

# 2023

## Sinyi Development Inc.

### Sustainability Report





## About this Report

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This 2023 Sustainability Report is the third Sustainability Report published by Sinyi Development Inc. (hereafter referred to as “Sinyi Development”), to disclose matters in relation to Environmental protection (E), Social responsibility (S), and Corporate governance (G), management guidelines and achievements in material topics. This report describes the communication with stakeholders and the response to their expectations and identifies the ESG impact across the value chain.

### Report Structure

This Report adheres to the Global Reporting Initiative (GRI) General Standard 2021, supplemented by sustainability accounting standards from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework.

### Reporting Period and Cycle

The disclosure in this report covers the information and statistics from January 1 to December 31, 2023.

- The last issue of Sustainability Report was released in June 2023, in both Chinese and English versions and available for download on the official website (<https://www.xinyikf.com.tw/report>).
- This Report is released in June 2024, in both Chinese and English versions and available for download on the official website (<https://www.xinyikf.com.tw/report>).
- The next (annual) issue is scheduled to be released in June 2025 (annually).

### Sinyi Development's ESG Implementation Unit – Contact Information

In our ongoing efforts to enhance Sinyi Development's Sustainability Report, we prioritize effective communication with stakeholders. We sincerely invite you to share your valuable feedback and suggestions to help us continuously improve the quality of our report. Your feedback is crucial in driving our progress forward. Please feel free to reach out to us with any ideas or thoughts.

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### Report Boundary and Quality

To ensure the credibility of Sinyi Development's sustainability performance in areas such as environmental protection, social responsibility, corporate governance, and financial information, we employ relevant external assurance measures. Throughout this process, senior management provides guidance and decision-making support to safeguard the Company's interests are fully considered. Our approach is as follows:

- Senior management participates in preliminary assessments to understand the scope of services, methodologies, and professional capabilities of various verification or assurance institutions.
- Selection of institutions for in-depth discussions and confirmation of cooperation terms and contract details during negotiation meetings.
- Finally, external assurance or verification plans are reviewed and approved by senior management before their integration into the Company's sustainability development strategy.

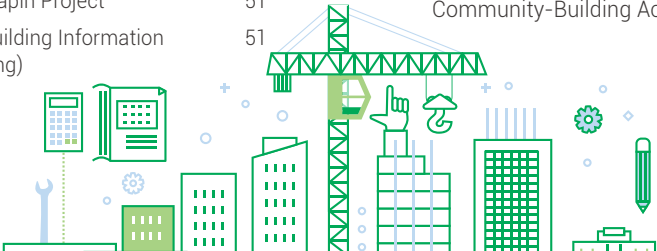
| Category  | Main Disclosure   | Discrepancy from Financial Reporting Scope | External Verification or Assurance   |
|---|-------------------|--|--|
| Environmental Protection (E), Social Responsibility (S), Corporate Governance (G) information | Sinyi Development | None                                       | AA1000AS v3 Type 1<br>SASB<br>TCFD Compliance Statement<br>British Standards Institution (BSI) |
| Financial Information   | Sinyi Development | None                                       | Financial Report (Accountant)  |

Note 1: Accountants and British Standards Institution (BSI) have no equity or management relationship with Sinyi Development and were only entrusted with the external assurance of the financial report and the sustainability report.

Note 2: The financial reporting period and the sustainability reporting period are consistent.



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# I. Message from the Management

## Chairman's Message

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"Live up to expectations and Create happiness together" is not only a commitment we make for our customers but our way of showing responsibility and respect to all stakeholders. We firmly believe that sustainable development is the key to achieving shared happiness, and we are always working to create a win-win-win situation for the environment, society, and economy.

### Sinyi Begins with Trust – Rooted in Ethics, and Ends with Perfection – Through Innovation

Sinyi Development's sustainability report serves as an important platform for sharing our ethical innovation progress and achievements with stakeholders. Through this report, we transparently present our concrete measures in various aspects of sustainability, along with our ongoing communication and close collaboration with stakeholders. We hope to work hand in hand to create a future of happiness and harmony every day.

### Environment – Toward Sustainable Net-Zero Emissions

In our land development projects, we uphold the longstanding sustainability belief of the Sinyi Group, actively addressing the challenges posed by extreme weather conditions. We deeply engage in issues related to the sustainability of land and buildings, ensuring that our development projects meet both environmental and social responsibility requirements through initiatives such as Building Information Modelling (BIM), low-carbon construction methods, and green design.

