and understanding of risk culture in the operations of the Company.



## V. Climate Change Risk Management

From the international adoption of the “Paris Agreement” to the domestic adoption of the “Greenhouse Gas Reduction and Management Act”, it is obvious that the impact of extreme climate caused by global climate change is attracting more and more attention at home and abroad. Therefore, the Company adopted recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) released by the Financial Stability Board (FSB) to identify risk and opportunities in accordance with disclosure framework of “governance”, “strategy”, “risk management”, “metrics and targets,” and further established various controls and treatment strategies.



### Governance

The organization’s governance concerning climate-related risks and opportunities.

### Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.



### Risk Management

The organization’s procedures concerning the identification, assessment and management of climate-related risks.

### Metrics and Targets

The metrics and targets used for the assessment and management of climate-related risks and opportunities.



Risk		Opportunities	
Category	Risk identification	Category	Risk identification
Regulatory	Set up or increase the use of renewable energy according to government requirements	Promote green energy	<ul style="list-style-type: none"> <li>◆ Install solar power generation facilities on the Company's building rooftops and idle land to reduce pollution and lower carbon emissions.</li> <li>◆ Promote the collection of biogas on landfill sites to generate electricity, where the use of renewable energy can reduce the concentration of greenhouse gases (GHG).</li> <li>◆ Purchase renewable energy to increase renewable energy utilization rate.</li> </ul>
	Reduce GHG based on government requirements	Assess and reduce the energy consumption of equipment	<ul style="list-style-type: none"> <li>◆ Assess the operating efficiency of equipment and upgrade or replace equipment with poor efficiency to help reduce carbon emissions.</li> <li>◆ Avoid using fossil fuel and choose greener facilities and equipment.</li> <li>◆ Establish an energy use monitoring mechanism to effectively assess and manage energy consumption.</li> </ul>
	Carbon emission reporting, carbon tax, and energy tax	Establish a carbon emission monitoring system	<ul style="list-style-type: none"> <li>◆ Incorporate total carbon emission control and establish a GHG inventory platform to collect and monitor emissions regularly.</li> <li>◆ Establish carbon footprint monitoring to measure the impact of product manufacturing processes on the environment.</li> <li>◆ Formulate energy conservation and carbon reduction targets to continuously save energy and reduce carbon emissions.</li> </ul>
Economical	Demand from green supply chain	Strengthen green business	<ul style="list-style-type: none"> <li>◆ Help and require suppliers to build GHG inventories and reduce carbon emissions, and use these inventories as an important basis for rating the Company's procurement strategies.</li> <li>◆ Observe and learn from benchmark companies to learn about and search for the most suitable energy-saving improvement practices for each factory area.</li> </ul>
Social	Trend of energy conservation and carbon reduction	Strengthen the promotion of energy conservation and carbon reduction and personnel training	<ul style="list-style-type: none"> <li>◆ Enhance employees' understanding of energy conservation to implement energy management in factories.</li> <li>◆ Promote environmental education to the public, with the aim of raising environmental awareness among employees, suppliers, community members, and other stakeholders.</li> <li>◆ Integrate and strengthen collaboration with the education community in relation to research on climate change adaptation.</li> </ul>
	The rise of environmental awareness	Implement green consumption	<ul style="list-style-type: none"> <li>◆ Choose green products that are more eco-friendly when purchasing daily supplies in factory areas, such as printers, air-conditioners, computers, and light bulbs.</li> <li>◆ Upgrade or replace gasoline-powered motor vehicles and heavy machinery with electric vehicles and heavy machinery to reduce carbon footprint.</li> <li>◆ Implement greening of buildings and factory areas to beautify them and reduce the concentration of carbon dioxide.</li> </ul>

Risk		Opportunities	
Category	Risk identification	Category	Risk identification
Disease control	Respond to changes in the disease situation to prevent operational disruption.	Reduce the risk of disease spread and strengthen health management among employees at the Company's headquarters and factories, external suppliers, and related parties.	<ul style="list-style-type: none"> <li>◆ Refer to announcements from the Central Epidemic Command Center.</li> <li>◆ Implement access control at all entrances and exits of the Company's headquarters, separate the office area of each department, and require employees to put on a face mask at all times during working hours.</li> <li>◆ Keep abreast of changes in the disease situation and disease prevention measures, preparation of disease prevention supplies, and monitoring of employees' health on a daily basis.</li> </ul>
		<p>Water rationing, production cut or suspension of production due to extreme climate</p> <p>Unstable power supply from power plants puts the stability of factory operations at risk, thereby increasing operating costs</p>	<ul style="list-style-type: none"> <li>◆ Assess floods and droughts caused by climate change and strengthen the resilience of public facilities to climate risks.</li> <li>◆ Strive to save water, improve process water and rainwater recycling rates, and establish emergency responses to water shortages.</li> <li>◆ Purchase natural disaster-related insurance to prevent an increase in business risks due to abnormal climate.</li> <li>◆ Learn about electricity usage in the area and arrange for staggered peak production based on the actual situation to carry out production in the area during non-peak electricity hours.</li> </ul>
Natural environment		Increase market demand for production capacity of low-carbon factories	

reports on any illegal act or violation of the foregoing rules.

1.1 Designated Unit: Spokesperson: Hearing of reports by stockholders, investors and other stakeholders.

Contact person: Finance Department, Ping-Cheng Hung  
 Telephone: +886-7-622-8422 ext.236  
 Email: hong.roy@cleanaway.tw

1.2 Chief Auditor: Hearing of reports by this Company's internal staff, consumers, suppliers and contractors.

Contact person: Auditing Office, Mei-Chih Kao  
 Telephone: +886-7-622-8422 ext.211  
 Email: kao.lisa@cleanaway.tw

The reporting channel can be accessed in person, by phone, by letter, email or by leaving a message on the company website. Once the report is submitted, the company's handling unit will proceed in accordance with the following procedures:

1. An information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or an officer.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

## 2.4 Ethical Corporate Management and Ethics

### I. Cleanway's Commitment on Business Integrity and Probity

To ensure Cleanaway's directors, supervisors, officers and employees have committed to conduct business in accordance with the highest ethical standards, the Company sets out the principles of Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, Operating Procedures for Preventing Insider Trading, Employee Codes of Ethical Conduct, and Procedures for Ethical Management and Guidelines for Conduct, to which all directors, supervisors, officers and employees of Cleanaway are expected to adhere and advocate in meeting these standards. The "Regulations Governing behavior cases from being reported as illegal, unethical or lack of credibility" is hereby established to implement the enforcement of the Company's rules as specified in Codes of Ethical Conduct and Procedures for Ethical Management and Guidelines for Conduct, the Company encourages

### II. Recusal

When attending or presenting at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director or the juristic person represented thereby shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The second responsibility of the board is to guide the

operating team. The board of Cleanaway regularly listens to the report of the management team every quarter. The topics also include economics, environmental protection, and CSR (including related risk and opportunity assessment, compliance with international standards, and codes of Ethical Conduct). The management team must propose the Company's strategy to the board of directors. The board must judge the possibility of the successfulness of these strategies. It must constantly review the progress of the strategy and urge the management team to make adjustments if necessary.

Cleanaway has purchased liability insurance for directors and managers. All directors and supervisors are in compliance with the requirements for further education, and all directors' non-competition and interest avoidance are truthfully recorded and disclosed on Market Observation Post System for public inquiry. The remuneration of directors and supervisors of the Company and the Group under consolidated financial statements includes transportation expenses, earning distribution for the remuneration of directors and supervisors. Transportation expenses are calculated by reference to the typical pay levels adopted by peer companies and attendance of the Committee members. Bonus and special expense are determined based on Cleanaway's Articles of Incorporation and all companies in consolidated financial statements. The board of directors prepares a distribution proposal and submits it to the shareholders meeting for approval; the remuneration of the general manager and deputy general managers, including salary, bonuses and employee bonuses, is based on the position held and the responsibilities undertaken, referring to the standards of the same industry for similar positions. And depending on the business performance results reported to the remuneration committee for review and determination.

### III. Communication and Training on Anti-corruption Policy and Procedures

The Company has formulated employee discipline documents that include employees' commitment to fulfilling confidentiality obligations when signing the "Letter of Employment" and the relevant rights and obligations stipulated in the "Work Rules." On the other hand, the Company has also established the "Employee Code of Conduct" and promulgated clear rules and regulations that address various issues, such as employee code of conduct, moral and ethics, recusal due to conflict of interest, gifts, and entertainment, in the abovementioned "Letter of Employment," "Work Rules," and "Employee Code of Conduct" to be complied with by all employees. As far as directors and managers are concerned, the Company has also established the "Code of Ethical Conduct" to strictly prohibit directors and managers from either directly or indirectly providing, promising, requesting for or accepting any improper benefit, or engaging in any ethical violation, unlawful conduct or breach of fiduciary duty. Education and training serve as an important channel for promoting internal systems and cultivating the correct idea of rule of law among employees. The implementation of communication and training on anti-corruption is as follows:

1. Board members: the Company's "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Codes of Ethical Conduct," are subject to approval by the board of directors; The same shall apply to any amendment thereto. The

communication result is 100%.

2. Employees: Since going public, the Company has included various issues such as anti-corruption, moral and ethics, recusal due to conflict of interest, and gifts and entertainment, in orientation training for new employees. The "Letter of Employment" signed by all employees consists of contractual provisions that prohibit employees from engaging in fraud for personal gain, receiving kickbacks, and profiting others illegally. Furthermore, the Company's "Work Rules" also comprises specific provisions on duty of honesty, where employees are prohibited from using bribes, kickbacks, allowances or other improper means and must act in a fair and impartial manner when acquiring sales; employees are also not allowed to make requests to or lobbying the Company when performing their duties; and employees must act in a fair and impartial manner when carrying out procurement and audit-related duties. As of December 31, 2020, each and every employee has signed the consent form for the provisions above to show that they are aware of and comply with these provisions, which have been fully communicated to them.
3. Suppliers: The Company not only verbally communicates its anti-corruption policy to procurement personnel and suppliers, but also conducts ethical assessments on suppliers to ensure that suppliers engage in business dealings with the Company in a fair and transparent manner and do not request for, provide or accept bribes. All the aforesaid measures have been fully communicated to procurement personnel and suppliers. In 2020, Cleanaway began requiring some suppliers to sign the "Statement of Commitment for Suppliers." In the same year, only the parent company of the Group, Cleanaway, has required suppliers to sign the "Statement of Commitment for Suppliers." Out of the Group's 250 qualified suppliers, 91 copies of the "Statement of Commitment for Suppliers" have been successfully received from these suppliers, accounting for 36% of the total number of qualified suppliers. The Company has already begun requiring the qualified suppliers of the Group's subsidiaries to sign the "Statement of Commitment for Suppliers" in 2021, with the expectation that up to 80% of the qualified suppliers will sign the statement by 2021 and 100% by 2025. The Company neither committed any juristic act related to corruption, bribery, competition, trust, and monopoly nor engaged in lobbying for public policies in 2020.

## 2.5 Regulatory Compliance

The Company attaches great importance to regulatory compliance in respect of operations management. Furthermore, the Company also encourages employees to participate in regulations-related seminars, draft legislation briefings, and regulations training, so as to keep abreast of the latest information on the regulations promulgated by the competent authorities and enhance business execution among employees. In 2020, a total of 58 people attended training for a total of 440 hours. Cleanaway engages in the intermediate solidification and treatment of hazardous industrial waste. Information regarding the Company's compliance with law and regulations in 2020 is listed as follows:

- ◆ Social and economic regulations: No violations were reported.

	2018	2019	2020
Number of violations	0	2	0
Amount of penalty	0	12,000	0
Response	<ul style="list-style-type: none"> <li>◆ Cause of violation in 2019: Two fines totaling NT\$12,000 (NT\$6,000 each) were issued for violations of the Waste Disposal Act due to the Company's failure to report the replacement of filter belt for the air pollution equipment in the waste disposal proposal.</li> <li>◆ Status of improvement: Apart from paying the fines and completing environmental protection seminars in accordance with the law, as well as making changes to the waste disposal proposal, the Company has conducted a thorough investigation into the flow of derivative waste treatment to ensure that there is no concern about the process. The Company will continue to attend seminars on environmental regulations and regularly review environmental regulations<sup>Note 1</sup> to prevent similar occurrences.</li> </ul>		

Note 1: Environmental regulations refer to the Waste Disposal Act, the Water Pollution Control Act, and the Air Pollution Control Act.





# 3

## Stakeholders

- 3.1 Stakeholder Communication and Engagement
- 3.2 Materiality Analysis
- 3.3 Rights of Shareholders
- 3.4 Customer Service
- 3.5 Supply Chain Management
- 3.6 Participation in External Organizations

### 3.1 Stakeholder Communication and Engagement

Through the five principles of the AA1000 Stakeholder Engagement Standard (SES) 2015, we have identified six key stakeholders of the Company, including employees, customers, investors/ shareholders, suppliers, communities, and government authorities.

Regarding economic, environmental, social and corporate governance-oriented issues, in addition to disclosing them through annual reports and financial reports, Cleanaway has published the first corporate sustainability report since 2020, and communicated with all stakeholders to attract attention. Issues can be presented in a more transparent, timely and complete manner.



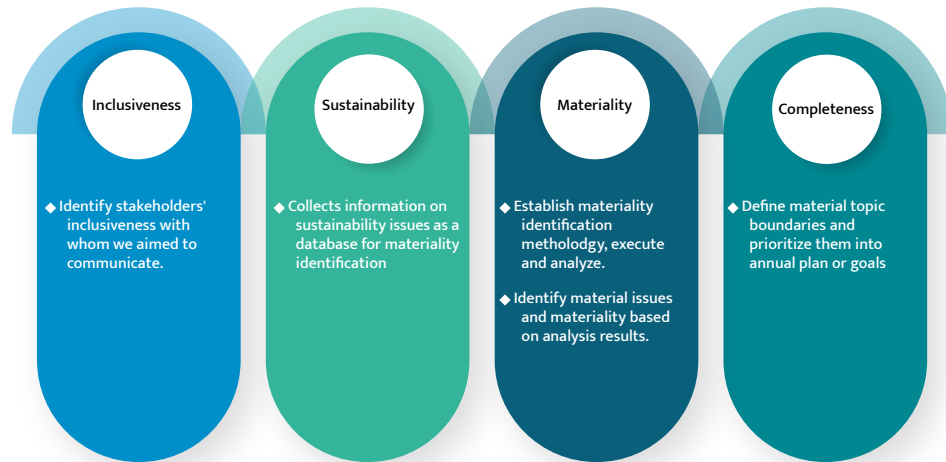
Stakeholders	Relation	Focus Areas	Department	Communication method / frequency
Employees	Employees are Cleanaway's most valuable asset. The employees are responsible for rendering service to maintain operation	<ul style="list-style-type: none"> <li>Green life advocacy</li> <li>Labor rights and Labour Relation</li> <li>internal training</li> <li>Occupational Safety and Health</li> <li>Client relations management</li> <li>Corporate Governance System</li> </ul>	Personnel Section Welfare Committee	<ul style="list-style-type: none"> <li>Management and Labor Council [Quarterly]</li> <li>Various internal meetings [Timely]</li> <li>Staff Forum [At least once a year]</li> <li>Employee welfare committee [Timely]</li> <li>Internal message board [Timely]</li> <li>General manager mailbox [Timely]</li> </ul>
Clients	The client trust Cleanaway to treat their waste properly so as to bring up a clean and safe living place in Taiwan and make sure environmental development is sustainable.	<ul style="list-style-type: none"> <li>Client services and product</li> <li>Energy resource management</li> <li>Corporate Governance System</li> <li>Rick management</li> </ul>	Business Department	<ul style="list-style-type: none"> <li>Web Message System [Timely]</li> <li>Onsite visit [Timely]</li> <li>Telephone Communication [Timely]</li> </ul>
Investors/ Shareholders	Regardless of institutional, individual, or potential investors and shareholders, they are all who we value. No matter the size of the capital contributions, all stakeholders are funders of the company, and thus all deserve equal treatment so that the information is, as far as possible, consistent with that of the management.	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate Governance System</li> <li>Development policy</li> <li>Labor rights</li> <li>Environmental policy</li> </ul>	Finance Department	<ul style="list-style-type: none"> <li>Annual General Meeting [Annually]</li> <li>Investor conference [Timely]</li> <li>Public material information [Timely]</li> <li>Financial report [Annually]</li> <li>Investor Relations website [Timely]</li> <li>Web Message System [Timely]</li> <li>Telephone Communication [Timely]</li> </ul>

Stakeholders	Relation	Focus Areas	Department	Communication method / frequency
Suppliers	Cleanaway works together with raw material suppliers and supply chain partners to create value and improve environmental sustainability.	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Client services and product</li> <li>Rick management</li> <li>Corporate Governance System</li> </ul>	Operations Department Administration Department	<ul style="list-style-type: none"> <li>Review report or meeting [Timely]</li> <li>Web Message System [Timely]</li> <li>Telephone Communication [Timely]</li> </ul>
Communities	Cleanaway operates as a supervisor of environmental protection and also invites the communities to our environmental education activities.	<ul style="list-style-type: none"> <li>Social engagement</li> <li>Corporate Governance System</li> <li>Labor rights and Labour Relation</li> <li>Environmental policy</li> </ul>	Administration Department	<ul style="list-style-type: none"> <li>Telephone Communication [Timely]</li> <li>Web Message System [Timely]</li> <li>Environmental education activities [Timely]</li> <li>Charitable activities [Timely]</li> </ul>
Governmental Authorities	As a listed company, Cleanaway complies with Company Act, Securities and Exchange Act and other environmental related regulatory. Also, Cleanaway are under competent authorities	<ul style="list-style-type: none"> <li>Waste water and waste</li> <li>Occupational Safety and Health</li> <li>Marketing and labeling</li> <li>Emission</li> <li>Water</li> <li>Energy</li> <li>Occupational Safety and Health</li> <li>Labor-employment relationship</li> <li>Labour Relation</li> </ul>	Finance Department Administration Department	<ul style="list-style-type: none"> <li>Telephone Communication [Timely]</li> <li>Web Message System [Timely]</li> <li>公聽會 [Timely]</li> <li>審查會 [Timely]</li> </ul>

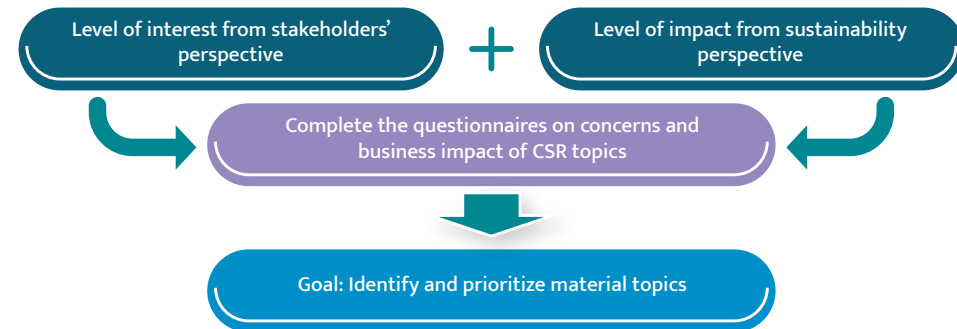
## 3.2 Materiality Analysis

To identify the sustainability issues that the stakeholders are concerned about as a reference basis for the disclosure of the report, Cleanaway facilitates systematic analysis and analyze the material issues of concern in accordance with the results of the questionnaire, as a reference for communication, response, and interaction with the stakeholders. Cleanaway's reporting principles and procedures of material issues as follows:

### I. Principles of Materiality Identification



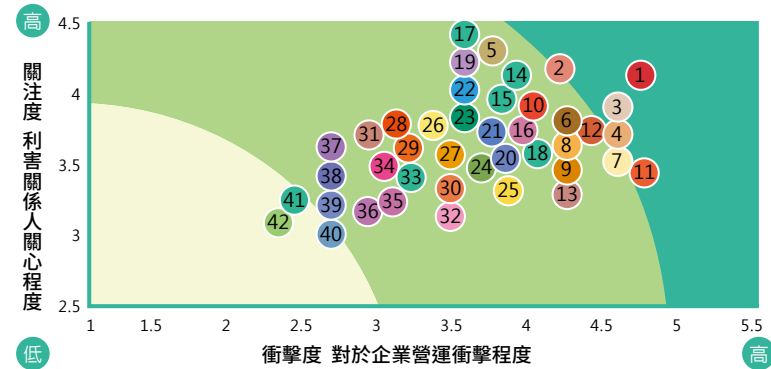
### II. Identification of Material Topics



### III. Materiality Matrix

Through the CSR Executive Committee (corporate governance team, employee care team, customer relationship team, environmental protection team, innovation team, social involvement team, and information security team), Cleanaway investigated or collected external and internal issues of concern to stakeholders, and evaluated issues such as corporate governance, economy, environment,

and society, so as to compile 42 sustainability-related topics level of interest and conduct a survey on the level of interest and the degree of impact. A total of 169 stakeholder questionnaires on level of interest were returned (an increase of 31 copies from 2019), and a total of 6 stakeholder questionnaires on the degree of impact were returned. Through questionnaire analysis, the attention scores of each topic and the impact scores on sustainable management were analyzed with matrix analysis, and the topics with an average score of 4 or more were prioritized, and 23 major sustainability issues and 19 secondary issues were identified. After the CSR Executive Committee's discussion, the previous 9 issues covered corporate governance, economy, environment and society, were selected as the material issues of Cleanaway in 2020.



### IV. Material Issues





#### Material Issues 2020

1. Circular Economy	15. Customer Health and Safety	29. Energy
2. Product Safety Concerning Regulatory Compliance on Environmental Protection	16. Economic Performance	30. Diversity and Equal Opportunity
3. Ethical Corporate Management	17. Labor/ Management Relations	31. Biodiversity
4. Innovations in products, Services and R&D	18. Anti-competitive Behavior	32. Tax
5. Waste	19. Emissions	33. Forced or Compulsory Labor
6. Local Communities	20. Labor Management	34. Child Labor
7. Corporate Governance	21. Anti-corruption	35. Public Policy, Marketing and Labeling
8. Socioeconomic Compliance	22. Water and Effluents	36. Employment
9. Occupational Safety and Health	23. Supplier Environmental Assessment	37. Supplier Social Assessment
10. Indirect Economic Impacts	24. Non-discrimination	38. Human Rights Assessment
11. Human Resource Development	25. Intellectual Property Rights	39. Security Practices
12. Risk Management	26. Customer Privacy	40. Freedom of Association and Collective Bargaining
13. Training and Education	27. Market Presence	41. Rights of Indigenous Peoples
14. Opportunities of Clean Energy	28. Materials	42. Procurement Practices

Material issues of 2020 are highlighted in blue. Considering the disclosure trend of sustainability and the increasing concerns from the stakeholders, the Company has listed circular economy, corporate governance and socioeconomic compliance as material issues of 2020. The differences from 2019 are economic performance, emissions, and labor management.



## V. List of Material Topics

● Direct impact ▲ Indirect impact








Material Topic	Importance to Cleanaway	Level of impact and boundary						GRI topic	Corresponding chapter	
		Upstream		Cleanaway		Downstream				
		Supplier	Competent authorities	Investors/shareholders	Employees	Customers	Communities			
 Economic	Circular Economy	The Company further recycles and reuses "misallocated resources" from production planning to reclamation, in order to provide customers with more comprehensive environmental protection services, thereby achieving a circular era of zero waste, zero pollution, and sustainable recycling together.	▲		●	▲	●	Own topic	4.1	
	Ethical corporate management	With a view to establishing sound business management and corporate governance at the Company to achieve the goal of corporate sustainability, the Company aspires to reduce the risks of financial and reputation losses arising from violations of ethical corporate management by formulating and implementing the relevant laws and regulations.	●		●	▲	●	GRI 205	1.2 2.4	
 Environmental	Waste	Waste produced by the Group during the waste treatment process must be treated properly in accordance with the law, so as to avoid causing environmental load and reduce management risks, thereby achieving the Company's sustainable development goals.					▲	●	GRI 306	4.2
	Compliance with environmental protection regulations	In addition to accepting and handling industrial waste in compliance with environmental protection regulations, the Group has also established proper treatment specifications that are more stringent than existing regulations in order to ensure control of secondary pollution and prevent major pollution issues arising therefrom, thereby maintaining the normal operation of the Company.		●	▲				GRI 307	2.5
 Social	R&D and innovation of products and services	Cleanaway is committed to addressing environmental problems resulted from Taiwan's rapid economic development and reversing public stereotype about the waste treatment industry through high levels of innovation, standards, technology, and management so that the public understands that the real environmentally friendly industries can also achieve environmental sustainability at the same time. Therefore, we believe that continuous research and R&D are significant tasks that must be carried out by the Company on an ongoing basis.		●			●	▲	Own topic	1.3
	Local communities	Since the industry in which Cleanaway is involved is relatively unique and highly "nimby," Cleanaway not only has to comply with environmental protection-related regulations, but must also maintain high levels of contact with and care for local communities to enhance their trust in Cleanaway, and thus enhance Cleanaway's competitiveness in environmental and community sustainability, while reducing possible operating costs and risks in the future at the same time.				▲	▲	●	GRI 413	6.1~6.4
	Compliance with socioeconomic regulations	Stable operations are important for all stakeholders as it can give employees peace of mind, enable investors to have confidence in the Company, and ensure that the broad customer base can continuously enjoy high-quality services. In order to achieve the goal of stable and sustainable operations, "economy and profitability" are important and necessary for the survival of the Company. Maintaining a proper balance between profitability and competitiveness to create shareholder value is one of the Company's core values. The Company manages its operations in accordance with local and foreign laws and regulations, as well as adjust its operational strategies by keeping abreast of local and foreign policy development trends and changes in relevant laws and regulations, in hopes of achieving the goal of stable and sustainable operations.		●	●	●	●	▲	GRI 419	2.5
	Occupational safety and health	Occupational safety and health topics concern management performance in relation to the health and safety of employees at the Company. At the same time, the Company's applications for various licenses and permits have to undergo reviews as the Company is also required to comply with the relevant laws and regulations. This is, in fact, an important indicator of business operations.	▲	●		●	▲		GRI 403	5.4
 Corporate governance	Corporate governance	As a firm believer of the idea that a solid foundation for business operations can be built through good corporate governance, the Company maintains a high-level corporate governance system with good business ethics and an effective power and responsibility mechanism, as well as shapes a corporate governance culture with an ethical attitude, so that all companies under the Group can realize the long-term interests of shareholders and other stakeholders.	▲	●	●	●	●	▲	Own topic	2.1 2.3













## VI. List of Management Approaches

Material topic	Strategy	Targets and commitments			Evaluation mechanism	SDGs
		Implementation results in 2020	Targets from 2021 to 2024	Commitments in 2025		
Circular economy	<ul style="list-style-type: none"> <li>◆ Waste lighting source recycling technology: Recycle and reuse materials to regain new life</li> <li>◆ Power generation installations: Generate electricity from solar energy and biogas</li> <li>◆ Seminars: Host seminars in collaboration with</li> <li>◆ Microsoft to promote circular economy issues.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The Company has developed waste lighting source recycling and treatment equipment, which can recycle and reuse up to 95% of derived materials.</li> <li>◆ Having imported the most advanced gas turbines for electricity generation from biogas treatment, the Company recycled biogas (methane) produced on landfill sites to generate electricity. A total of 64,560 kWh of electricity can be generated each year for use at various plants, which not only translates into NT\$248,557 worth of annual electricity savings, but can also reduce 32.86 tons of carbon dioxide each year.</li> <li>◆ The Company continued to organize circular economy-related seminars to promote consensus and reflections on industrial development and circular economy.</li> </ul>	<ul style="list-style-type: none"> <li>◆ The Company further recycles and reuses "misallocated resources" from production planning to reclamation, in order to provide customers with more comprehensive environmental protection services, thereby achieving a circular era of zero waste, zero pollution, and sustainable recycling together.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Actively recycle and reuse waste with a focus of development on circular economy, in order to achieve the United Nations Sustainable Development Goals (SDGs).</li> </ul>	Tracking through internal meetings	 
Ethical corporate management	<ul style="list-style-type: none"> <li>◆ Establish a corporate governance system based on the relevant government regulations and ethics, and strictly comply with the relevant laws and the relevant regulations of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>◆ No reports or investigations and penalties from the competent authorities due to violations of the Company's "Ethical Corporate Management Best Practice Principles" committed by the directors, supervisors or management of the Company were recorded in 2020.</li> <li>◆ No penalties were imposed by the competent authorities on the Company due to complaints from and unsuccessful communications with various stakeholders in 2020.</li> <li>◆ In 2020, the Company began requiring some suppliers to sign the "Statement of Commitment for Suppliers" to ensure that suppliers are committed to upholding business ethics, including prohibiting bribery, protecting trade secrets, and reporting improper conduct. In the same year, only the parent company of the Group, Cleanaway, has required suppliers to sign the "Statement of Commitment for Suppliers." Out of the Group's 250 qualified suppliers, 91 copies of the "Statement of Commitment for Suppliers" have been successfully received from these suppliers, accounting for 36% of the total number of qualified suppliers.</li> <li>◆ All new recruits attended ethics awareness training in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strengthen communication with stakeholders through various communication channels, including company website and e-mail.</li> <li>◆ Continue to require new suppliers to show their commitment to ethical trading, as well as implement vendor evaluation, where the Company began requiring the qualified suppliers of the Group's subsidiaries to sign the "Statement of Commitment for Suppliers" in 2021, with the expectation that 80% of the qualified suppliers will sign the statement.</li> <li>◆ Ensure that all new recruits undergo ethics awareness training.</li> <li>◆ Organize ethical policy awareness campaign among employees at least once a year and collect feedback through questionnaire survey, which has so far yielded an 80% response rate.</li> <li>◆ Continue to disclose the implementation of ethical corporate management in the investors' section on its website and present related reports to the Board of Directors at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continue to implement the ethical corporate management principles to prevent any form of fraud.</li> <li>◆ Continue to require new suppliers to show their commitment to ethical trading, implement vendor evaluation, and require all its qualified suppliers to sign the "Statement of Commitment for Suppliers."</li> </ul>	Internal audit	




Material topic	Strategy	Targets and commitments			Evaluation mechanism	SDGs
		Implementation results in 2020	Targets from 2021 to 2024	Commitments in 2025		
Waste	<ul style="list-style-type: none"> <li>Continue to promote the implementation of the environmental management system, improve environmental performance, strengthen waste treatment technologies, enhance control of and improvements on pollution sources, implement waste reduction, practice green living, and fully engage in energy conservation and carbon reduction.</li> </ul>	<ul style="list-style-type: none"> <li>The Company reduced the amount of derived waste by 44%.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the amount of derived waste by 20% (base year: 2018).</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the amount of derived waste by 25% (base year: 2018).</li> </ul>	ISO 14001 Environmental Management System	  
Compliance with environmental protection regulations	<ul style="list-style-type: none"> <li>Meet stakeholders' needs and expectations in compliance with regulatory requirements, and deepen the culture of business ethics and regulatory compliance through education, training, and awareness campaign to make people aware that environmental protection is everyone's responsibility and obligation.</li> </ul>	<ul style="list-style-type: none"> <li>No major violations (with fines exceeding NT\$100,000) were recorded by the Company.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has so far achieved a 100% training completion rate in relation to business ethics and regulatory compliance.</li> <li>No major violations (with fines exceeding NT\$100,000) were recorded by the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a 100% training completion rate in relation to business ethics and regulatory compliance every year.</li> </ul>	Regulatory inspection Internal audit	 
R&D and innovation of products and services	<ul style="list-style-type: none"> <li>Cleanaway strives to innovate and develop treatment technologies in three major areas, namely contaminated soil improvement, water treatment, and waste recycling and reuse.</li> <li>Oil-contaminated soil purification technology</li> <li>Advanced treatment technology for high-concentration wastewater</li> <li>Waste recycling and reuse technology</li> </ul>	<ul style="list-style-type: none"> <li>The Company invested NT\$20,024 thousand in these technologies in 2020 (target: NT\$10 million). Number of patents: 1 U.S. patent (advanced treatment method for highly contaminated wastewater and wastewater treatment system using this method)</li> </ul>	<ul style="list-style-type: none"> <li>Aim to invest more than NT\$10 million in these technologies each year.</li> <li>Practically apply patented technologies to address environmental issues, such as contaminated soil, wastewater, and waste treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Aim to invest at least NT\$10 million each year by reference to the amount of R&amp;D funds invested between 2017 and 2019.</li> <li>Continue to research and develop innovative, practical, and feasible technologies in various areas, such as contaminated soil remediation, wastewater treatment, and waste recycling and reuse.</li> </ul>	Internal audit	 

Material topic	Strategy	Targets and commitments			Evaluation mechanism	SDGs
		Implementation results in 2020	Targets from 2021 to 2024	Commitments in 2025		
Local Communities	<p>[Community care]</p> <ul style="list-style-type: none"> <li>Established by Cleanaway Group in 2014, the Yang Chi Chuan Foundation (YCCF) promotes multi-faceted community care services in various areas, such as environmental protection, public welfare and care, charity activities, and life education through its professional management capabilities and Cleanaway's core competencies.</li> </ul>	<ul style="list-style-type: none"> <li>YCCF contributed more than NT\$11 million in funds (target: NT\$8 million).</li> <li>More than 2,500 people benefited from its social care initiatives (target: 1,800 people).</li> <li>More than 30 units benefited from its social care initiatives (target: 20 units).</li> </ul>	<ul style="list-style-type: none"> <li>Contribute more than NT\$10 million in funds each year to promote a diverse range of social care initiatives.</li> <li>Ensure that at least 2,500 people benefit from its social care initiatives each year.</li> <li>Ensure that at least 25 units benefit from its social care initiatives each year.</li> </ul>	<ul style="list-style-type: none"> <li>Contribute at least NT\$13 million in funds and ensure that more than 3,000 people benefit from its social care initiatives each year.</li> <li>Organize at least five sessions of public welfare activities each year, with the intention of making every effort to improve the well-being of disadvantaged groups.</li> </ul>	Annual management meetings	   
	<p>[Environmental friendliness]</p> <ul style="list-style-type: none"> <li>By implementing the concept of environmental friendliness with concrete actions, Cleanaway Group has not only set up an environmental education team to spread the seeds of environmental friendliness in schools and communities, but also assisted in environmental cleaning of neighborhoods, organized a national spatial volunteer patrol team, and built the world's largest vertical garden, in hopes of imprinting the value of environmental friendliness on each citizen of the earth to create a better environment for the next generation.</li> </ul>	<ul style="list-style-type: none"> <li>The Company developed one set of featured environmental lesson plans (target: one set).</li> <li>More than 500 people benefited from these initiatives (target: 350 people).</li> <li>The Company organized 17 sessions of environmental education events (target: 15 sessions).</li> </ul>	<ul style="list-style-type: none"> <li>Develop one set of new featured environmental lesson plans.</li> <li>Ensure that at least 500 people benefit from the Company's environmentally friendly initiatives each year.</li> <li>Ensure that at least 10 units benefit from the Company's environmentally friendly initiatives each year.</li> <li>Organize at least 15 sessions of environmentally friendly events each year.</li> <li>Engage in more clean-ups and adoptions than last year amid continue to participate in environmental education work.</li> <li>Organize one session of mountain clean-up assembly.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop featured lesson plans in relation to waste treatment and renewable energy sources, with five sets of lesson plans already developed so far.</li> <li>Organize at least 30 sessions of environmental education events and ensure that more than 800 people benefit from them each year, so as to spread the correct idea of environmental friendliness to every corner of society.</li> <li>Apply for recognition of Cleanaway's site areas as certified environmental education sites, and help children in Gangshan and other areas in Kaohsiung acquire more education and learning resources.</li> </ul>		   
Compliance with socio-economic regulations	<ul style="list-style-type: none"> <li>Review the Company's internal operating performance and external opportunities and risks through regulatory compliance, adherence to service quality, and maintenance of occupational safety and health among employees, in order to avoid significant losses arising from the operations of the Company and continuously create shareholder value.</li> </ul>	<ul style="list-style-type: none"> <li>No violations of economic or environmental protection-related laws or regulations were committed by the Company in 2020.</li> <li>The Company fully utilized its current production capacity to adjust its operational structure and marketing resource allocation to achieve the best output benefits and the highest added value, with a view to improving profitability and ultimately achieving the goal of maximizing shareholder value.</li> <li>In 2020, the Company posted an earnings per share of over NT\$10 and distributed a cash dividend of NT\$10 per share, thereby maintaining a good profit performance for shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain zero violation of economic or environmental protection-related laws or regulations.</li> <li>Adopt stricter disclosure of financial information than existing regulations, where the Company is expected to publish its financial statements within two months after the end of the 2020 fiscal year (in fact, the Company published its financial statements one month earlier than what was required by existing regulations).</li> <li>Fully utilize the Company's current production capacity to adjust its operational structure to achieve the best output benefits and the highest added value, as well as continue to use robust financial leverage to support its operations.</li> </ul>	<ul style="list-style-type: none"> <li>Report zero violation of economic or environmental protection-related laws or regulations.</li> <li>Maintain robust financial performance and continuously increase net profit after tax, earnings per share, and total owners' equity.</li> <li>Establish differentiation and achieve dominance in the waste treatment market through innovative services, so as to gradually boost revenue.</li> </ul>	Internal control ISO management systems	

Material topic	Strategy	Targets and commitments			Evaluation mechanism	SDGs
		Implementation results in 2020	Targets from 2021 to 2024	Commitments in 2025		
Occupational safety and health	<p>[Promotion of occupational safety and health management system]</p> <ul style="list-style-type: none"> <li>The Company maintains the occupational safety and health management system at all plants (sites) by promoting ISO 45001. Additionally, the Company identifies opportunities for improvement through internal and external audits every year and reports to the safety committee for approval to implement continuous improvements.</li> </ul>	<ul style="list-style-type: none"> <li>The Company completed the migration of certification from OHSAS 18001 to ISO 45001.</li> <li>The Company achieved a 100% completion rate for four target management programs. Furthermore, the Company identified three work safety deficiencies through plant inspections and completed the relevant improvements.</li> <li>The Company completed the compliance review of regulations governing the management of various types of procedures and management documents.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the validity of the ISO 45001 system.</li> <li>Continue to maintain compliance with revisions to various procedures and relevant regulations, and regularly conduct internal review more than twice a year.</li> <li>Ensure that each site continues to report items for improvement to the Company's management review committee each year, where these items are included in the implementation of management plans in target areas upon review and approval, so as to achieve the Company's goals of continuous improvement and sustainable operations.</li> <li>Maintain a record of less than 100 hours in annual lost working hours due to occupational accidents.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain the validity of management system certifications.</li> <li>Continue to formulate management plans for target areas each year and optimize plant management using new equipment or technologies.</li> </ul>	ISO 45001 Occupational Safety and Health Management System	 
	<p>[Employee health and safety]</p> <ul style="list-style-type: none"> <li>With employee health regarded as the utmost priority in the Company's management policies, the Company has formulated complete health examinations and various safety rules for employees, in order to achieve the goal of zero occupational accident.</li> </ul>	<ul style="list-style-type: none"> <li>In 2020, 150 people and 168 people at the Company completed regular health examination and special health examination, respectively, while 336 high-risk operating personnel at the Company completed examination of heavy metal in the body. Moreover, the Company organized two health talks and consultation sessions in the same year.</li> <li>The Company continued to carry out work environment measurement.</li> <li>The Company conducted emergency response drills in strict accordance with the formulated plans.</li> <li>The Company assessed the use of respiratory protective equipment among operating personnel.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct employee health examination and management in accordance with the relevant regulations, and organize at least two health talks and consultation sessions.</li> <li>Continue to implement the work environment measurement plan in accordance with the relevant laws and regulations.</li> <li>Invite the Southern Center for Emergency Response of Toxic Substance and regional fire brigade to guide the relevant emergency response drills.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain health management at all sites, organize health talks and consultation sessions each year, and educate employees about the importance of occupational safety and health.</li> <li>Organize the Occupational Safety and Health Week at various sites each year to promote occupational safety and health.</li> </ul>		
	<p>[Contractor management]</p> <ul style="list-style-type: none"> <li>The Company attaches great importance to the safety of contractors handling on-site construction work. All construction processes are carried out in compliance with the relevant laws and the safety regulations of each plant, in order to maintain cooperative relationships between the Company and contractors.</li> </ul>	<ul style="list-style-type: none"> <li>The Company installed guardrails and railings on rooftops to enhance personnel safety.</li> <li>The Company installed an automatic high-speed roll-up doors at its solidification plant to reduce dust emission.</li> <li>The Company installed an automatic carbon dioxide fire extinguishing system in the electric room at its solidification plant.</li> <li>The Company refurbished the electric circuit system at its solidification plant.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strictly implement the contractor pass system upon site entry for management purposes in accordance with the access control management system.</li> <li>Continue to implement the contractor vest system upon site entry.</li> <li>Continue to optimize the application process for contractor site entry for construction work, and strengthen the intensity of construction site inspection.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain the contractor management system at all sites.</li> <li>Switch from a paper-based application system to an electronic application system for contractor site entry, in order to optimize the application procedures for site entry.</li> </ul>		
	<p>[Personnel training]</p> <ul style="list-style-type: none"> <li>The Company complies with safety regulations through work processes conducted by employees who have undergone various types of internal and external training included in the annual occupational safety and health training plan.</li> </ul>	<ul style="list-style-type: none"> <li>69 people at the Company underwent external training focusing on 20 types of professional qualifications.</li> <li>647 people at the Company completed internal training for a total period of 2,183 hours.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain the compliance of qualifications of occupational safety and health-related technical personnel.</li> <li>Continue to implement training according to the Company's annual training plan.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain the implementation of the Company's annual training plan.</li> <li>Encourage employees to participate in occupational safety and health-related seminars and publish research papers to enhance the essential academic capabilities of employees.</li> </ul>		