Additionally, we continue to explore new possibilities for energy conservation and carbon reduction through extensive collaboration with industry, government, academia, and research institutions. For example, we collaborated with National Cheng Kung University to calculate and reduce Category 3-6 carbon emissions throughout the entire life cycle of our Jiapin project. We also worked with the New Taipei City Government and the Institute for Information Industry to promote energy-saving communities in the "Energy-saving E-Houses" initiative, enhancing energy visualization and conservation awareness among residents and encouraging active participation to expand the network of energy-saving and carbon reduction advocates.



## Society – Co-prosperity, Coexistence, Co-creation

While hardware may have its limitations, human ideas and potentials are boundless. Drawing on the spirit of community engagement long upheld by the Sinyi Group, we are committed to sharing knowledge and organizing experiential activities, connecting local culture and community-building organizations. Our goal is to extend the influence of community-building beyond venues and facilitate collaborative connections across units or spaces. All things are people oriented. From initial planning to completion, we create a nurturing environment of beauty, mutual assistance, and trust, with every step centered around homes as the focal point and communities as bridges. By bringing together the cohesive force of the community, we collaborate to continuously extend such care and warmth until it permeates every corner of Taiwanese society.

## Governance – Creating a Good Life of Sustainability

Our highest governing body is the Board of Directors. In addition to receiving leadership and guidance from the Board, we adhere to the Group's relevant internal control systems while coordinating with the Group's audit system to formulate action strategies and risk management measures. We aim to achieve a dynamic balance between short-term actions and long-term goals, ensuring the effective implementation of all strategies. This reflects our collective belief as a group – to do what needs to be done, and to deliver on our promises.

## Supply Chain Management – Ethical Commitment

In the real estate industry, selecting supplier partners is crucial. Factors such as using environmentally friendly materials, maintaining appropriate labor relations, and ensuring workplace safety are key elements of supply chain management. We also hope that our supplier partners can uphold corporate ethics, not only meeting sustainable design and construction standards in building projects, but also consistently pursuing triple excellence in environmental, social, and governance performance.

Furthermore, we pledge to support the local economy and reduce transportation-related carbon footprint by increasing the proportion of green procurement in construction, electromechanical, and monitoring equipment sectors as much as possible. We ensure that all construction projects meet the requirements of sustainable design and construction, from material selection to waste management, adhering to our high standards at every step. We also aim to achieve our "Co-inclusive Pre-construction" vision by 2030, "You are good, I am good, Everyone is good."

We uphold "Corporate Ethics" and dedicate ourselves to harmonizing the interests of all stakeholders in every moment of daily operation. Through "Ethical Innovation," we strive to meet the needs of all stakeholders, establish a foundation for future sustainability, and create a happy and sustainable life for everyone around us, because "Sinyi begins with trust and ends with perfection."



Sinyi Development  
Chairman

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## General Manager's Message

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"When the Earth is no longer habitable, how will humanity persist?" That's why, for all of humanity, saving the environment is one of the most crucial tasks we must collectively undertake right now. As everyone grapples with how to address the environmental impacts of climate change and faces the complex challenges of sustainability, Sinyi Development is determined to lead the industry in ESG benchmarks through proactive initiatives and innovative thinking. We have the intention and a systematic approach, leveraging the professional expertise of our internal team members and the support of external organizations to drive sustainable development forward.

Sinyi Development is deeply committed to sustainable development, recognizing the significant responsibility we bear for environmental protection (E), social responsibility (S), and corporate governance (G). This commitment extends to effectively balancing the interests of various stakeholders. Therefore, anchored in our corporate social responsibility, we've set the ambitious 2030 vision of "Becoming an industry benchmark in ESG through Co-inclusive Pre-construction." Co-inclusive Pre-construction represents a fresh approach to architectural concepts and prioritize the harmonization of interests among our six key stakeholder groups. The "Jiaxue" project which was launched in 2023 holds particular significance for us. It marks the inaugural release of Co-inclusive Pre-construction, embodying ESG principles, and seamlessly integrating sustainability into every aspect, from site location and design to materials and construction methods. This project showcases Sinyi Development's commitment to architectural innovation and our dedication to corporate ethics, social responsibility, and environmental stewardship.

In terms of environmental protection, Sinyi Development, as a real estate developer, actively explores diverse opportunities to enhance building

energy efficiency and reduce carbon emissions. For instance, our "Jiaxue" project in Xinzhuang incorporates a comprehensive range of environmental considerations, including enhanced energy efficiency, the use of sustainable materials, and the implementation of smart energy solutions. Our goal is to achieve certification for Diamond-grade Green Building, Gold-grade Smart Building, and Diamond-grade Low-carbon Building. Additionally, our collaboration with National Cheng Kung University on "building greenhouse gas emissions calculation" uses our Jiapin project in Banqiao as a case study to establish performance metrics for carbon emissions and reduction strategies. Through these efforts, we aim to drive the green transformation of the real estate development industry and contribute to a sustainable future.

In terms of social responsibility, Sinyi Development aspires to be a sustainable enterprise, collaborating with all stakeholders to transcend short-term interests. We are committed to creating a new lifestyle that harmonizes humans and nature, meeting the expectations of a better life. Recognizing the importance of corporate social responsibility, we actively foster inclusive relationships with stakeholders, contributing positively to society. From architectural design to community development, we integrate environmental friendliness and customer service, sparking positive impacts within communities. Through community development, we aim to strengthen connections among people and cultivate a harmonious and cozy living environment for residents.

When it comes to corporate governance, our Board of Directors regularly reviews and guides our strategies in environmental, social, and governance aspects. They bear ultimate responsibility for overseeing the risks and opportunities our company faces, ensuring the integration of our business practices with social



Sinyi Development  
General Manager

陳捷平

responsibility to collectively advance sustainable development goals. Monthly and quarterly meetings are convened to review progress, challenges, and assess sustainability outcomes. This feedback mechanism is crucial for refining and innovating our strategies. Every member of Sinyi Development plays a key role in achieving our goals. Therefore, through "cooperation and the division of labor," we implement professional responsibilities to ensure that action strategies and risk management measures are comprehensively and effectively executed.

Our Sustainability Report facilitates deep and meaningful dialogue with stakeholders, as we jointly chart a path toward sustainable development. Sinyi Development is dedicated to constructing buildings that not only meet spatial needs but also promote progress. Buildings are not only about creating spaces but also shaping a lifestyle that harmonizes with the environment. This is our expectation, our exploration, and our steadfast belief and commitment to the future.



## CHAPTER 02

# Company Overview

**Core Founding Objective:** Sinyi Development strives to develop and construct buildings with kindness for future generations, foster humanistic values through innovation, set a positive example with outstanding services, and achieve happiness and harmony in life.

**Corporate Vision:** Upholding corporate ethics and becoming a leader in lifestyle.

Sinyi Development was founded in 1998 (formerly known as Dajia Construction before being renamed to Sinyi Development), and the Company is a wholly owned subsidiary of Sinyi Realty, with its headquarters located in Taipei, Taiwan.

### Material Topics:

GRI 201  
405

Self-defined Topics Corporate Image/Brand Management

### Key Points:

|                                    |    |
|------------------------------------|----|
| Business Model                     | 8  |
| Operating Performance              | 10 |
| Board Governance                   | 11 |
| Corporate Organizational Structure | 14 |



# I. Business Model

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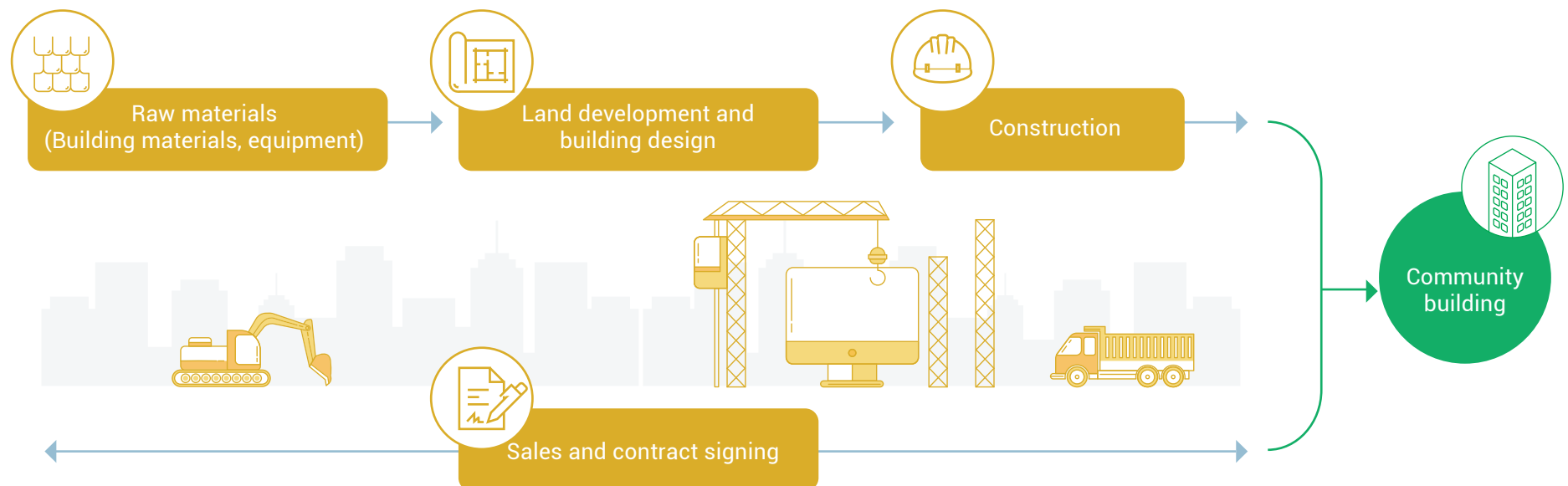
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## 1. Core Business