Material topic	Strategy	Targets and commitments			Evaluation mechanism	SDGs
		Implementation results in 2020	Targets from 2021 to 2024	Commitments in 2025		
Corporate governance	<ul style="list-style-type: none"> <li>Safeguard the rights and interests of shareholders, enhance the functions of the Board of Directors, and respect the rights and interests of stakeholders.</li> <li>Establish a corporate governance system based on the relevant government regulations and ethics, and strictly comply with the relevant laws and the relevant regulations of the Company.</li> <li>The Company will remain committed to pursuing a balance between human activities and environmental sustainability, realize the spirit of teamwork, enterprise, pragmatism, and innovation, and fulfill its promise to take into account the rights and interests of all stakeholders in pursuit of sustainable growth for mutual benefits and co-prosperity.</li> </ul>	<ul style="list-style-type: none"> <li>In 2020, no fines arising from violations of laws and regulations were imposed by the competent authorities, thus indicating that the Company demonstrated a good performance in regulatory compliance.</li> <li>In 2020, the Company's risk management policies and procedures were approved by the Board of Directors and disclosed on its website.</li> <li>In 2020, the Company carried out and completed a customer satisfaction survey, which yielded 106 valid responses. The findings of the survey showed that the Company achieved a 90% satisfaction rate for every item in the survey.</li> <li>In 2020, the Company distributed a cash dividend of NT\$10 per share, thereby demonstrating a good profit performance.</li> <li>In 2020, the Company implemented the Board of Directors' performance evaluation system, where each director recorded a 100% attendance (including video attendance) and achieved excellent scores for each evaluation item.</li> <li>Based on the results of Corporate Governance Evaluation, the Company was ranked in the range of 6% to 20% in 2020 compared to the range of 21% to 35% in 2019, thus demonstrating an improvement in corporate governance evaluation results from 2019 to 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Keep abreast of the latest developments in laws and regulations, convey and communicate related information and revise internal regulations in a timely manner, and update revisions of important provisions in a timely manner to ensure that the Company's new businesses comply with the relevant laws and regulations.</li> <li>Continue to conduct customer satisfaction surveys, collect at least 100 valid questionnaires in each survey, and achieve a 90% satisfaction rate in each evaluation item based on the analysis results.</li> <li>Complete the ISO 14064 greenhouse gas verification.</li> <li>Continue to implement internal and external ISO 9001, ISO 14001, and ISO 45001 audits to maintain the validity of the certifications obtained by the Company.</li> <li>Continue to ensure that the Company is ranked in the range of 6% to 20% based on the results of Corporate Governance Evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>Provide comprehensive environmental protection solutions to create a beautiful home where environmental, economic, and social sustainability coexist, and strive to become a good corporate citizen in environmental protection industries.</li> <li>Strictly comply with the relevant management regulations promulgated by the competent authorities, actively implement the policies and regulations set forth by the competent authorities according to policy and regulatory developments, and achieve the goal of sustainable operations through regulatory compliance.</li> </ul>	<p>Corporate Governance Evaluation Rules for Performance Evaluation of Board of Directors Internal control</p>	

### 3.3 Rights of Shareholders

#### Equity structure and shareholders' rights of the Company:

- The Company has appointed a Spokesperson, Acting Spokesperson, and shareholder service personnel to resolve related issues.
- The Company has established a stock affairs unit which maintains close communication with major shareholders and retained control at all times.
- Affiliate companies operate finance, business, and accounting affairs independently and they are managed and audited by the parent company. The Company has established the "Regulations on Financial Businesses and Transactions with Affiliate Companies" and established the "Supervision and Management Procedures for Subsidiary Companies" in the internal control system and other control operations.
- The Company has established the "Operating Procedures for Preventing Insider Trading" to prevent the Company or its internal personnel from unintentionally or intentionally violating related regulations on insider trading and protect the interests of investors and the Company.

### 3.4 Customer Service

There was no report of customer privacy invasion in 2020.

### 3.5 Supply Chain Management

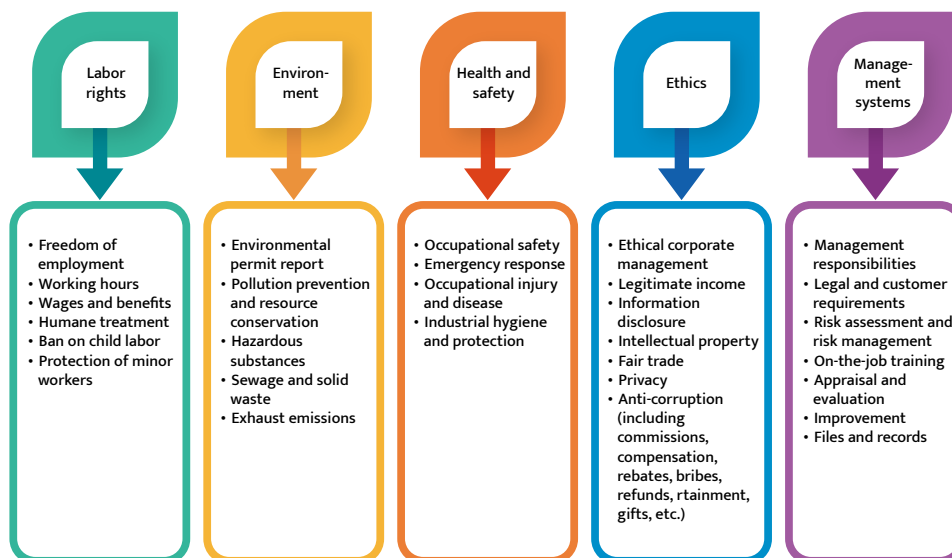
The scope of supplier statistics at Cleanaway Group covered those from the Group headquarters and the solidification plant from 2018 to 2019, and was extended to include related statistics from landfill sites (e.g., Da Ning and Chi Wei). In order to implement sustainable collaboration in the supply chain, the Company began establishing regulations governing supplier management to promote a win-win performance with suppliers. Furthermore, the Company also began identifying new factors that may cause social impact since 2020, so that actions can be taken against any nonconformities that are not specified in supplier management. According to assessments on existing and new suppliers (vendors with a procurement amount of more than NT\$10,000), none of the Group's suppliers were found to have actual or potential negative social impact from 2018 to 2020.

## I. New Supplier Management

As the public attaches greater importance to labor awareness in recent years, sweat factories or sweatshops have slowly attracted attention and discussions from all sectors of society. Therefore, a host of well-known local and foreign brands are also paying increasing attention to them while requiring suppliers to fulfill their social responsibilities. The Group has expanded its commitment to and mission in fulfilling corporate social responsibility (CSR) to suppliers with which it works closely in its businesses. CSR clauses are gradually included in supplier contracts, where the long-term target is to have suppliers performing all the CSR clauses included in these contracts. Suppliers should strictly comply with the contracts and perform the provisions of the relevant laws and regulations in relation to labor conditions, occupational safety and health, environmental protection, and labor rights. Those which must comply with these clauses include raw material suppliers, civil construction contractors, labor contractors, machinery and equipment suppliers, etc. Should a supplier violate these clauses, the Group can either request for improvements from the supplier within a specified duration or terminate and cancel the contract. Additionally, the Group continues to communicate and convey information related to social responsibility to suppliers, so as to create a win-win partnership with suppliers. Since 2020, procurement personnel has assessed new suppliers based on the new supplier assessment form, which also includes assessment on new suppliers with respect to social norms. All new suppliers are required to undergo assessment. New suppliers that have passed the assessment process and successfully obtained approval from the relevant unit supervisors will be included in the List of Qualified Suppliers by procurement personnel.

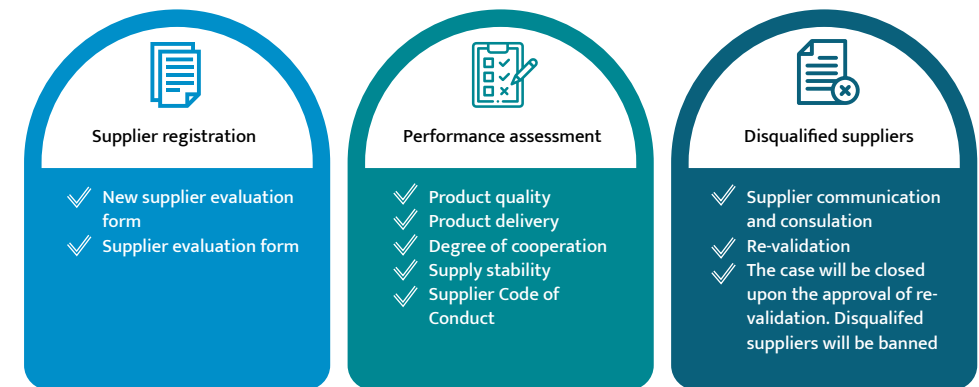
- ◆ In 2020, eight new suppliers underwent assessment, all of which have been approved by the relevant unit supervisors and listed in the List of Qualified Suppliers.

### ▶ Supplier Code of Conduct



## II. Existing Supplier Management

Starting from 2020, procurement personnel will conduct performance assessment and rating on new suppliers and existing qualified suppliers in five areas, namely "product quality," "product delivery," "degree of cooperation," "supply stability," and "Supplier Code of Conduct." Ratings are given to suppliers as follows. Suppliers with an A rating will have their contracts renewed. Suppliers with a B rating will have their contracts renewed three months upon reassessment. Suppliers that continue to receive a B rating will have their services discontinued as the Company searches for other qualified suppliers. Suppliers with a C rating will not be hired. However, suppliers with a significant impact on society and the environment will be included in the list of discontinued suppliers. According to statistics from supplier management assessments between 2018 and 2020, all the new and existing suppliers have been given an A rating, whereas no supplier was given a B or C rating.

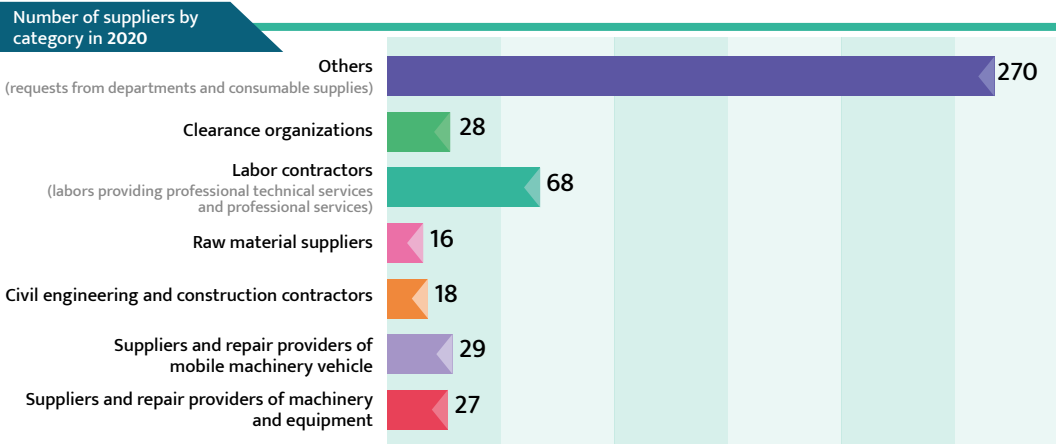
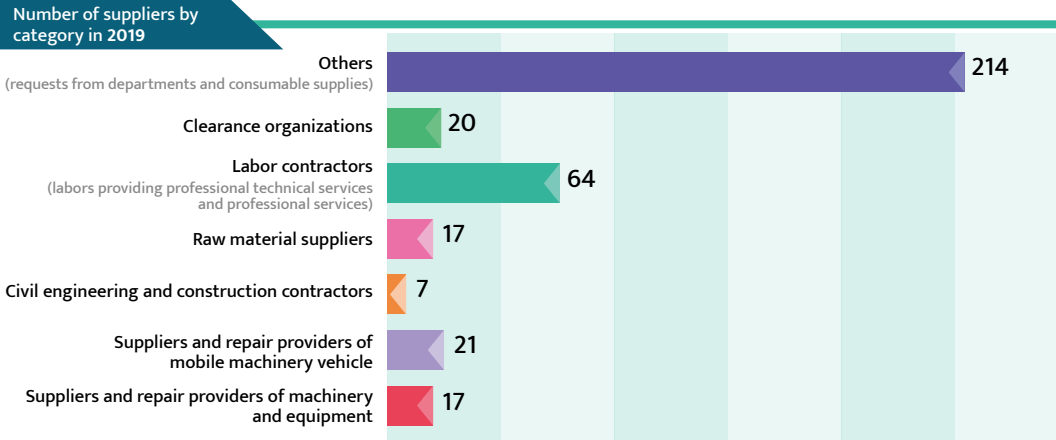
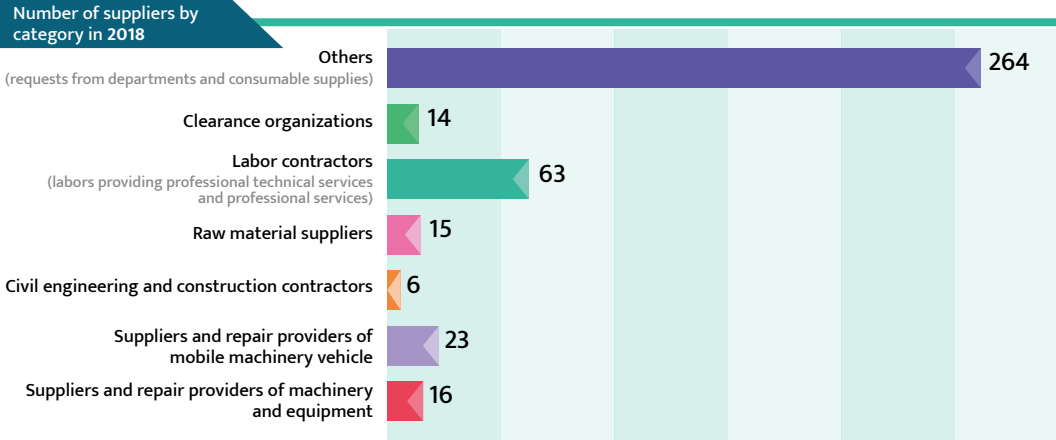


## III. Supplier Communication and Guidance

In case of suppliers that fail certain assessment items, the Company will enhance efforts to visit and communicate with them and increase the frequency of audit on them. If these suppliers have no intention to make the necessary improvements or are unable to meet the expectations of the Company after numerous rounds of communication and audit, the Company will no longer continue its cooperation with these suppliers and will search for other qualified suppliers.

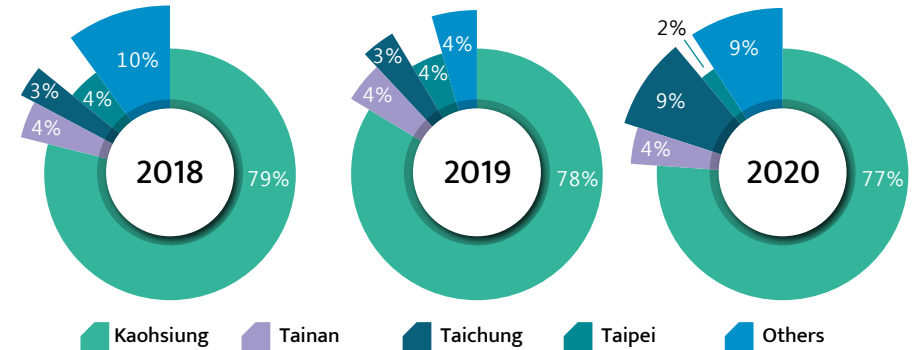
## IV. Procurement Risk Management

The Company's partners in the supply chain can generally be divided into various categories, including raw materials, consumables, machinery and equipment and mobile machinery repair, labor and manpower, and project contracting. In order to avoid factors such as natural disasters or force majeure, the Company coordinates the material preparation mechanism with suppliers and establish safety stock based on the material preparation schedule at plant- or site-level units, so as to ensure an uninterrupted supply chain. On the other hand, in order to prevent the risk of material shortages or issues with having a single supplier, the Company will choose at least two qualified suppliers for each material in consideration of the material assessment mechanism, and seek new suppliers according to demand if it encounters issues with a single supplier. Additionally, the Company will select new qualified suppliers through its assessment process to ensure uninterrupted supply of materials.



## V. Strengthen Local Supply Chain

The Company's suppliers are local (Taiwan) vendors, and the local procurement ratio is 100%. In addition, the Company has been promoting the localization of procurement for many years, and has adopted local suppliers as a priority partnership to stimulate local economic growth. From 2018 to 2020, the proportion of local procurement (Tainan City and Kaohsiung City) from suppliers of raw materials and spare parts accounted for approximately 83%. The Company actively upgrade local supply chains to strengthen corporate environmental responsibilities and grow together with local suppliers.



## 3.6 Participation in External Organizations

### I. Recognitions and Awards

When the Cleanaway company implemented the soil pollution remediation project, it was recognized by the local government and the industry in the environmental management section. In 2012, the Group implemented the "Pollutant Removal Work on the Soil Pollution Control Site in Tong'an Section, Southern District, Tainan City" commissioned by the Tainan Environmental Protection Bureau. As the construction site includes secondary pollution, environmental quality and various operations are properly implemented, the Group was awarded the "2012 The Distinguished Firm" certificate after inspection and evaluation. In 2018, the Taiwan Petroleum Corporation Limited Special Trade - Ernan Pollution During the site renovation project, due to its excellent environmental management results, it was awarded the "Wellness Construction Service Provider" by the Environmental Protection Bureau of the Kaohsiung City Government, which is sufficient to prove the Cleanaway company's construction site quality maintenance and environmental management of the project are able to meet up with the requirements of various laws and regulations of the environmental protection authority and has been highly affirmed by the government.