Sinyi Development is actively engaged in real estate development, residential property construction, leasing and sales within the Taiwan market. The primary focus is on residential properties. We are also involved in community-building activities following contract signings. There were no significant changes in our core business and activities in 2023.

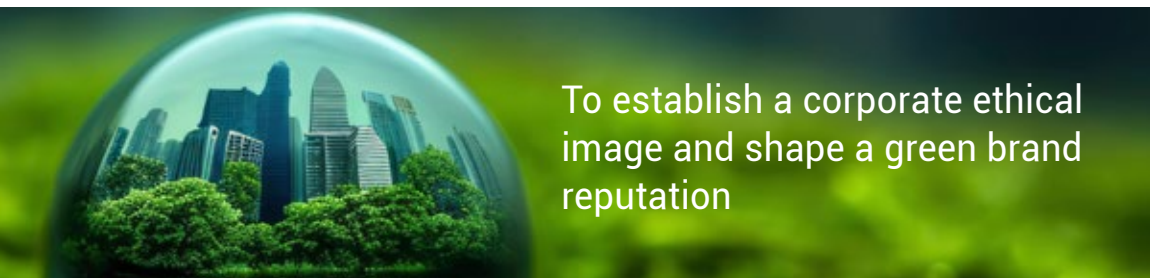
## 2. Business Value Chain

Real estate development services involve the entire process from raw material demand, such as building materials and equipment, to land development and architectural design, to construction and completion. On the customer side, services include providing production records, site visits, customer service, contract operations, health checks, warranties, and unique community management activities offered by Sinyi Development. There were no significant changes in our business value chain in 2023 compared to the previous year.





### 3. Corporate Image and Brand Management



To establish a corporate ethical image and shape a green brand reputation

Sinyi Development upholds its spirit of “People-oriented” and aims to “Adhere to Corporate Social Responsibility and Achieve World-Class Service Industry” with the goal of “Becoming an ESG Benchmark in the Industry” by 2030, fostering co-prosperity and inclusivity within society.

As a real estate development business, Sinyi Development operates within an industry known for its high natural resource consumption. Therefore, it is naturally obligated to emphasize environmental protection, social responsibility, and corporate governance (ESG). Pursuing the reduction of environmental ecological damage, energy consumption, and greenhouse gas emissions (GHG), we are gradually implementing a brand strategy of **green, low-carbon, and smart buildings**. This is achieved through the use of low-carbon materials, technologies, and equipment, along with the establishment of a greenhouse gas inventory database to achieve net-zero emissions goals.

Meanwhile, by embodying qualities such as green, low-carbon, safety, comfort, integrity, compliance, AI integration, stability, warranty, respect for human rights and labor rights, community-building, and collaborative growth with partners, we have **established a corporate ethical image**. Through word-of-mouth referrals from existing and past customers and the integration of offline and online channels, we have secured a solid position in the real estate development market.

Additionally, Sinyi Development started publishing its ESG publication, “**Sinyi Development Sustainable Walk**” in July 2023. By the end of 2023, 16 issues had been released and shared on the Sinyi Development official website. Through this publication, we aim to instill green seeds in people’s minds by integrating architectural and sustainability concepts, discussing current sustainability issues, and presenting innovative perspectives. This initiative encourages awareness of the abnormal disasters brought about by climate change while fostering the continuous growth of sustainable ideals.