## Awards, Recognitions and Ratings

- 2001 ● The Distinguished Firm awarded by Ministry of the Interior
- 2007 ● Wellness Member of waste clearance and treatment industry commercial association
- 2008 ● Award of Friendly working place - Ministry of Labor
- 2012 ● The Distinguished Firm awarded by Government of Kaohsiung City
- 2012 ● Wellness Environmental Construction Service Provider
- 2015 ● The green wall of Chi Wei Landfill in Gangshan is the world's largest vertical garden and is listed in the Guinness World Records.
- 2017 ● The headquarter of the Group was inaugurated in Gangshan District, Kaohsiung, the characteristic green building won two awards in "The 6th Kaohsiung LOHAS Building Kaohsiung Green Building Awards "
  1. Commercial Building division
  2. Open Space Vertical Planting division
- 2018 ● Wellness Construction Service Provider awarded by Government of Kaohsiung City
- 2019 ● Special Reward of Kaohsiung Photovoltaic Intelligent Building Certificate
- 2020 ● Corporate Social Responsibility Report won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award



Name of Industry Associations	Supervisor	Member
Asia Pacific Public Private Partnerships (PPP) Association		✓
Taiwan Society for Circular Economy (TWSCE)		✓
Taiwan Alliance for Sustainable Supply (TASS)		✓
Taiwan Environmental Engineering Association (TEEA)		✓
Taiwan Association of Soil and Groundwater Environmental Protection		✓
Chinese Environmental, Safety and Health Association (CESHA)	✓	✓
Kaohsiung OTC Entrepreneurs Association		✓
Kaohsiung City General Industry Association (KHIA)		✓
Kaohsiung Municipality Waste Removal and Treatment Business Association		✓
Kaohsiung Truck Freight Association		✓

## II. Participation in External Organizations

- 2.1 Cleanaway leverages the connection with industries and the latest technologies by participating in various assessments, unions, and organizations related to industrial development to not only improve competitiveness in services and spread industrial impact, but also create opportunities in operational growth.
- 2.2 To strengthen the connection and the latest technologies among industries, Cleanaway actively participates in all sorts of unions, associations, and organizations that are related to industrial development. Besides boosting Cleanaway's competitiveness in services and exerting industrial impact, Cleanaway also expects to increase opportunities for strategic alliance, so as to create operational growth.

## III. Participation in External Activities

- 3.1 With its ongoing participation in the environmental protection voluntary labor service under the Environmental Protection Bureau of the Kaohsiung City Government, the Company continues to assist in raising awareness of energy conservation and carbon reduction issues, cleaning up the environment, improving air quality, and promoting various environmental protection policies, so that Kaohsiung City becomes a happy city that is suitable for living.





# 4

## Environmental Sustainability

- 4.1 Circular Economy
- 4.2 Climate change and energy management
- 4.3 Pollution Control
- 4.4 Water Resource Management





## 4.1 Circular Economy

Cleanaway Group not only maintains its existing waste treatment capacity, but also actively recycles and reuses waste as well as implements the UN SDGs, with a focus of development on circular economy. Furthermore, the Group also promotes three areas, namely environmental protection, social progress, and economic growth, to its business partners, with a view to achieving the goal of circular economy together.

### 1. Waste lighting source recycling technology: Recycle and reuse materials to regain new life

Chungtai Resource Technology Corp., a subsidiary of Cleanaway Group, has developed waste lighting source recycling and treatment equipment that can recycle and reuse up to 95% of derived materials. Such equipment produces materials like recycled glass, recycled metal, and recycled plastic by dismantling and disintegrating derived materials, in order to reduce environmental load and exploitation of earth resources, thereby realizing waste recycling and reuse.



### 2. Power generation installations: Generate electricity from solar energy and biogas

With the intention of "maximizing resource utilization efficiency and minimizing environmental impact," the Company has not only installed solar power generation systems on closed landfill sites, but also imported the most advanced gas turbines for electricity generation from biogas treatment, which recycle biogas (methane) produced on landfill sites to generate electricity. A total of 64,560 kWh of electricity can be generated each year for use at various plants, which not only translates into NT\$248,557 worth of annual electricity savings, but can also reduce 32.86 tons of carbon dioxide each year.

### 3. Co-organized seminars with Microsoft to promote circular economy issues

Chase Environmental Technology Co., Ltd. of the Cleanaway Group and its partner-Microsoft jointly held a seminar and invited companies, as well as customers to join in the grand event. The number of participants reached 120. The theme of the seminar revolved around the topic of circular economy - from industrial development trends to how Chase's environmental platform integrates IoT applications and other techniques to successfully arouse the participants' resonance and reflection on industrial development and circular economy.



### 4. Environmental education: Cultivate the concept of sustainability from now on

Waste issues should be viewed with a higher degree of social responsibility as each and everyone of us needs to work together to create a sustainable environment. Cleanaway Group promotes environmental education to local communities or schools using different themes, teaching materials, and professional teachers. In 2020, the Group launched the "Where Does Our Garbage Go?" lesson plan, which enables participants to learn about the importance of pollution control and circular economy through different themed courses, in hopes that more people can learn about the transformation and breakthroughs in the waste treatment industry and become the implementers and advocates of green and environmentally friendly industries.

## 4.2 Climate change and energy management

### Energy use and management

The Cleanaway Group completed the ISO 14064-1:2018 third-party GHG emission verification for 2019 and 2020. The scope of the inspection includes the headquarter, solidification plant (Cleanaway), landfill (Da Ning and Chi Wei), clearance (Kang Lien) The energy use category includes purchased electricity, gasoline-powered official vehicles and gasoline engine oil, heavy-duty diesel-powered machinery, vehicles, and generators. Among energy-consuming projects, the highest proportion of diesel energy consumption is 85%, followed by 14% of purchased electricity. With regard to energy-saving measures for diesel energy consumption, in addition to striving to achieve higher production efficiency with low energy consumption in the production process in the future, the Group will gradually implement various energy-saving measures in daily operation management, including replacement of fuel equipment, as well as the management and power supply. Cleanaway has also widened its scope of services to purchase electrical equipment with energy-saving labels, gradually replace damaged lamps with LED lamps, use frequency conversion systems, and energy-saving vehicles under the guidance of the Energy Bureau to significantly reduce energy consumption and increase energy use efficacy.

Since the Cleanaway Group actively introduced and completed the greenhouse gas emission inventory for 2019 and 2020, the data for 2019 and 2020 are presented accordingly. Taking 2019 as the base year comparison result, the energy consumption in 2020 is 2.46% lower than the base year, and the energy density in 2020 is 12.77% higher than the base year. The results show that although the total energy consumption has decreased, the energy density has increased. The reason is that the waste treatment volume in 2020 has decreased by 14% compared with 2019, but the energy use of electricity and gasoline has increased from 2019 to 2020 11% And 70%.

► Energy consumption and energy density in each year from 2019 to 2020

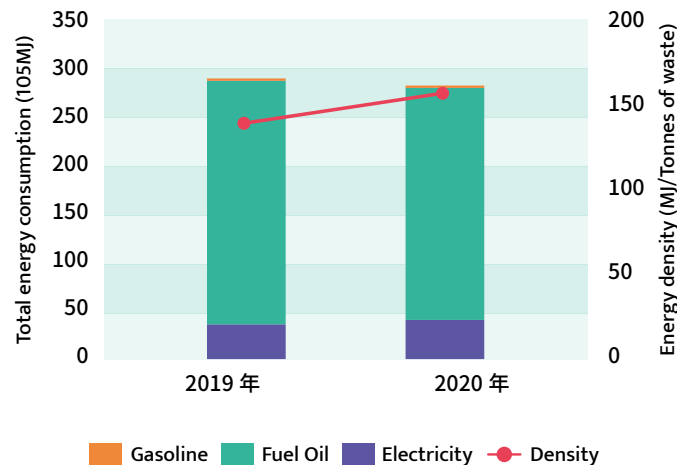
Type	Location	2019	2020
Electricity (MJ) <sup>Note 1</sup>	Landfill sites (Da Ning and Chi Wei)	500,544	463,892
	Solidification	2,020,536	2,201,184
	Plant (Cleanaway)	1,165,248	1,479,744
	Head Office	235,296	208,224
Gasoline (MJ) <sup>Note 2</sup>	Landfill sites (Da Ning and Chi Wei)	96,841	222,099
	Solidification	65,994	55,005
Fuel Oil (MJ) <sup>Note 2</sup>	Landfill sites (Da Ning and Chi Wei)	3,299,820	2,695,668
	Solidification	2,868,667	2,622,630
	Plant (Cleanaway)	2,362	2,362
	Head Office	19,160,648	18,741,129
Total (MJ) <sup>Note 3</sup>	Kang Lien	28,691,936	
Waste Processing Volume (metrictonne)		208,336	180,979
Energy Intensity (MJEnergy/waste-metric-tonne)		141	159

Note 1: Electricity consumption results from the generation of externally purchased or acquired electricity.

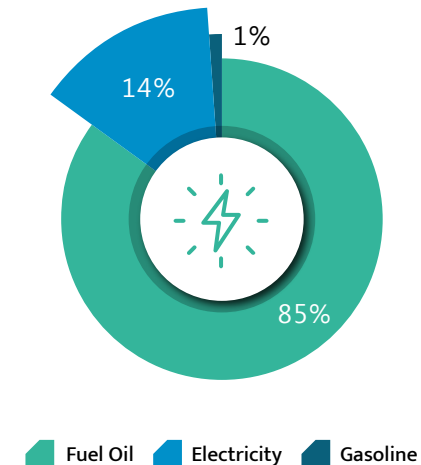
Note 2: Gasoline is used for company cars and gasoline engine oil.

Note 3: Total consumption = Energy use \* Unit of calorific value. For the unit of calorific value, please refer to ver. 6.0.4 of the EPA's GHG Emissions Factor Management Chart.

► Energy consumption and energy density in each year from 2019 to 2020



► Ratio of total energy consumption from 2019 to 2020 (%)



■ GHG Emissions

GHG Inventory

Global warming and climate change caused by GHG emissions are important environmental issues for the world. Economically effective and active emission reduction measures must be taken to effectively reduce greenhouse gas emissions and reduce the impact on the global environment.

Cleanaway voluntarily obtained ISO 14064-1: 2018 from third party GHG verification team for FY19 and FY20, to manage our GHG emission status. In addition, the carbon footprint of the Group's business waste treatment will be completed this year. ISO 14067: 2018 (Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification) will be completed this year to systematically assess the environmental impact of waste treatment and final disposal activities. Based on the results of the carbon footprint inventory, the Group will promote effective carbon reduction control measures. In the future, the Group will continue to improve the efficiency of machinery and equipment, and update and upgrade environmental protection equipment to implement energy-saving and carbon-reduction plans.

The Group's GHG emission information, including category 1 stationary emissions from generators; mobile emissions from heavy machinery and vehicles; and the emissions from the use of energy during operation and movement of trucks; and fugitive emissions from refrigerants of various air conditioning units in the facility, as well as the facilities such as fire extinguishers and septic tanks.

Category 2 refers to GHG emissions from the purchased electricity. Main emission sources of category 3 are emissions from upstream and downstream transportation and distribution, employee commuting, overseas

business, product purchase and use, as well as waste disposal. Lastly, the main emission sources of category 4 are emissions from product purchase and use, and waste disposal.

Since we passed the verification for GHG emission, we take 2019 as the base year. We will conduct the annually GHG verification and widened its scope of services to built up a comprehensive database of our GHG emission information.

In order to realize the GHG Voluntary Reduction, we set up GHG emission goals as control and management approach: We aim to achieve a 2% reduction in GHG emissions by 2030 vs. 2019. We will prepare an annual program for conserving energy and reducing carbon emissions and setup an emission indicator for GHG emission control and management. Also, we will have monthly review meeting to achieve our GHG reduction goal.



### ► The GHG Emissions information for all categories

Inventory scope <sup>Note 1</sup>	Emissions (Tonnes CO <sub>2</sub> e)		Account for (%)	
	2019	2020	2019	2020
Category 1 <sup>Note 2</sup> Direct GHG emissions	2,375.169	1,991.360	26.5	21.2
Category 2 <sup>Note 3</sup> Indirect GHG emissions from imported energy	554.474	615.472	6.2	6.5
Category 3 <sup>Note 4</sup> Other indirect GHG emissions	190.385	193.590	2.1	2.1
Category 4 <sup>Note 5</sup> Avoided emissions	5,832.235	6,601.358	65.1	70.2
<b>Total emission <sup>Note 6</sup> = Category 1 + Category 2 + Category 3 + Category 4</b>	<b>8,952.263</b>	<b>9,401.781</b>		
<b>Greenhouse gas emission intensity <sup>Note 8</sup> (Tonnes CO<sub>2</sub>e/ Tonnes waste)</b>	<b>0.043</b>	<b>0.052</b>		

Note 1: Category 1-4 covers CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs.

Note 2: Category 1 covers stationary source emissions, mobile source emissions, and fugitive source emissions.

Note 3: Category 2 is the emissions from the use of purchased electricity.

Note 4: Main source emissions of Category 3 are resulted from upstream/ downstream transport and distribution for goods, employee commuting, business travels, the use and the purchase of goods, and waste treatment.

Note 5: Main source emissions of Category 4 are resulted from the use and the purchase of goods, as well as waste treatment.

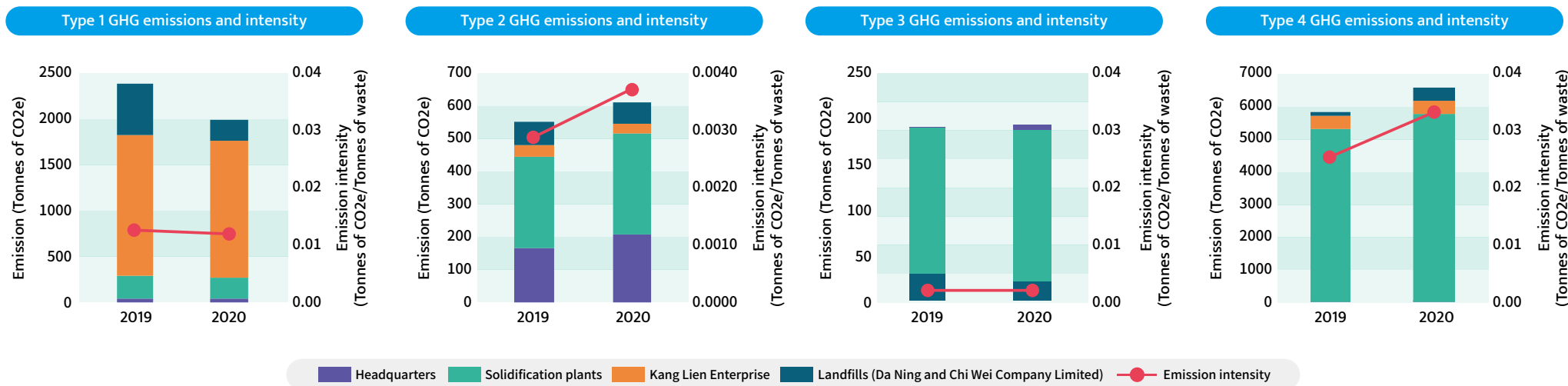
Note 6: GHG emission calculation method: category 1, category 3 and category 4 are activity data\*emission factor\*GWP value [For emission factor, please refer to EPA Greenhouse Gas Emission Factor Management Table 6.0.4 version and product carbon footprint database. For GWP value, please refer to IPCC AR5] Category 2 is purchased electricity (kWh)\* CO<sub>2</sub>e emission factor (Kg/kWh). CO<sub>2</sub>e emission factor (Kg/kWh) is announced by the Energy Bureau: 0.509 in 2019. As Energy Bureau has not yet announced the carbon emissions of electricity for 2020 before the report is issued, the 2020 electricity carbon emission factor is calculated based on the 2019 electricity carbon emission factor 0.509 kg CO<sub>2</sub>e/degree.

Note 7: GHG inventory operations are conducted by the operation control method

Note 8: GHG emission intensity calculation method: category 1+category 2+category 3+category 4 (metric tons CO<sub>2</sub>e)/ waste treatment volume (metric tons).



► 2019 and 2020 Greenhouse Gas Emissions



■ Contribution to Greenhouse Gas Emission Reduction

Installing Renewable Energy Power Generation Equipment

In order to effectively implement energy conservation and carbon reduction, the Group has promoted the installation of solar power generation systems on the rooftops of closed landfill sites and factory buildings in recent years. Moreover, the Group has also generated electricity with gas turbines using recycled biogas from landfill sites, which not only reduces the global warming potential resulted from methane, but can also maintain a continuous supply of green energy. In addition, the Group has also established an energy company that serves as its goal of developing renewable energy in the future.

According to statistics on the Group's cumulative electricity generation from renewable energy from 2014 to 2020, the Group has generated 16,835,096 kWh of electricity from solar energy and 82,165 kWh of electricity from biogas, with a combined total of 16,917,261 kWh of electricity from both renewable energy sources. According to the Group's performance in carbon reduction through renewable energy, the Group has successfully reduced 8,611 metric tons of carbon dioxide in total as of 2020. Meanwhile, the Group reported a total on-site carbon dioxide emissions of 18,354.04 metric tons from 2019 to 2020, as well as a reduction of 6,620.71 metric tons of carbon dioxide emissions through renewable energy, contributing 36% of carbon dioxide reduction in the process<sup>(Note 1)</sup>. The Company is demonstrating improving performance in carbon reduction through renewable energy year by year. In the future, the Group will continuously develop plans to increase the installation and use of renewable energy, so as to reduce the impact of electricity consumption on the environment.

Note 1: Contribution to carbon dioxide reduction (%) = Reduction of carbon dioxide emissions through renewable energy/total on-site carbon dioxide emissions.

Expanding the Use of Energy-saving Equipment

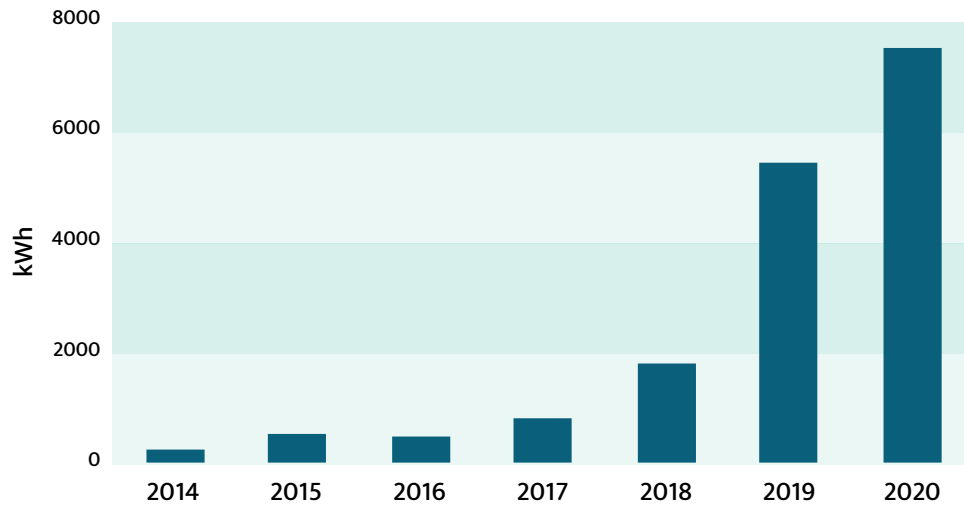
The Group also continues to promote energy-saving measures for lighting each year, including gradually replacing faulty lamps with energy-saving LED lamps and purchasing electrical appliances with energy label. Additionally, the Group also implements energy-saving measures for gasoline and diesel, including strengthening efforts to carry out regular maintenance of vehicles and machines in order to maintain normal performance and operation of machines, as well as adding gasoline additives to clean and lubricate fuel systems, thereby achieving the purpose of saving fuel and increase machinery performance. In the future, the Group will continue to gradually replace old heavy machines with new ones, appropriately adjust the percentage of use of electric machines, promote green procurement, and select environmentally friendly products such as variable frequency equipment, high-efficiency transformers, and LED lighting, in order to improve energy utilization efficiency, thereby realizing the benefits of energy conservation.

Site Greening and Beautification

Apart from green energy installation and operation management, the Group has also built a vertical garden (plant wall) with an area of 2,593.77 square meters that held the Guinness World Record in 2015, where a plant cover occupies a quarter of the area of the site. The garden is capable of reducing 31,813.22 kg of carbon dioxide each year<sup>(Note 2)</sup>. The Group's headquarters has also been honored with the Kaohsiung Green-Building Award in 2017, thanks to its significant contribution to effectively reducing carbon dioxide emissions. The Group will continue to implement energy conservation and consumption control at its plants and remain committed to improving energy utilization efficiency, energy resource integration, and the use of low-carbon fuels and biomass energy, in hopes of contributing its efforts to global greenhouse gas reduction and making Earth a better place.

Note 2: The amount of fixed carbon on plant walls and plant covers is calculated using an annual fixed carbon factor of 0.3 kg CO2e/m2 by reference to the Green Building Evaluation Manual (2019 Edition).

► Electricity Generation from Renewable Energy in Previous Years <sup>(Note 3)</sup>



Note 3: Cumulative electricity generation from renewable energy includes the total amount of electricity generated from both solar energy and biogas.

► Overview of Cleanaway Group's Performance in Electricity Generation from Renewable Energy

Plant	Item	Type of renewable energy	Installation completion time	Cumulative electricity generation (kWh) <sup>(Note 4 and Note 5)</sup>	Cumulative CO2e reduction
Solidification plant (Cleanaway)		Solar energy	July 2014	3,139,718	
Landfill (Cleanaway Enterprise)		Solar energy	August 2017	13,695,378	8,611
Landfill (Da Tsang)		Biomass energy	October 2019	82,165	

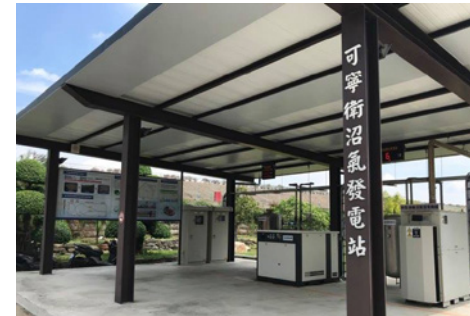
Note 4: Since the 2020 electricity carbon emission factor was yet to be announced by the Bureau of Energy before this report was published, carbon dioxide emission reduction was calculated using the 2019 electricity carbon emission factor of 0.509 kg CO<sub>2</sub>e/kWh.

Note 5: Electricity generation refers to cumulative electricity generation from each renewable energy source upon completion of installation till December 2020.

► Solar panels installed on the rooftops of landfill sites and the solidification plant



► Biogas Power Generation System



► The Green Wall of Chi Wei Landfill in Gangshan Listed in Guinness World Records



► Cleanaway Group: 2017 Special Reward of Kaohsiung Photovoltaic Intelligent Building Certificate



### 4.3 Pollution Control

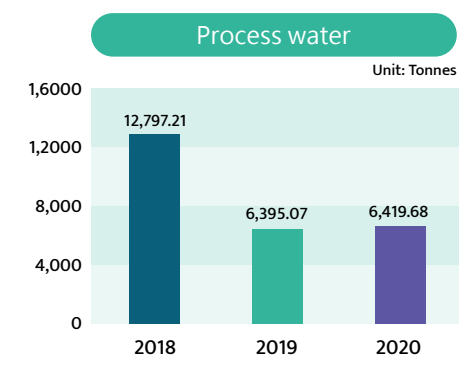
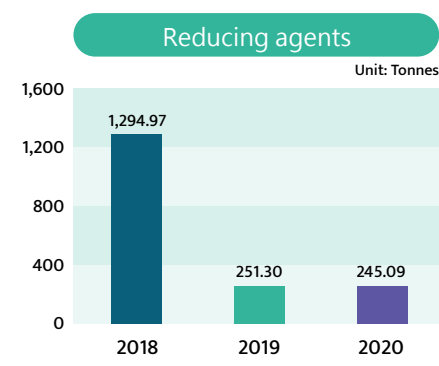
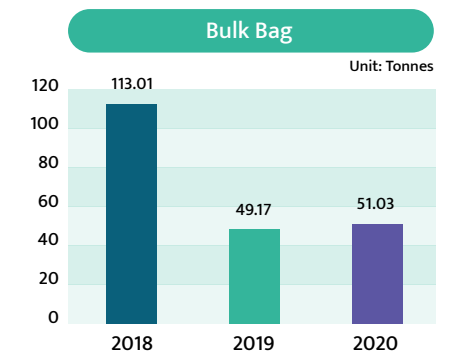
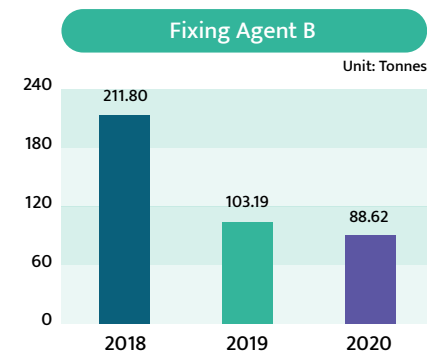
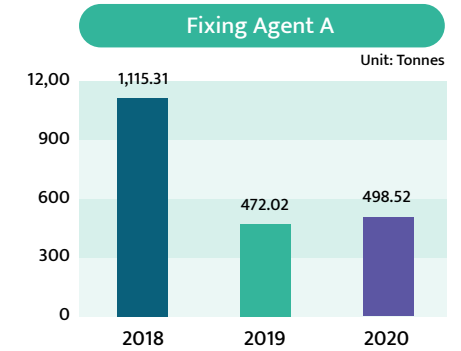
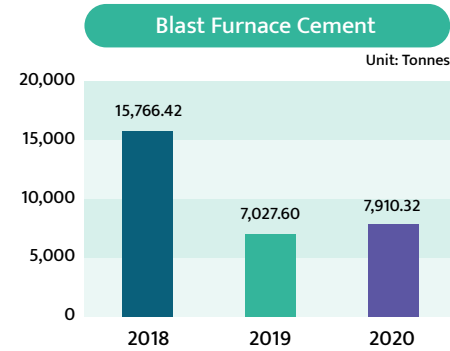
#### Materials Used by Weight or Volume

As an intermediate treatment solidification plant for hazardous industrial waste, solidification products are the main products generated by Cleanaway from solidification. In order to prevent the environmental burden resulted from waste of input materials and ensure that the quality of solidification products comply with national regulations, the Company conducts feasibility experiments with optimal solidification ratios before generating each batch of solidification products, so that unnecessary waste of input materials can be reduced.

The main input materials used by the Company include blast furnace cement, solidification agent A, solidification agent B, bulk bags, reducing agents, and process water. From 2018 to 2020, The Company used 30,704.34 tons of blast furnace cement in total, accounting for 50.49% of the total input materials used, which is the highest proportion of them all. On the other hand, the Company used 2,085.85 tons of solidification agent A, 403.61 tons of solidification agent B, and 1,791.36 tons of reducing agents, all of which are the most important agents for solidification treatment at Cleanaway, in total from 2018 to 2020, accounting for 3.43%, 0.66%, and 2.95% of the total input materials used, respectively. These three types of agents chelate different types of heavy metals to produce solidification products that met regulatory standards. Meanwhile, the Company used 213.21 tons of bulk bags and 25,611.95 tons of process water in total from 2018 to 2020, accounting for 0.35% and 42.12% of the total input materials used, respectively. As Cleanaway effectively uses precious water resources, we collect and recycle domestic water used by employees, water used for vehicle washing and floor cleaning, and rainwater at various plants, which can not only reduce waste of water resources, but also avoid damaging the surrounding environment. Data on the use and consumption of various types of input materials are detailed as follows.

Unit: Ton

Types of input materials	2018	2019	2020	Total use and consumption	Account for
Blast furnace cement	15,766.42	7,027.60	7,910.32	30,704.34	50.49%
Solidification agent A	1,115.31	472.02	498.52	2,085.85	3.43%
Solidification agent B	211.80	103.19	88.62	403.61	0.66%
Bulk bags	113.01	49.17	51.03	213.21	0.35%
Reducing agents	1,294.97	251.30	245.09	1,791.36	2.95%
Process water	12,797.21	6,395.07	6,419.68	25,611.95	42.12%



## Recycled Input Materials Used

Cleanaway uses up to 95.91% of recycled input materials as input materials for solidification during the hazardous industrial waste treatment process. Such an effort can not only reduce waste of resources, but also decrease the Company's need for environmental resources, in hopes of achieving the goal of sustainable regeneration. There are four types of input materials recycled and reused by Cleanaway, namely blast furnace cement, bulk bags, reducing agents, and process water. Slags added to blast furnace cement are sourced from waste generated by steel-making plants. As a cement additive, slags can not only reduce cement waste by 30% and thus achieve the goal of waste recovery, but also reduce CO<sub>2</sub> emissions by 37% compared to portland cement. On the other hand, reducing agents are sourced from waste acid recycled from surface treatment at various steel plants, whereas bulk bags are made of recycled polypropylene (PP) pellets. The Company hopes to minimize its impact on the environment by recycling and storing water used for process and floor cleaning at factories as well as rainwater to be provided as process water for solidification, thereby achieving the goal of recycling and reusing wastewater and rainwater and ultimately reducing waste of water resources.

## Air Pollution Emissions (Other Major Gas Emissions)

The main air pollutants generated from manufacturing processes at the Cleanaway solidification plant include particulate matters and heavy metals, such as lead, copper, mercury, and cadmium. The values of test items for these pollutants are lower than the Stationary Pollution Source Air Pollutant Emissions Standards stipulated in the relevant laws and regulations.

Solidification plant (Cleanaway) air quality inspection

Test items	Stationary Pollution Source Air Pollutant Emissions Standards	2018	2019	2020
Particulate matters (g/s)	0.47	<2.57×10 <sup>-3</sup>	<2.58×10 <sup>-3</sup>	0.01
Lead (g/s)	0.01	<9.57×10 <sup>-5</sup>	<4.0×10 <sup>-4</sup>	<1.36×10 <sup>-4</sup>
Copper (mg/Nm <sup>3</sup> )	1.02	<7.89×10 <sup>-2</sup>	<7.96×10 <sup>-2</sup>	<3.56×10 <sup>-4</sup>
Mercury (mg/Nm <sup>3</sup> )	0.05	<1.60×10 <sup>-3</sup>	<1.50×10 <sup>-3</sup>	<2.75×10 <sup>-5</sup>
Cadmium (g/s)	4.96×10 <sup>-4</sup>	<1.15×10 <sup>-5</sup>	<2.0×10 <sup>-5</sup>	<9.86×10 <sup>-6</sup>

## Waste Generation and Significant Waste-related Impacts

As the Cleanaway solidification plant carries out solidification of hazardous industrial waste, waste collection and solidification at the plant as well as waste generated from personnel activities at the plant may have an impact on the environment. Such impact mainly includes dust within the plant, wastewater (sewage) generated from equipment cleaning, solidification products generated from solidification of hazardous industrial waste, and derived waste generated from operating activities.

As Chi Wei and Da Ning landfills carry out landfilling of general industrial waste, waste collection and waste generated from sanitary landfilling and personnel activities on these landfills may have an impact on the environment. Such impact primarily includes dust, foul odor, and wastewater (sewage) generated from landfilling as well as derived waste generated from operating activities.

## Management of Significant Waste-related Impacts

### a. Preventive Management for the Significant Impact of Waste

(1) In order to implement preventive management for the significant impact of waste, the Cleanaway solidification plant has installed air pollution control and dust collection equipment, wastewater (sewage) pre-treatment facilities (where wastewater is fully recycled and reused for solidification to achieve the goal of "zero wastewater discharge"), and proper storage facilities for solidification products. Moreover, the plant also ensures that its solidification operations management complies with environmental protection regulations, implements proper operations management to reduce energy resource consumption, and effectively controls operating activities to reduce its impact on the environment.

(2) Chi Wei and Da Ning landfills comply with legal treatment methods and cover their non-landfilling areas with impervious cloth to lessen the impact of rainwater, reduce water seepage, and decrease foul odor diffusion. Most of the wastewater (sewage) collected from the landfills is channeled back to the surface of the landfills in the landfilling areas to suppress dust, thereby realizing the principles of recycling and reuse. Additionally, these landfills implement proper implementation and control of operating activities to reduce their impact on environmental quality.

### b. Direction of Flow for the Treatment of Derived Waste from the Company's Operations

Derived waste generated from operating activities at the Cleanaway solidification plant and Chi Wei and Da Ning landfills is managed by third-party organizations through various methods, namely incineration, landfilling, and recycling. All these facilities sign contracts with third-party organizations and report their waste output, storage, and disposal online in accordance with the relevant regulations to ensure proper waste treatment.

### c. Collection of Waste-related Data



The output of derived waste generated from operating activities at the Cleanaway solidification plant and Chi Wei and Da Ning landfills is recorded by dedicated personnel on a monthly basis. Disposal of such waste is carried out by the facilities themselves or outsourced third parties according to the schedule included in the waste disposal proposal.

## Waste Generated

The Cleanaway solidification plant generated 9.17 tons of derived hazardous industrial waste in total within the most recent three years, including 4.18 tons in 2018, 2.38 tons in 2019, and 2.61 tons in 2020. Such waste was mainly composed of other mixed waste containing toxic heavy metals and exceeding the leaching standard limits after undergoing the toxicity characteristic leaching procedure (TCLP) at the Inspection Center. On the other hand, the Cleanaway solidification plant generated 179,095.07 tons of derived general industrial waste in total within the most recent three years, including 52.14 tons of domestic waste and waste wood mixtures, 5.57 tons of waste plastic mixtures, 0.63 tons of waste fiber or cotton cloth mixtures, 42.28 tons of inorganic sludge, 0.89 tons of non-hazardous waste furnace dust or other mixtures, 4.19 tons of waste lubricant, 0.38 tons of waste glass, ceramic, brick, tile, and clay mixtures, and 178,988.99 tons of solidification products generated from intermediate treatment.

### Types and volume of derived hazardous industrial waste at Cleanaway solidification plant from 2018 to 2020

Unit: Ton

Category	Industrial Waste Code	2018	2019	2020	Volume
Hazardous Industrial Waste	Other mixture waste containing toxic heavy metals containing toxic substances and exceeding the leaching standard limit(C-0119)	4.18	2.38	2.40	8.96
	Flash point of waste liquid below 60°C(C-0301) Note1	-	-	0.20	0.20
	Other flammable industrial waste mixture(C-0399) Note2	-	-	0.01	0.01
General Industrial Waste	Mixture of domestic garbage and waste wood(H-0002, D-0799)	20.79	20.39	10.96	52.14
	Mixture of waste plastics(D-0299)	2.40	1.88	1.29	5.57
	Waste fiber or other mixtures of cotton, cloth, etc. (D-0899)	0	0	0.63	0.63

Category	Industrial Waste Code	2018	2019	2020	Volume
General Industrial Waste	Inorganic sludge(D-0902)	15.78	14.48	12.02	42.28
	Non-hazardous scrapped furnace dust or its mixtures(D-1099)	0.30	0.27	0.32	0.89
	Scrapped lubricating oil (R-1703) Note 3	0	1.91	2.28	4.19
	Mixtures of other waste glass, ceramics, bricks, tiles and clay (D-0499)	0.12	0.12	0.14	0.38
	Solidified objects after intermediate treatment(ton) (D-2002)	93,724.93	42,130.39	43,133.67	178,988.99

Note 1: Flash point of waste liquid below 60°C(C-0301) is a new industrial waste code in 2020.

Note 2: Other flammable industrial waste mixture(C-0399) is a new industrial waste code.

Note 3: Waste lubricating oil in 2018-2019 was incinerated, and the code is D-1703.

Waste lubricating oil in 2020 was recycled and reused, and the code is R-1703.

Meanwhile, Chi Wei and Da Ning landfills generated zero derived hazardous industrial waste and 47.11 tons of derived general industrial waste in total within the most recent three years, including 26.62 tons of domestic waste, 11.03 tons of inorganic sludge, 7.72 tons of sludge mixtures, and 1.74 tons of waste activated carbon.

### Types and volume of derived hazardous industrial waste at Chi Wei and Da Ning landfills from 2018 to 2020

Unit: Ton

Category	Industrial Waste Code	2018	2019	2020	Volume
General Industrial Waste	Domestic garbage (H-0002)	10.84	9.78	6.0	26.62
	Inorganic sludge (D-0902)	9.68	0.78	0.57	11.03
	General Industrial Waste (D-0999)	7.20	0.30	0.22	7.72
	Waste Activated Carbon (D-2403)	0.47	0.65	0.62	1.74

## Waste Diverted from Disposal

The Cleanaway solidification plant generated 179,045.91 tons of derived waste requiring outsourced disposal (including solidification products) in total within the most recent three years, including 93,745.84 tons in 2018, 42,152.81 tons in 2019, and 43,147.26 tons in 2020. 54.26 tons and 2.28 tons of derived waste were treated by incineration and recycling, respectively, while the remaining 178,989.37 tons of derived waste (including solidification products) were treated by landfilling. Qualified disposal and treatment organizations were commissioned to carry out waste disposal (including solidification products) by incineration, recycling, and landfilling.

### ▶ Type of treatments and volume of derived waste requiring outsourced disposal at Cleanaway solidification plant from 2018 to 2020

Unit: Ton

Category	Type of Treat-ments	Industrial Waste Code	2018	2019	2020	Volume
Hazardous Industrial Waste	Incineration	Flash point of waste liquid below 60°C (C-0301) <sup>Note 1</sup>	-	-	0.20	0.20
		Other flammable industrial waste mixture (C-0399) <sup>Note 2</sup>	-	-	0.01	0.01
General Industrial Waste	Incineration	Mixture of domestic garbage and waste wood (H-0002,D-0799)	20.79	20.39	10.96	52.14
		Scrapped lubricating oil (R-1703)	0	1.91	-	1.91
	Recycling and Rreusing	Scrapped lubricating oil (R-1703)	-	-	2.28	2.28
	Waste landfill	Mixtures of other waste glass, ceramics, bricks, tiles and clay (D-0499)	0.12	0.12	0.14	0.38
		Solidified objects after intermediate treatment(Ton) (D-2002)	93,724.93	42,130.39	43,133.67	178,988.99
Subtotal			93,745.84	42,152.81	43,147.26	179,045.91

Among the derived waste requiring outsourced disposal that was generated by Chi Wei Landfill in the most recent three years, 17.62 tons were domestic waste that was treated by incineration while 12.37 tons were treated by landfilling. Qualified disposal and treatment organizations were commissioned to carry out waste disposal.

### ▶ Type of treatments and volume of derived waste requiring outsourced disposal at Chi Wei Landfill from 2018 to 2020

Unit: Ton

Category	Type of Treat-ments	Industrial Waste Code	2018	2019	2020	Volume
General Industrial Waste	Incineration	Domestic Waste (H-0002)	7.84	5.78	4.0	17.62
		Inorganic sludge (D-0902)	9.68	0.78	0.57	11.03
	Waste landfill	Waste activated carbon (D-2403)	0.47	0.45	0.42	1.34
Subtotal			17.99	7.01	4.99	29.99

Da Ning Landfill generated 9.0 tons of derived waste requiring outsourced disposal in total within the most recent three years, all of which were treated by incineration. Qualified disposal and treatment organizations were commissioned to carry out waste disposal.

### ▶ Type of treatments and volume of derived waste requiring outsourced disposal at Da Ning Landfill from 2018 to 2020

Unit: Ton

Category	Type of Treat-ments	Industrial Waste Code	2018	2019	2020	Volume
General Industrial Waste	incineration	Domestic Waste (H-0002)	3.0	4.0	2.0	9.0

## Waste Directed to Disposal

The Cleanaway solidification plant generated 58.33 tons of self-disposed derived waste in total in the most recent three years, all of which were treated by solidification, including 22.66 tons in 2018, 19.01 tons in 2019, and 16.66 tons in 2020. Derived waste that can be treated by the plant itself as indicated in the waste disposal proposal was treated by the plant in accordance with the law and reported online on schedule.

▶ Type of treatments and volume of self-disposed derived waste at Cleanaway solidification plant from 2018 to 2020

Unit: Ton

Category	Type of Treat-ments	Industrial Waste Code	2018	2019	2020	Volume
Hazardous Industrial Waste	Waste solidification	Other mixture waste containing toxic heavy metals containing toxic substances and exceeding the leaching standard limit. (C-0119)	4.18	2.38	2.40	8.96
		Mixture of waste plastics (D-0299)	2.40	1.88	1.29	5.57
General Industrial Waste)	Waste solidification	Waste fiber or other mixtures of cotton, cloth, etc. (D-0899)	0	0	0.63	0.63
		Inorganic sludge (D-0902)	15.78	14.48	12.02	42.28
		Non-hazardous scrapped furnace dust or its mixtures(D-1099)	0.30	0.27	0.32	0.89
Subtotal			22.66	19.01	16.66	58.33

Da Ning Landfill generated 8.12 tons of self-disposed derived waste in total within the most recent three years, all of which were treated by landfilling, including 7.2 tons in 2018, 0.5 tons in 2019, and 0.42 tons in 2020. Derived waste that can be treated by the landfill itself as indicated in the waste disposal proposal was treated by the landfill in accordance with the law and reported online on schedule.

▶ Type of treatments and volume of self-disposed derived waste at Da Ning Landfill from 2018 to 2020

Unit: Ton

Category	Type of Treat-ments	Industrial Waste Code	2018	2019	2020	Volume
General Industrial Waste)	Waste landfill	Sludge mixtures (D-0999)	7.2	0.3	0.22	7.72
		Waste activated carbon (D-2403)	0	0.2	0.2	0.4
Subtotal			7.2	0.5	0.42	8.12

## 4.4 Water Resource Management

### Interactions with Water as a Shared Resource

Cleanaway Company Limited(Group headquarter and solidification plant), Da Ning Co., Ltd.(Landfill), Chi Wei Company Limited(Landfill)are all located in Gangshan District, Kaohsiung City. According to the "Water Risk Assessment Tool" of the World Resources Institute, Shows the water pressure of the area where the Group's companies are located is "Low-Medium risk (1-2)."

### Management of Water Discharge-related Impacts

At the Group's solidification plant, wastewater is only generated from equipment cleaning while no wastewater is generated from the waste treatment process, thereby achieving the goal of "zero wastewater discharge." Most of the wastewater generated from landfills is collected and stored before being recycled, channeled back to the landfills, and sprinkled on the surface of the landfills to suppress dust, while only a small amount of wastewater is discharged, thus helping to create a friendly environment and reduce the load on receiving waters. Furthermore, each plant (site) not only conducts self-testing, but also commissions qualified environmental testing organizations to conduct water quality testing on a regular basis in accordance with environmental protection regulations and the implementation of pollution control, where the water quality at these plants (sites) meets regulatory requirements, thereby achieving effective management.

### Water Withdrawal

The Group's various plants (sites) withdraw water from three sources, namely third-party water supply (tap water), groundwater (rainwater collected by detention ponds), and produced water (wastewater collected by storage tanks or wastewater plants).

1. Tap water: It is provided for use as domestic water for employees at the headquarters and various plants (sites), watering plants at the headquarters, and for use in various processes at the solidification plant.
2. Surface water: It is provided for watering plants along the green belts in landfill areas, and for use in various processes at the solidification plant.
3. Produced water: It is provided for use in manufacturing processes at the solidification plant, and as water to be sprinkled on the surface of landfills to suppress dust.

Unit: Million Litres

Item	Headquarter (Cleanaway)			Solidification plant (Cleanaway)			Landfill areas (Da Ning, Chi Wei)			
	2018	2019	2020	2018	2019	2020	2018	2019	2020	
Withdraw water from	Tap water	10.042	12.373	9.340	5.146	2.640	2.462	0.946	1.447	1.377
	Surface water	-	-	-	8.621	3.143	4.269	25.850	24.915	26.410
	Produced water	-	-	-	0.144	0.267	0.264	11.888	19.360	22.561

## Water Discharge

Since the Group's headquarters is an administrative office located in a residential area, only water used for watering plants and a small amount of used domestic water are discharged through the urban sewage system. At various plants (sites), wastewater is generated from not only domestic water, but also water used for equipment cleaning, water seepage from landfills, and wastewater produced from vehicle washing. Wastewater (sewage) is recycled and reused (as produced water) or discharged by plants (sites) after treatment. Specifically, wastewater at the solidification plant is stored in storage tanks after undergoing the primary precipitation process, and then fully recycled and reused for various processes, thereby achieving the goal of zero discharge. Meanwhile, wastewater generated by landfills is either collected and stored before being sprinkled on the surface of the landfills to suppress dust or discharged into receiving waters after undergoing chemical treatment. Regular testing and reporting of related water quality items are carried out on both stored water at the solidification plant and discharged water from landfills in accordance with the Water Pollution Control Measures and Test Reporting Management Regulations. The relevant test reports for the most recent three years complied with regulatory requirements.

Unit: Million Litres

Plant (site)		Headquarter (Cleanaway)			Solidification plant (Cleanaway)			Landfill areas (Da Ning, Chi Wei)		
Year		2018	2019	2020	2018	2019	2020	2018	2019	2020
Wastewater (sewage)	Recycle and reuse	0	0	0	0.144	0.267	0.264	11.888	19.360	22.561
	Discharge	9.038	11.136	8.406	0	0	0	4.447	0.206	0.214

## Water Consumption

In view of rapid changes in the water environment caused by climate change in recent years, droughts and floods are happening more frequently than ever before, leading external stakeholders to be increasingly concerned about water resource issues. The Group has actively taken various management actions, such as building rainwater storage facilities and recycling reclaimed water to respond to complex water resource issues as early as possible and effectively integrate management concepts, including prevention, conservation, and contingency. In 2020, the Group fully replaced domestic water devices for employees with products with the water label through water conservation management at various plants (sites). Additionally, high-water consumption equipment at the Inspection Center (e.g., pure water generator) has been installed with recycled water circulation systems, so as to gradually achieve the goal of optimizing the use of water resources.

Unit: Million Litres

Plant (site)	Headquarter (Cleanaway)			Solidification plant (Cleanaway)			Landfill areas (Da Ning, Chi Wei)		
Year	2018	2019	2020	2018	2019	2020	2018	2019	2020
Water consumption	1.004	1.237	0.934	13.911	6.050	6.995	34.237	45.516	50.134







# Friendly Workplace

# 5

- 5.1 Employee Structure and Distribution
- 5.2 Employee Care and Well-being
- 5.3 Talent Development
- 5.4 Workplace Safety
- 5.5 Labor-management Communication

Cleanaway adopts a recruitment policy based on human rights and in compliance with relevant labor regulations to protect the rights and interests of each employee, so that there is no difference in treatment when it comes to performance appraisal and promotion opportunities due to factors such as race, class, language, ideology, religion, political party, place of origin, gender, appearance, facial features, disability or special status in the past, thereby bringing more diversity to employee composition.

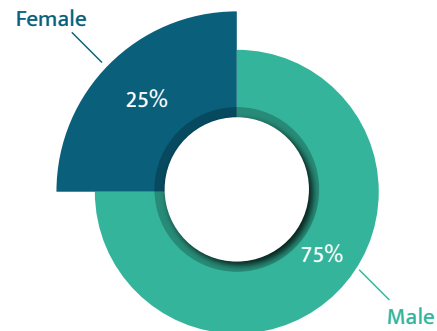
### 5.1 Employee Structure and Distribution

All the employees at Cleanaway are full-time employees (no temporary or part-time employees) who are Taiwan nationals. The gender and age distribution of employees at Cleanaway are presented in the following table.

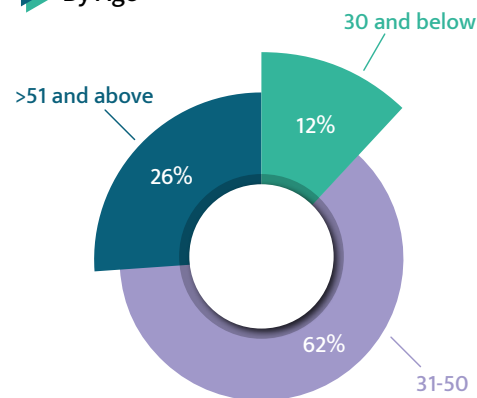
Item/Gender		Men			Women			Total
Plant	Type of contract	Full-time			Full-time			
	Age	30 and below	31-50	>51 and above	30 and below	31-50	51 and above	
Cleanaway	Full-time	6	27	8	14	75	35	165
	Part-time	0	0	0	0	0	0	0
	Total	6	27	8	14	75	35	165

- ◆ Among all the employees at Cleanaway, two are indigenous employees and four are employees with physical and mental disabilities.
- ◆ Local residents account for 100% of the senior executives at Cleanaway.
- ◆ The number of employees in the table above does not include directors and supervisors.

#### ► By Gender



#### ► By Age



#### ► Turnover rate summary in recent 3 years

Year	2018				2019				2020			
	Men	Men turnover rate (%)	Women	Women turnover rate (%)	Men	Men turnover rate (%)	Women	Women turnover rate (%)	Men	Men turnover rate (%)	Women	Women turnover rate (%)
30 and below	2	25	0	0	4	80	1	16.7	1	7.1	1	16.6
31-50	6	6.9	2	7.1	7	8.1	1	3.5	8	10.7	2	7.4
51 and above	2	6.3	1	12.5	6	19.3	0	0	3	8.6	0	0
Total no. of leavers	13				19				15			
Total no. of employees	153				164				165			
Overall turnover rate (%)	8.5				11.5				9.0			

Note: Turnover rate (%) = Number of resigned employees in the category for the current year/total number of employees in the category at the end of the current year

Note: The number of resigned employees include those who have voluntarily resigned, been dismissed, retired or died in the line of duty.



## ▶ New hires in recent 3 years

Year	2018				2019				2020			
	Men	Men employment rate (%)	Women	Women employment rate (%)	Men	Men employment rate (%)	Women	Women employment rate (%)	Men	Men employment rate (%)	Women	Women employment rate (%)
30 and below	7	53.8	1	33.3	2	40	5	83.3	11	78.6	2	33.3
31-50	18	20	3	9	4	4.6	2	7.1	6	23.1	2	7.4
51 and above	0	0	0	0	1	3.2	0	0	2	33.3	0	0
Total new hires	29				14				23			
Total no. of employees	153				164				165			
Overall employment rate (%)	18.9				8.5				13.9			

Note: Employment rate (%) = Number of new employees in the category for the current year/total number of employees in the category at the end of the current year

Note: The number of new employees does not exclude employees who have left their positions midway.

## 5.2 Employee Care and Well-being

Cleanaway is committed to promoting care for employees and their families and lives by listening to employees' voices and communicating the vision and culture that connect employees, work, and the Company, so as to encourage everyone at Cleanaway to work together and grow continuously through mutual trust.

### I. A Diverse Range of Communication Channels

- (I) Internal announcement and online communication platform: Announcements are made on the EB system, the Company's internal platform.
- (II) Labor union and labor-management communication meetings: Labor-management meetings are held four times a year and participated by three representatives appointed by both sides, respectively.
- (III) Employee grievance channel: Employees at the Company can send their grievances to the e-mail addresses of the President and unit supervisors, which can be obtained from the employee directory.

## II. Employee Well-being

The Company provides employees with standard benefits, such as labor and health insurance and pension contributions, in accordance with the Labor Standards Act. Additionally, the Company has also established an employee welfare committee.

1. The Company makes adequate contributions to the pension reserve for workers under the old pension system in accordance with the Labor Pension Act.
2. Employees can enjoy the following benefits that are handled by the employee welfare committee:

- ◆ Lunar New Year Festival and wedding and funeral cash gifts: Labor Day, Dragon Boat Festival, Mid-autumn Festival, hospitalization allowance, birthday and childbirth gifts, wedding gift, new residence gift, and condolence money.
- ◆ Company trips are organized twice a year, where one immediate family member of each employee is fully subsidized for these trips.
- ◆ The Company makes contributions to the employee welfare fund in accordance with the following rules:
  - (1) 1% of the capital of the business unit at the time of establishment.
  - (2) 0.15% of the total monthly operating revenue of the business unit.
  - (3) 0.5% of the monthly salary of each employee at the business unit.
  - (4) 40% of the change in scrap price at the business unit.
- ◆ Insurance: Group accident insurance and group life insurance.
- ◆ Unpaid parental leave.
- ◆ One-day ritual leave for indigenous employees in accordance with the list of indigenous rituals and ceremonies announced by the Council of Indigenous Peoples each year.



## Employees on Unpaid Parental Leave at Cleanaway

Gender/Total	2018			2019			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible to apply for parental leave, A <sup>(Note)</sup>	6	3	9	6	4	10	7	3	10
Number of employees who actually applied for parental leave in the current year, B	0	1	1	0	0	0	0	0	0
Number of employees to be reinstated after parental leave in the current year, C	0	1	1	0	0	0	0	0	0
Number of employees reinstated after parental leave in the current year, D	0	1	1	0	0	0	0	0	0
Number of employees reinstated after parental leave in the previous year, E	0	0	0	0	1	1	0	0	0
Number of employees who were reinstated after parental leave and continued working at the Company for one year, F	0	0	0	0	1	1	0	0	0
Reinstatement rate among employees on parental leave in the current year, % (D/C)	-	100%	100%	-	-	-	-	-	-
Retention rate among employees on parental leave in the current year, % (F/E)	-	-	-	-	100%	100%	-	-	-

Note: The number of employees eligible for unpaid parental leave is calculated based on the number of employees with children aged below three years old in the particular year obtained from the survey conducted by each unit.

## III. Compensation System at Cleanaway

- ◆ The salary of new employees is higher than the minimum basic salary in 2020 (NT\$23,800).
- ◆ The ratio basic salary and remuneration of female employees to male employees at the same department, with the same number of years of service, and in the same position and pay grade is 1:1, which is in line with public awareness of "equal pay for both genders" in the society. The standard salary of entry-level personnel of different gender at the Company is 1.26 times the local minimum salary.
- ◆ The highest monthly individual income is 8.79 times the median monthly income of all employees at the Company.
- ◆ The highest annual individual income is 20.28 times the median annual income of all employees at the Company.

## 5.3 Talent Development

### I. Communication and Training on Anti-corruption Policy and Procedures

The Company has formulated employee discipline documents that include employees' commitment to fulfilling confidentiality obligations when signing the "Letter of Employment" and the relevant rights and obligations stipulated in the "Work Rules." On the other hand, the Company has also established the "Employee Code of Conduct" and promulgated clear rules and regulations that address various issues, such as employee code of conduct, moral and ethics, recusal due to conflict of interest, gifts, and entertainment, in the abovementioned "Letter of Employment," "Work Rules," and "Employee Code of Conduct" to be complied with by all employees.

As far as directors and managers are concerned, the Company has also established the "Code of Ethical Conduct" to strictly prohibit directors and managers from either directly or indirectly providing, promising, requesting for or accepting any improper benefit, or engaging in any ethical violation, unlawful conduct or breach of fiduciary duty.

Education and training serve as an important channel for promoting internal systems and cultivating the correct idea of rule of law among employees. The implementation of communication and training on anti-corruption is as follows:

1. Board members: the Company's "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Codes of Ethical Conduct," are subject to approval by the board of directors; The same shall apply to any amendment thereto. The communication result is 100%.

2. Employees: Since going public, the Company has included various issues such as anti-corruption, moral and ethics, recusal due to conflict of interest, and gifts and entertainment, in orientation training for new employees. The "Letter of Employment" signed by all employees consists of contractual provisions that prohibit employees from engaging in fraud for personal gain, receiving kickbacks, and profiting others illegally. Furthermore, the Company's "Work Rules" also comprises specific provisions on duty of honesty, where employees are prohibited from using bribes, kickbacks, allowances or other improper means and must act in a fair and impartial manner when acquiring sales; employees are also not allowed to make requests to or lobbying the Company when performing their duties; and employees must act in a fair and impartial manner when carrying out procurement and audit-related duties. As of December 31, 2020, each and every employee has signed the consent form for the provisions above to show that they are aware of and comply with these provisions, which have been fully communicated to them.

3. Suppliers: The Company not only verbally communicates its anti-corruption policy to procurement personnel and suppliers, but also conducts ethical assessments on suppliers to ensure that suppliers engage in business dealings with the Company in a fair and transparent manner and do not request for, provide or accept bribes. All the aforesaid measures have been fully communicated to procurement personnel and suppliers. In 2020, Cleanaway began requiring some suppliers to sign the "Statement of Commitment for Suppliers." In the same year, only the parent company of the Group, Cleanaway, has required suppliers to sign the "Statement of Commitment for Suppliers." Out of the Group's 250 qualified suppliers, 91 copies of the "Statement of Commitment for Suppliers" have been successfully received from these suppliers, accounting for 36% of the total number of



qualified suppliers. The Company has already begun requiring the qualified suppliers of the Group's subsidiaries to sign the "Statement of Commitment for Suppliers" in 2021, with the expectation that up to 80% of the qualified suppliers will sign the statement by 2021 and 100% by 2025.

The Company neither committed any juristic act related to corruption, bribery, competition, trust, and monopoly nor engaged in lobbying for public policies in 2020.

## II. Employee Training

### New employees

New employees at Cleanaway undergo training on work rules (including sexual harassment prevention and awareness) provided by the human resources unit when they report for duty. Training for current employees is conducted in accordance with human resources regulations.

### Current Employee

The Company has formulated the "Guidelines for Employee Education and Training" to handle training-related matters, with a view to providing employees with the opportunity to attend training courses and enhance their professional skills, thereby assisting them in their professional and academic capabilities.

### Employee Assessment

New employees are required to undergo assessment at the end of their probation period, whereas the remaining employees are required to undergo performance appraisal on a yearly basis. Hence, 100% of the employees at the Company are assessed every year.

### Types, genders of trainees, and average training hours

Year		2018		2019		2020	
Type/Gender		Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours
Direct employee	Men	592	6.6	538	5.8	1,118	11.9
	Women	63	5.7	66	5.0	206	15.8
Indirect employee	Men	330	11.7 <sup>#1</sup>	224	7.7 <sup>#2</sup>	96	3.2
	Women	73	2.9	76	2.6	82	2.9

Calculation formula: Average training hours= total training hours in designated category / total no. of employees in designated category

### Employees' average training hours and cost

Unit: New Taiwan Dollars

Year		2018		2019		2020	
Type/Gender		Total training cost	Average training cost	Total training cost	Average training cost	Total training cost	Average training cost
Direct employee	Men	86,805	975	70,978	763	277,780	2,955
	Women	0	0	3,000	231	24,720	1,902
Indirect employee	Men	58,100 <sup>#1</sup>	2,075	109,815 <sup>#2</sup>	3,787	7,215	241
	Women	22,800	912	32,200	1,110	24,500	875

Calculation formula: Average training hours for men=total training hours for men in the current year/total number of men in the year

Note 1: Dispatch 3 employees to participate in Class A and Class B of waste disposal training program.

Note 2: Dispatch 2 employees to participate inCSSP (Certified Sustainable Supply Program).

## III. Human Rights Management and Legal Employment

In strict compliance with the 1948 United Nations Universal Declaration of Human Rights, the Company has included a corporate social responsibility (CSR) course in orientation training for all new employees, so that new employees can learn about the policies and practices promoted by the Company in relation to CSR and have a clearer understanding of their own rights.

Internally, Cleanaway advocates that employees will not be treated unfairly due to factors such as race, religion, skin color, nationality, and gender, with the relevant provisions stipulated in internal documents and regulations included in the "Work Rules (including Regulations Governing Sexual Harassment Prevention)". Externally, Cleanaway has also set up a variety of smooth communication channels, so that stakeholders across different fields can effectively convey their ideas and opinions.

In compliance with the regulations of the International Labour Organization, Cleanaway strictly prohibits the employment of child labor below the legal minimum age for employment, creates a friendly and legally compliant workplace, and engages in recruitment according to recruitment procedures that comply with the regulations promulgated by the competent authorities and the relevant laws.

## 5.4 Workplace Safety

### Occupational Safety and Health Management System

With a view to protecting the occupational safety of employees at work, Cleanaway not only has formulated environmental, safety, and health policies, but also strictly controls every detail of the workplace in accordance with procedure documents related to "Occupational Safety and Health Management" in ISO 45001, so that employees and all factory workers will not be exposed to danger at work or sustain injuries due to erroneous operation. In 2020, Cleanaway successfully passed the ISO 45001:2018 certification process, including items such as occupational hazard identification, emergency response, and contractor management, so that the Company can ensure employees' safety in the workplace through procedure document control and repeated certification based on PDCA. While the occupational safety and health management system is applicable to all workers at various plants (including workers entering these plants), the Company conducts internal audit on occupational safety and health management once a year, and undergoes external audit once a year to implement occupational safety control. At the same time, the Company also requires all plants to conduct training, so to raise safety awareness and cultivate related knowledge in each worker.

### Workplace Hazard Identification and Risk Assessment

The Company regularly convenes meetings with various units each year to implement hazard identification, risk assessment, and environmental considerations according to potential high-risk and high-hazard factors at each plant. Various factors at each plant are ranked according to hazard and risk level, where the intolerable risk in 2020 was the crushing operation at the solidification plant. The Company has established safe operating procedures and related safety protection measures while carrying out risk control by various means, such as management programs and engineering improvements. In order to encourage employees to report possible hazards (false alarm incidents) at work, employees can submit proposals during departmental meetings via the Company's internal communication procedures. Employees who submit proposals that contribute to or assist in safety and environmental operations upon review and approval will be rewarded according to the Company's Work Rules, in hopes of identifying the relevant risks through the risk assessment process above and strictly controlling medium- and high-risk factors, so that the Company can achieve the vision and goal of zero occupational accidents in the workplace.

### Occupational Health Services

Since the Company is an intermediate and final treatment plant (site), employees are exposed to hazardous industrial waste containing heavy metals and asbestos in the work environment. In order to ensure the safety and health of employees, the Company has put in place stringent regulations in relation to the process of monitoring the concentration of hazardous substances in the operating environment and the use of safety protection equipment among employees. Furthermore, operating personnel undergoes special health examination on a regular basis to ensure the health of employees at the Company.

### Summary of Special Medical Examination

Year	2018	2019	2020	
Examination results	Level I	136	96	87
	Level II	20	72	81
	Level III	0	0	0
	Level IV	0	0	0
No. of participants	156	168	168	

### Occupational Safety and Health Training

Safety is the fundamental foundation for workers within and outside Cleanaway to work with peace of mind. The Company conducts occupational safety and health-related training courses each year in compliance with local occupational safety and health-related regulations. The Company hopes to successfully achieve the goals of preventing accidents, ensuring the safety and health of employees, and protecting its assets through full employee participation and mutual safety assistance, so as to build a healthy and safe friendly environment.

The Company regularly conducts relevant safety, health, and fire prevention training, whose content includes self-defense and fire prevention organization procedure training (once every six months),

environmental education training, safety and health training, and chemical leak drills in accordance with regulatory requirements, with the intention of raising safety and health awareness among employees as well as preventing and minimizing occupational accidents. In 2020, the Company conducted 41,155 hours of occupational safety and health-related courses.

### Occupational Safety and Health trainings

Type	Gender	Training Hours	Cost (NTD)
Internal	Male	32,879	127,080
	Female	7,198	44,920
External	Male	1,008	235,390
	Female	70	17,020
Total		41,155	424,410

## Promotion of Worker Health

Due to its engagement in hazardous industrial waste treatment, Cleanaway Group considers the safety and health of related parties associated with its operations other than its employees, such as contractors, suppliers, and local residents, as one of the issues of utmost importance. The Group regularly monitors air quality (e.g., dust, foul odor, metal content in the air, noise, etc.) within the perimeter of various plants and measures the concentration of hazardous substances (e.g., dust, heavy metals, and other hazardous substances) that employees are exposed to in the work environment of various plants on a quarterly basis, with a view to ensuring that its operations do not have an impact on the surrounding environment. Safety notification and training are provided to construction contractors and collection and disposal vehicle drivers before entering various sites. These personnel are also required to sign the "Statement of Commitment for Suppliers" and carry out the relevant operations in accordance with Cleanaway's Regulations Governing Contractor Safety and Health Management to ensure that construction workers possess professional skills and qualifications and use respiratory protective equipment in accordance with the relevant rules and regulations. Non-conforming suppliers are also replaced according to the contractor assessment system.

## Prevention and Mitigation of Occupational Health and Safety Impact

### ◆ Safety and Health Inspection and Change Management

The Safety, Health, and Environment Department and various units regularly implement safety, health, and environment documentation, work control items, monitoring of measurement results, risk assessments, and contractor inspection at various plants based on a complete safety, health, and environmental audit plan. On the other hand, audits are carried out on high-risk operations (i.e. high-altitude, fire, suspension, and confined-space operations) to proactively identify potential hazards, while various energy-consuming facilities are also monitored and controlled. Should there be any changes to plant facilities, process equipment, work processes or chemicals used, all the relevant units are required to carry out assessments and review together in accordance with the safety change management system and ensure that there are no safety concerns before such changes are implemented.

### ◆ Work Environment Measurement

Impartial third parties are commissioned to carry out regular work environment measurements to monitor the concentration of hazardous substances. The Company implements risk control simultaneously during regular monitoring of hazardous substances in the work environment, reduces the occurrence of occupational accidents through engineering improvements and work controls in due course, and enhances protection of employees' health and safety.

### ◆ Hazard and Risk Identification

With a view to keeping track of potential high-risk and high-hazard factors at each plant, the Company regularly convenes meetings with various units each year to implement hazard identification, risk assessment, and environmental considerations. Various factors at each plant are ranked according to hazard and risk level, where the intolerable risk in 2020 was the crushing operation at the solidification plant. The Company has established safe operating procedures and related safety protection measures while carrying out risk control by various means, such as management programs and engineering improvements.

### ◆ Accident Prevention and Emergency Response

The Company regularly conducts fire drills and various emergency response items at various plants each year and draws up response measures and post-accident recovery plans, so that employees learn about various fire prevention information, including the use of fire safety equipment, evacuation routes at various plants, and related response measures. Furthermore, the Company has also established an emergency response team to convey and obtain response information in a timely manner. Two emergency response and fire safety drills were conducted in 2020, where one was a fire drill for fire incidents, and the other was a simulated in-plant safety incident drill (with personnel involvement) and AED first aid training course.

### ◆ Health Management

Attaching great importance to employee health, Cleanaway conducts health examinations for existing employees on a regular basis each year and provides doctor consultation and emergency medical treatment services. In the event that abnormal conditions are identified in employees during health examinations, arrangements can be made for specialty doctors to carry out assessments at various plants and provide recommendations, while health management-related measures will be implemented according to health examination results. In addition to routine health examinations, the Company also requires operating personnel engaging in special operations to undergo special health examinations on a regular basis in accordance with the relevant laws and regulations.

## Statistics on Occupational Injuries

The Company arranges safety and health-related training courses for employees each year to educate employees about general and special workplace hazards, thereby reducing the risks of occupational accidents in the workplace. Most occupational accidents that occurred at the Company between 2018 and 2020 were commuting accidents among employees, whereas accidents in other workplaces were general accidents and did not involve any special hazards or major occupational accidents. The Company will continue to strengthen occupational accident prevention and raise awareness through safety and health-related courses in the future.

### ► List of Occupational Accidents

Year	Gender	Total Injuries(Case)	Total Working Hours	Total Working Days	Total Working Days Lost
2018	Male	1	261,317	32,665	2
	Female	0	64,443	8,055	0
2019	Male	2	200,658	25,082	3
	Female	0	65,647	8,206	0
2020	Male	1	251,775	31,472	40
	Female	0	82,142	10,268	0

## List of Occupational Accidents Statistics

Year	Gender	Total Days of Absence	Disabling Injury Frequency Rate by Injury (FR)	Disabling Severity Rate by Injury (SR)	Absenteeism by Reason (AR)	Occupational Disease Rate (ODR)	Total Line of Duty Deaths
2018	Male	1	3.8	7.7	6.2	0	0
	Female	0	0	0	7.4	0	0
2019	Male	2	10.0	15.0	7.6	0	0
	Female	0	0	0	6.3	0	0
2020	Male	134	4	15.9	4.3	0	0
	Female	12	0	0	0.1	0	0

### Note:

1. The disabling injury frequency rate (FR, commuting accidents exclusively) = No. of occupational injuries / total man-hours worked \* 1,000,000
2. The disabling injury severity rate (SR, commuting accidents exclusively) = No. of days lost to occupational injuries / total man-hours worked \* 1,000,000
3. Absentee rate (AR) = No. of lost days / total days worked \* 100% (lost days include sick leave, menstruation leave, tocolysis leave, and occupational sickness leave).
4. Occupational Disease Rate (ODR) = No. of occupational disease leaves / total man-hours worked \* 1,000,000
5. No occupational accidents occurred among the suppliers from 2018 to 2020.

## 5.5 Labor-management Communication

1. A total of four labor-management meetings were convened by the Company according to the law, with the aim of providing a communication channel for both employees and the Company while strengthening labor relations and protecting labor rights. During this period, no representative of the labor-management meetings was dismissed or transferred or given a pay cut or other unfavorable treatment due to exercise of their powers. Employees protected by collective bargaining agreements account for 100% of the employees at the Company (where the scope of discussion in labor-management meetings covers all employees).
2. If the Company needs to terminate the employment relationship due to major operating changes, it will be notified in advance according to the law of the termination of the labor contract in accordance with Article 52 of the Working Rules (Pre-announcement Period)
  - i. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
  - ii. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.

- iii. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

### Worker Participation, Consultation and Communication on Occupational Safety and Health

The Company has yet to establish a safety committee (due to insufficient personnel), where employee representatives in the management review committee are required to attend related meetings on behalf of employees.

When employees at the Company have any suggestions in relation to environmental improvements and pollution prevention measures, they can first raise their suggestions in internal meetings at various departments or submit and express their suggestions during operating meetings or via electronic documents; their suggestions are then submitted to their respective heads of departments for approval and communicated to other relevant heads of department before being submitted to the President for review and approval. The implementation of the approved suggestions will be announced on paper-based or electronic bulletin boards.

Each department is required to collect and compile information on its results in the implementation of environmental policies, objectives, and plans, and submit them to the Environmental Safety Office. Then, the Environment Safety Office will convey the relevant information and policies to all employees at the Company by various means, such as bulletin boards, the Company's electronic approval system, and weekly meetings.

Meanwhile, the Company's relevant environmental management information and requirements are compiled by the Environmental Safety Office and then conveyed to the head of each department before they are transmitted to each department and employees. Such information will also be announced on bulletin boards and the Company's electronic approval system.

Method of communication: After each department submits its proposals to the Environmental Safety Office for approval, the Environmental Safety will notify the proposers and the head of each department, and convene a meeting to discuss the proposals.

All internal communication and implementation procedures are recorded, filed, kept, and managed by the Environmental Safety Team.

### Employees under the governance of occupational safety and health management system

No. of employees	Cleanaway	Da Ning	Chi Wei	Kang Lien Enterprise	CCL Investment Holding	Cleanaway Energy	Da Tsang Industrial Company
	81	19	26	24	2	4	9







# 6

## Social Inclusion

6.1 Community Care

6.2 Environmental Friendliness





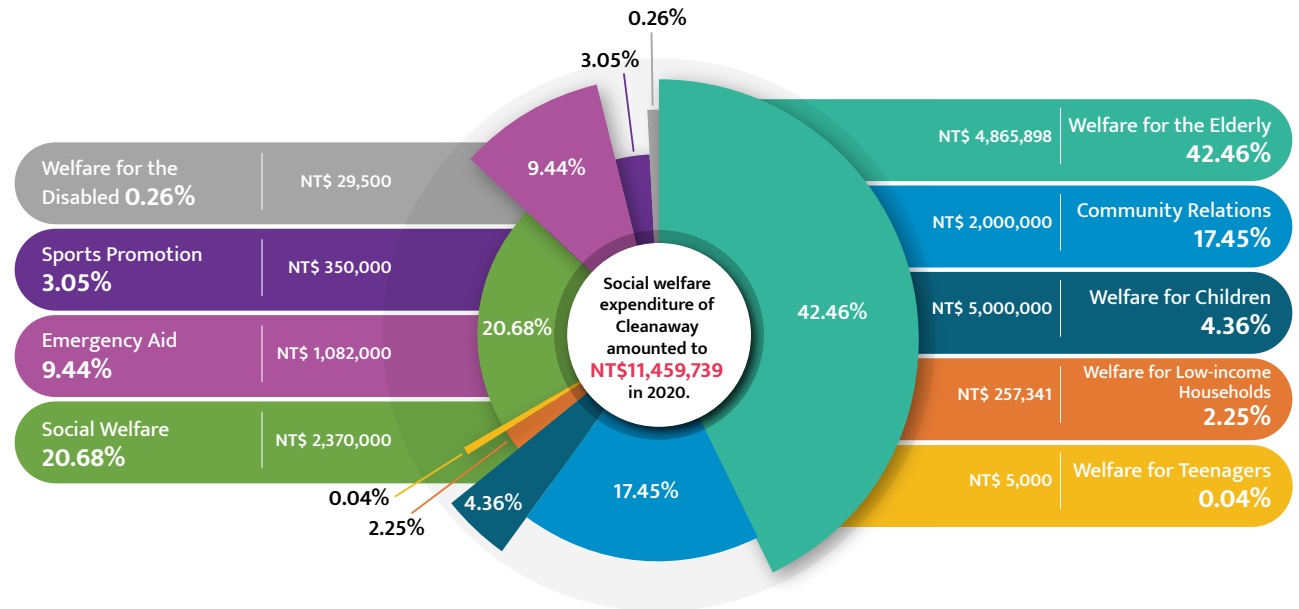
Having long been committed to community relations, Cleanaway spares no efforts in promoting social welfare while continuously expanding and innovating various charity projects especially with full support from the management of the Company. A total of NT\$11,459,739 in funds for various charities across Taiwan were contributed by the Company in 2020, where the breakdown of each item is detailed as follows:

## 6.1 Community Care

As a corporate citizen, Cleanaway not only has long committed to refining its professional capabilities, but also engages in social care, actively cares about and assists in the sustainable development of local communities and neighborhoods, and wholeheartedly helps promote various public welfare activities in Kaohsiung City. Upholding the philosophy of "giving back to society what is taken from society," Cleanaway established the Yang Chi-Chuan Foundation in 2014, which promotes multi-faceted community care services in various areas, such as environmental protection, public welfare and care, charity activities, and life education through its professional management capabilities and Cleanaway's core competencies, while continuously expressing sincere care for society, communities, and disadvantaged groups and initiating the warmest care with concrete actions.

### The Yang Chi-Chuan Foundation Social Care Action

The Yang Chi-Chuan Foundation (YCCF) was founded in 2014 by Mr. Yang Ching-Hsiang, Chairman of Cleanaway Group, in commemoration of his father, Mr. Yang Chi-Chuan's philosophy of benevolence and public-spiritedness. YCCF has long engaged in social welfare and charities to constantly help disadvantaged groups in Gangshan, Kaohsiung City, in hopes of helping more individuals and families in need and adding more warmth and care to the Taiwanese society.



◆ Blessed Land Tour Group Program

As a firm believer of the philosophy that “life is precious, so show your love at all times,” YCCF looks forward to a society in which everyone, regardless of age and gender, comprehends the beauty of life and cherish the time spent with family and friends. Therefore, YCCF initiated a community tour program titled “The Blessed Land Tour Group” in Kaohsiung, which actively provides community elders with life education opportunities. In this program, community elders are invited to step out of their homes and get their body moving by participating in a series of themed tours featuring local culture and life education in Gangshan. This program not only enlivens and vitalizes community elders’ lives, but also reduces burden on community operation, enhances emotional exchanges among community residents, and develops new perspectives on life.

In 2020, YCCF organized 114 Blessed Land Tour Groups, benefiting 4,566 people in the process.



◆ Care and Warmth Giving Action

With the intention of improving the life quality and social welfare of disadvantaged groups, YCCF has launched a series of warmth-giving actions themed on social welfare and care in Kaohsiung City, including providing disadvantaged groups with winter clothing, living supplies, emergency relief, subsidies for public welfare activities, and family visits, with sincere hopes of offering all-round assistance to disadvantaged groups.

Themes of Care and Warmth Giving	Beneficiaries (set)	Execution Results
Care and Warmth Giving in Winter	12	Sweaters 216 pieces Thermal underwear 140 pieces Shirt 60 pieces
Care and Warmth Giving on Tomb Sweeping	7	Fruits 62 set Solids 62 set Rice vermicelli 62 packs
Care and Warmth Giving on Ghost Festival	4	Fruits 57 set Solids 55 set
Emergency Aid	74	Provide funeral subsidies, medical subsidies, living subsidies, and rare disease care services. The total subsidy in 2020 is NT\$1.08 million.
Subsidies for Social Welfare and Care	21	Enhance welfare for the disadvantaged, low-income welfare, youth welfare, and welfare for the elderly, etc. The total subsidy in 2020 is NT\$5.35 million.



Video link:





## The Cleanaway Social Care Action

Having maintained a high degree of contact and a harmonious relationship with local communities, Cleanaway not only actively participates in the promotion of various social welfare events, but also sponsors local charities or education events, in hopes of adding more warmth to the society and making contributions to public welfare development.

In 2020, Cleanaway engaged in social care action in multiple areas, including social welfare, art performance, and sports promotion, contributing a total of NT\$5 million in funds to these initiatives.

### ◆ Condolences to victims in the fire truck accident in Kaohsiung City

Having long maintained a good relationship and positive communications with the police and the fire department, Cleanaway immediately contacted the relevant unit and offered NT\$900,000 in condolence money to the fire department after receiving news that a fire truck overturned in a fatal traffic accident involving firefighters from the Kaohsiung City Fire Department, Fengshan Branch on February 13, 2020, in hopes of assisting the families of the casualties in tiding over such difficult times through its efforts while having the relevant unit investigate the cause of the accident and prevent such a tragedy from happening again.



### ◆ A Visit to the "To the Moon: Liu Kuo-Sung" exhibition held in the Kaohsiung Museum of Fine Arts

The "To the Moon: Liu Kuo-Sung" exhibition held in the Kaohsiung Museum of Fine Arts features 64 masterpieces created by avant-garde contemporary ink painter Mr. Liu Kuo-Sung since the 1960s. Spanning half a century from 1964 to the present, the masterpieces on display are classified by subject matter into five series, namely "Calligraphic Abstraction," "Space," "Water Rubbing," "Steeped Ink," and "Tibetan Suite." This exhibition not only was a subtle and profound reproduction of Mr. Liu Kuo-Sung's personal creative journey, but can also be considered as one of the historic retrospective events in the development of fine arts in Taiwan. Cleanaway provided NT\$300,000 in sponsorship to this exhibition, with a view to promote the development of ink painting in collaboration with the Kaohsiung Museum of Fine Arts.

### ◆ Kaohsiung City Sports Carnival

"Health is wealth. Everyone can enjoy limitless wealth with good health. Lifelong participation in the sport of your choice can enrich your life."

Both the Sports Development Bureau, Kaohsiung City Government and the Kaohsiung City Sports Federation jointly organized the 2020 Kaohsiung City Sports Carnival, with the purpose of advocating fun in sports and a healthy lifestyle, improving the fitness of Kaohsiung residents and promoting proper recreational activities, and demonstrating the fresh image of the sunny city. Cleanaway has made donations to related events for four consecutive years, contributing a total of NT\$150,000 in donations to the Kaohsiung City Sports Federation in 2020. With over 2,000 residents participating in various activities in the carnival, Cleanaway has made the most substantive action to show support for sports promotion in Kaohsiung City, in hopes that the public can enjoy fun in sports and lead a healthy lifestyle simultaneously.



### ◆ Taitung County Indigenous Baseball Fund

Baseball is Taiwan's national sport. Adhering to the spirit of "wholehearted love for baseball" and "assisting in the development of indigenous peoples," Cleanaway donated NT\$200,000 to the Taiwan Indigenous Sports and Athletics and Multi-Art Development Association, in order to assist in promoting the Kano Cup, i.e. the national junior baseball championship, which saw the participation of 16 baseball teams from elementary and secondary schools across Taiwan in 2020. Cleanaway encourages young players from indigenous peoples in rural areas to work toward their dreams and contribute to the country by showing support for grassroots baseball in Taiwan with concrete actions, in hopes of nurturing more talents who will become the pride of Taiwan.





#### ◆ A Course on Hippotherapy in Care for Children

Ba Gua Liao Foundation and Kao-Yuan Vocational High School of Technology and Commerce have been promoting the "Course on Hippotherapy in Care for Children" since 2004, in hopes of inducing neurological improvements in children with cerebral palsy through rhythmic movement of horses, thereby improving children's coordination of movement, sense of balance, and joint movements. After learning about the benefits of equine movement for exceptional children, Cleanaway donated NT\$500,000 to the organizers of the course in 2020, with a view to assisting them in conducting the hippotherapy course that comprises over 20 lessons. Having benefited 12 children and helping them become slow-flying angels, this course not only reduces the financial burden of their families, but also assists in the future development of exceptional children.



#### ◆ Sanhe Village Community Center Construction Project

Sustainable community development requires not only community consensus, but also safe and comfortable meeting places, which enable regular exchanges and interactions among community residents to discuss future development plans for communities. Cleanaway took the initiative to assist its neighboring Sanhe Village in constructing a community center by donating NT\$2 million in construction funds, with the intention of improving the well-being of nearly 1,000 residents in Sanhe Village so that the community there can discuss social affairs and interact with each other in an environment of better quality in the future, thereby achieving the social value of corporate-community inclusion.



## 6.2 Environmental Friendliness

After frenetically pursuing economic growth and development in the 20th century, countries around the world begin slowing down their pace and looking back on the interdependence between mankind and nature, thereby coming to the following realization. As nature and mankind are two sides of the same coin, mankind will ultimately be the victim of their own deeds if they engage in endless consumption of natural resources. Hence, mankind and nature should coexist harmoniously and develop sustainably.

As a member of the green and environmental protection industries, Cleanaway has come to a deep appreciation of the concept of environmental friendliness after holding fast to environmental protection in Taiwan for more than 20 years. Therefore, Cleanaway has gradually spread the concept of environmental friendliness to every corner of the country through its core capabilities, in hopes of imprinting the value of environmental friendliness on each citizen of the earth, so as to a sustainably-developing society in which the environment and mankind can coexist.

### ■ The Cleanaway Environmental Education Program

"Environmental education" is the footprint of educational interaction between humans and the environment that enables more global citizens to acquire knowledge and develop attitude and values to improve and protect the environment through educational courses and experience. It not only is the key to increasing the power of environmental friendliness in local areas, but also serves as an important element in building a sustainability culture.

Cleanaway officially launched its environmental education program in 2018, in hopes that more people can learn about the transformation and breakthroughs in the waste treatment industry and become the implementers and advocates of green and environmentally friendly industries. The core objective of Cleanaway's environmental education reads, "To enable participants to learn about the importance of pollution control, reflect on how to maintain a balance between human civilization and the natural ecosystem, and thus become citizens of the earth with the correct environmental values through environmental learning courses."

#### ◆ Innovative Education with Educational Entertainment - On-campus Teaching Service

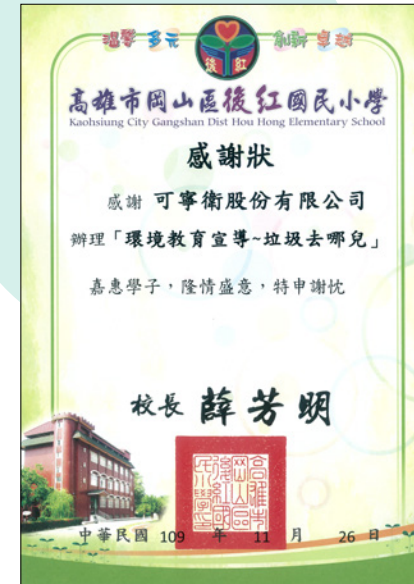
Cleanaway's environmental education team has been actively trying to build a bridge between the public and its plants, so that people can learn about the connection between daily life and industrial waste. After a long period of convincing, hard work, discussion, and revision, the team developed a unique creative board game-based lesson plan titled "Where Does Our Garbage Go?" in 2020, with the relevant teaching activities being gradually launched in various regions.

Where Does Our Garbage Go? aims to enable students to learn about the sources and quantities of various types of waste generated in Taiwan, as well as understand the functions and necessity of landfills. By compiling and analyzing data regarding incoming waste in landfills at Cleanaway in previous years, the environmental education team retroactively traced the source of production for incoming waste and the products from which incoming waste is generated, in order to establish the connection between industrial waste and people's daily lives.

Since no one can be excluded from the waste disposal problem, the environmental education team creatively presented the connection between industrial waste and people's daily lives in the form of a card board game, so that students can understand how much burden various types of

convenient products in daily life can cause to landfills. Correspondingly, students can acquire more environmental knowledge, thereby facing and addressing Taiwan's plight in the waste disposal issue together

Date	Visiting Location	No. of Participants
2020.03.20	Environmental Protection Bureau of Penghu County	30 人
2020.03.21	Penghu County Government National Education Counseling Group	30 人
2020.03.21	Chaoyang Community Development Association, Magong City, Penghu County	30 人
2020.04.08	Kaohsiung Houjin Elementary School	30 人
2020.05.15	Kaohsiung Municipal Cueiping Elementary School	26 人
2020.05.28	Kaohsiung Xinjiachang Community Development Association	40 人
2020.06.01	Kaohsiung Municipal Cueiping Junior High School	21 人
2020.06.12	Kaohsiung Sho-Tian Elementary School	28 人
2020.11.26	Kaohsiung City Hou-Hong Elementary School	20 人
2020.12.10	Kaohsiung City Hou-Hong Elementary School	40 人
2020.12.28	Kaohsiung City Neiman Junior High School	20 人





◆ Strengthening Promotion of Environmental Education in Local Areas - Environmental Education Activities at Various Plants

Clean, safe, and pollution-free sanitary landfills are a major feature of Cleanaway. Yet, most people in the outside world still have the impression that landfills are dirty, messy, and full of foul odor due to a serious lack of access to sanitary landfills. In order to alleviate the aversion of the outside world toward sanitary landfills, Cleanaway has been actively promoting its environmental education course titled "The Unconcealable Truth - Secrets within the Walls." The course begins with an indoor presentation that introduces the general situation of waste treatment in Taiwan and the significant transformation of sanitary landfills, followed by an interactive experience course comprising hands-on practice that enables students to learn about the methods for setting up sanitary landfills and the pollution resistance of sanitary landfills. The course ends with a visit to a sanitary landfill to get a closer look at the actual conditions of a sanitary landfill. The Unconcealable Truth - Secrets within the Walls has completely changed students' well-established impression of sanitary landfills and helped them gain a further understanding of waste treatment facilities and develop care for such facilities.

Date	Visiting Location	No. of Participants
2020.01.08	Kaohsiung City Hou-Hong Elementary School	34
2020.07.13	Kaohsiung City Nei-Men County Muh-Jan Elementary School	42
2020.08.04	A&F English School	50
2020.09.24	Kaohsiung Sho-Tian Elementary School	31
2020.12.07	National Kaohsiung University of Science and Technology	30





## The Cleanaway Environmental Patrol Volunteers

Cleanaway clearly understands the interdependence between economic development and nature. With a view to responding to the impact of climate change, improving air quality, and protecting the local natural environment, Cleanaway joined the environmental protection voluntary labor service under the Environmental Protection Bureau of the Kaohsiung City Government in 2020, with hopes of assisting the public sector in raising awareness of energy conservation and carbon reduction issues, cleaning up the environment, improving air quality, and promoting various environmental protection policies to ensure that the concept of environmental friendliness infiltrates the entire Kaohsiung City, so that Kaohsiung City becomes a happy city that is suitable for living.

Entering its second year, Cleanaway's homeland environmental patrol volunteer service received 150 patrol volunteers who were in service for more than 200 hours in 2020. With a focus on areas surrounding Cleanaway-owned landfills, the scope of voluntary patrol covers a radius of one kilometer from the landfills. Furthermore, Cleanaway has also taken the initiative to adopt more than 500 hectares of land located at the borders between Cishan District, Neimen District, and Tianliao District in response to rampant illegal waste dumping in shallow mountain areas. Cleanaway actively patrols and guards the areas it has adopted and immediately reports illegal dumping incidents to the Environmental Protection Bureau of the Kaohsiung City Government to prevent pollution and further deterioration of illegal dumping as soon as possible, thereby safeguarding the natural environment in Kaohsiung City.



## Community Environmental Service Program

Rising to fame and fortune in the small town of Gangshan in Kaohsiung City, Cleanaway has been the subject of love and care among local residents. Upholding the belief of "giving back to society what is taken from society" for more than 20 years since its founding, Cleanaway has proactively carried out a series of neighborhood cleaning services, such as road sweeping and cleaning with sweepers, road cleaning with street sprinklers, garbage pickup, and weed trimming and dirt removal in flower gardens.

The scope of Cleanaway's community environmental service program includes neighborhoods, open spaces, and roads surrounding its landfills in Gangshan, Kaohsiung City. On the other hand, Cleanaway also actively responds to individual cleaning needs raised by surrounding neighborhoods and provides immediate assistance to overcome various difficulties. Cleanaway's neighborhood environmental services not only offer complete pollution control with enhanced effectiveness, but also provide the most substantive help and contribution to local communities.



## The World's Largest Vertical Garden

While Cleanaway runs sanitary landfills through a proper management system, the Company also promotes its sanitary landfills with plant decorations and scenic spots, in hopes of changing the public's stereotype about sanitary landfills. Cleanaway's Chi Wei Landfill created "the World's Largest Vertical Garden," a 180 meter-long, 13.8 meter-tall plant wall that was awarded the Guinness World Record on June 29, 2015.

Cleanaway regularly carries out maintenance of the plant wall in Chi Wei Landfill. With this environmentally friendly action about to usher in its 6th year, Chi Wei Landfill's unique plant wall not only serves as a starting point for environmental protection, but is also one of the role models in reuse of water resources. As plants on the plant wall can purify mildly-polluted wastewater by absorbing nutrients in it, the plant wall can reduce approximately 778.13 kg of carbon dioxide each year, thereby being of great help to air purification.







# 7

## Appendix

- Appendix I GRI Standards Comparison Table Independent
- Appendix II Third Party Assurance Statement
- Appendix III Stakeholder Engagement Platform

## Appendix I : GRI Standards Comparison Table

### General Disclosures 2016

GRI Standards	Disclosure Title	Chapter	Page	Remarks	
Company overview					
GRI102 General Disclosures	102-1	Name of the organization	1.1	11	
	102-2	Activities, brands, products, and services	1.3	15	
	102-3	Location of headquarters	1.1	11	
	102-4	Location of operations	1.1	11	
	102-5	Ownership and legal form	1.1	11	
	102-6	Markets served	1.3	15	
	102-7	Scale of the organization	1.1	11	
	102-8	Information on employees and other workers	5.1	53	
	102-9	Supply chain	3.4	36	
	102-10	Significant changes to the organization and its supply chain	Boundary and Scope 1.1	3 11	
	102-11	Precautionary Principle or approach	2.3	23	
	102-12	External initiatives	-	-	N/A
	102-13	Membership of associations	3.5	36	
Strategies					
GRI102 General Disclosures	102-14	Statement from senior decision-maker	Commitments to Sustainable Management 1.2	6 14	
Ethics					
GRI102 General Disclosures	102-16	Key impacts, risks, and opportunities	2.4	26	

GRI Standards	Disclosure Title		Chapter	Page	Remarks		
Governance							
GRI102 General Disclosures	102-18	Governance structure	1.2	14			
			2.1	20			
Stakeholder Communication							
GRI102 General Disclosures	102-40	List of stakeholder groups	3.1	29			
			102-41	Collective bargaining agreements	-	-	Union-free
			102-42	Identifying and selecting stakeholders	3.1	29	
			102-43	Approach to stakeholder engagement	3.1	29	
			102-44	Key topics and concerns raised	3.1 3.2	29 30	
Reporting Practices							
GRI102 General Disclosures	102-45	Entities included in the consolidated financial statements	Boundary and Scope	3			
			102-46	Defining report content and topic boundaries	3.2	30	
			102-47	List of material topics	3.2	30	
			102-48	Restatements of information	-	3	
			102-49	Changes in reporting	Boundary and Scope	3	
			102-50	Reporting period	Report Management	3	
			102-51	Date of most recent report	-	3	
			102-52	Reporting cycle	Report Management	3	
			102-53	Contact point for questions Appendix	Feedback	5	
			102-54	Claims of reporting in accordance with GRI Standards	Normative References	5	
			102-55	GRI content index	Appendix I	70	
			102-56	External assurance	Report Management	76	



## Disclosure on Material Topics 2016

GRI Standards	Disclosure Title	Chapter	Page	Remarks
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	3.2	30	
	103-2 The management approach and its components	3.2	30	
	103-3 Evaluation of the management approach	3.2	30	
<b>Ethical Management</b>				
GRI 205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	2.4	26	
		5.3	55	
<b>Compliance</b>				
GRI 307 Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	2.5	27	
GRI 419 Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	-	-	N/A
<b>Effluents and Waste</b>				
GRI 306(2020) Effluents and Waste	306-1 Waste generation and significant waste- related impacts	4.3	46	Please refer to Management Approach
	306-2 Management of significant waste-related impacts	4.3	46	Please refer to Management Approach
	306-3 Waste generated	4.3	46	
	306-4 Waste diverted from disposal	4.3	46	
	306-5 Disclosure 306-5 Waste directed to disposal A	4.3	46	
<b>Occupational Safety and Health</b>				
GRI 403 Occupational Safety and Health(2018)	403-1 Occupational safety and health management system	5.4	57	Please refer to Management Approach
	403-2 Hazard identification, risk assessment, and incident investigation	5.4	57	Please refer to Management Approach
	403-3 Occupational health services	5.4	57	Please refer to Management Approach
	403-4 Worker participation, consultation, and communication on occupational safety and health	5.4	57	Please refer to Management Approach
	403-5 Worker training on occupational health and safety	5.4	57	Please refer to Management Approach

GRI Standards	Disclosure Title	Chapter	Page	Remarks
GRI 403 Occupational Safety and Health(2018)	403-6 Promotion of worker health	5.4	57	Please refer to Management Approach
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	5.4	57	Please refer to Management Approach
	403-8 Workers covered by an occupational safety and health management system	5.4	57	
	403-9 Work-related injuries	5.4	57	
	403-10 Work-related ill health	-	-	N/A
Local Communities				
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	6.1 6.2	61 64	
Innovations in Products, Services, and R&D				
Cleanaway's self-defining sections		1.3	15	
Corporate Governance				
Cleanaway's self-defining sections		4.1	41	
Corporate Governance				
Cleanaway's self-defining sections		2.1 2.3	20 23	

### Other Topic-specific Series 2016

GRI Standards	Disclosure Title	Chapter	Page	Remarks
GRI 200 Series: Economic Performance				
GRI 201 Economic Performance	201-1 Direct economic value generated and distributed	2.2	22	
		5.2	54	
GRI 202 Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.2	54	
		202-2 Proportion of senior management hired from the local community	5.1	53
GRI 204 Procurement Practice	204-1 Proportion of spending on local suppliers	3.5	36	

GRI Standards	Disclosure Title		Chapter	Page	Remarks
GRI 300 Series Environment					
GRI 301 Materials	301-1	Materials used by weight or volume	4.3	46	
GRI 302 Energy	302-1	Energy consumption within the organization	4.2	41	
	302-3	Energy intensity	4.2	41	
GRI 303 Water and Effluents(2018)	303-1	Interactions with water as a shared resource	4.4	50	Please refer to Management Approach
	303-2	Management of water discharge-related impacts	4.4	50	Please refer to Management Approach
	303-3	Water withdrawal	4.4	50	
	303-4	Water discharge	4.4	50	
	303-5	Water consumption	4.4	50	
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	4.2	41	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2	41	
	305-4	GHG emissions intensity	4.2	41	
	305-5	Reduction of GHG emissions	4.2	41	
GRI 308 Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	3.5	36	
GRI 400 Series Social					
GRI 401 Employment	401-1	New employee hires and employee turnover	5.1	53	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2	54	
	401-3	Parental leave	5.2	54	
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	5.5	59	
GRI 404 Training and Educatino	404-1	Average hours of training per year per employee	5.3	55	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3	55	

GRI Standards		Disclosure Title	Chapter	Page	Remarks
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	2.1 5.1	20 53	
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5.3	55	N/A
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	-	N/A
GRI 411 Rights of Indigenous Peoples	411-1	Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period	-	-	N/A
GRI 414 Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	3.5	36	
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	N/A





## Appendix II : Independent Third Party Assurance Statement




### 獨立保證意見聲明書

#### 2020 可寧衛企業永續報告書

英國標準協會與可寧衛股份有限公司(簡稱可寧衛)為相互獨立的公司,英國標準協會除了針對 2020 可寧衛企業永續報告書進行評估和查證外,與可寧衛並無任何財務上的關係。

本獨立保證意見聲明書之目的,僅作為對 2020 可寧衛企業永續報告書所界定範圍內的相關事項進行保證之結論,而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外,對於其他目的之使用,或閱讀此獨立保證意見聲明書的任何人,英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查可寧衛提供之相關資訊所作成之結論,因此審查範圍乃基於並侷限在這些提供的資訊內容之內,英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問,將由可寧衛一併回覆。

#### 查證範圍

可寧衛與英國標準協會協議的查證範圍包括:

1. 本查證作業範疇與 2020 可寧衛企業永續報告書揭露之報告範疇一致。
2. 依照 AA1000 保證標準 V3 的第 1 應用類型評估可寧衛遵循 AA1000 當責性原則(2018)的本質和程度,不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

#### 意見聲明

我們總結 2020 可寧衛企業永續報告書內容,對於可寧衛之相關運作與績效則提供了一個公平的觀點。基於保證範圍限制事項,可寧衛所提供資訊與數據以及抽樣之測試,此報告書並無重大之不實陳述。我們相信有關可寧衛 2020 年度的經濟、社會及環境等績效資訊是被正確無誤地呈現。報告書所揭露之績效資訊展現了可寧衛對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 V3 查證能力之團隊執行,以及策劃和執行這部分的工作,以獲得必要之訊息資料及說明。我們認為就可寧衛所提供之足夠證據,表明其依據 AA1000 保證標準 V3 的報告方法與自我聲明符合 GRI 永續性報導準則核心選項係屬公允的。

#### 查證方法

為了收集與作成結論有關的證據,我們執行了以下工作:

- 對來自外部團體的議題相關於可寧衛政策進行訪談,以確認本報告書中聲明書的合適性
- 與管理者討論有關利害關係人參與的方式,然而,我們並未直接接觸外部利害關係人
- 訪談 12 位與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作宣告的支持性證據
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查

#### 結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導準則的詳細審查結果如下:

#### 包容性

2020 年報告書反映出可寧衛已持續尋求利害關係人的參與,並建立重大永續主題,以發展及達成對企業永續具有責任且策略性的回應。報告書中已公正地報告與揭露經濟、社會及環境的訊息,足以支持適當的計畫與目標設定。以我們的專業意見而言,這份報告書涵蓋了可寧衛之包容性議題。

#### 重大性

可寧衛公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言,這份報告書適切地涵蓋了可寧衛之重大性議題。

#### 回應性

可寧衛執行來自利害關係人的期待與看法之回應。可寧衛已發展相關道德政策,作為提供進一步回應利害關係人的機會,並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言,這份報告書涵蓋了可寧衛之回應性議題。

#### 衝擊性

可寧衛已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。可寧衛已建立監督、量測、評估和管理衝擊之流程,從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言,這份報告書涵蓋了可寧衛之衝擊性議題。

#### GRI 永續性報導準則

可寧衛提供有關依循 GRI 永續性報導準則之自我宣告,與相當於“核心選項”(每個涵蓋特定主題 GRI 準則之重大主題,至少一個特定主題的揭露項目依循其全部的報導要求)的相關資料。基於審查的結果,我們確認報告書中參照 GRI 永續性報導準則的社會責任與永續發展之相關揭露項目已被報告,部分報告或省略。以我們的專業意見而言,此自我宣告涵蓋了可寧衛的社會責任與永續性主題。

#### 保證等級

依據 AA1000 保證標準 V3 我們審查本聲明書為中度保證等級,如同本聲明書中所描述之範圍與方法。

#### 責任

這份企業永續報告書所屬責任,如同責任信中所宣稱,為可寧衛負責人所有。我們的責任為基於所描述之範圍與方法,提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

#### 能力與獨立性

英國標準協會於 1901 年成立,為全球標準與驗證的領導者。本查證團隊係由具專業背景,且接受過 AA1000AS-ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練,具有主導稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



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Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.  
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## Appendix III : Stakeholder Engagement Platform



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Add 高雄市岡山區中山南路 308 號 1 樓

Tel 07-622-8422

[http : //www.cleanaway.tw/](http://www.cleanaway.tw/)