The inaugural issue of Sinyi Development's Sustainable Walk

Through this publication, we deliver diverse insights and ideas on sustainability-related issues to our stakeholders. Whether in daily life, work, or other contexts, our aim is to influence and inspire more sustainable thinking and practical application:

- Our colleagues are encouraged to integrate environmental protection into their daily work by promoting green concepts in operational activities and workflows. Seeking the recognition of colleagues within the Company extends beyond external actions to internalized support at the psychological and spiritual levels, becoming part of their daily lives and habits.
- Customers will be able to understand Sinyi Development's green concepts demonstrated from raw materials and development designs to construction methods. This includes building structures, smart digitization, water resource management, energy conservation, and even future building maintenance, which are all oriented toward low-carbon development.
- Through supplier selection, construction processes, training, advocacy, and inspection, suppliers are guided to join Sinyi Development in achieving low-carbon building and net-zero emissions goals, creating a win-win situation for all parties involved.



## 4. Commitment to Sustainability Issues

Sinyi Development has evaluated and analyzed global trends, internal and external business operations, and communication with stakeholders to integrate the following commitments to sustainability issues. We aspire to continue exerting positive influence and harmonizing the interests of various stakeholders within an ESG framework of environmental protection, social responsibility, and corporate governance. Through sustainable innovation along the Sinyi value chain, it aims to bring about a better and happier new life for everyone around us:

- As a key member of the Sinyi Group, Sinyi Development has joined the 'Taiwan Alliance for Net Zero Emissions' within the Group, with a strong commitment to sustainable development. We have formulated an environmental sustainability and zero-emission plan with a target of achieving net zero by 2050. As part of this responsibility, Sinyi Development has prioritized "Sustainable Buildings" in its vision for 2030.
- Sinyi Development aims to establish a solid foundation for the development of 'Sustainable Buildings' through continuous utilization and development of digital technologies and innovations such as Building Information Modeling (BIM), reducing raw material waste, proactively integrating the sustainability elements, as well as incorporating high standards, green practices, low-carbon approaches and smart techniques. We aim to create exemplary buildings to demonstrate the combination of urban development and sustainable practices.
- Sinyi Development continues to promote green buildings, low-carbon buildings and smart buildings as the standard and obtain certificates or qualification labels issued by competent authorities. We are dedicated to reducing GHG emissions and achieving net-zero emissions during the entire lifecycle of the development, from construction to maintenance.
- Sinyi Development aims to provide customers with high-quality development projects and services that prioritize safety, comfort, legality, compliance, digitalization, customer support, reliability inspections and warranties.
- Sinyi Development conducts assessments of temporary water and electricity installations, waste sorting and management, dust and noise control measures to minimize the associated hazards to the surrounding environment and residents.
- Sinyi Development consistently organizes and promotes community building-related activities to cultivate the concept of shared goodness and positive intentions within the community, to strength local culture and community bonds and ultimately contributing to the goal of sustainable development.
- Sinyi Development collaborates with its suppliers by signing the Supplier Sustainability Terms to seek and foster a shared commitment to sustainable development and nurturing long-standing cooperation.
- Sinyi Development continues to publish an annual Sustainability Report and obtain third-party independent verification certificates. These reports are reviewed by the General Manager and the Board of Directors. This serves as evidence for securing green and sustainability-linked loans from banks.

## II. Operating Performance

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**Management Guideline:** Sinyi Development strives to continuously generate profits and actively respond to the expectations of its stakeholders. Through this approach, Sinyi Development identifies, analyzes and addresses both current and potential impacts.

The operating performance of Sinyi Development over the past three years, following the GRI indicators, is listed in the table below. Compared to 2021, the "Jiahe" project began the handovers by the end of 2022 and completed all handovers by the end of February 2023, totaling 144 units, thus recognizing the corresponding operating income. The "Jiaping" project, which has been fully sold, is expected to commence handovers in early 2025. The "Jiaxue" project, launched in September 2023, had sold 80% of its units by the end of 2023.

This year's focus on project development includes a residential project in Sub-City Center, Xinzhuang District, New Taipei City, which has obtained the construction permit. Sustainability elements will be integrated into the building design. This project was launched in 2023. Additionally, the residential project in Nanzih District, Kaohsiung City, will also incorporate green building concepts, low-carbon and energy-efficient techniques to create an eco-friendly environment. Moreover, Sinyi Development will also introduce its community-building practices to ensure a high-quality living environment for its residents. This project is currently in the planning stage.

in NT\$ 1,000

| Retained Economic Value  |           |           |           |
|--|-----------|-----------|-----------|
| Item   | 2023      | 2022      | 2021      |
| <b>Direct economic value</b>   |           |           |           |
| Operating revenue  | 1,910,944 | 1,026,768 | -         |
| Non-operating net income   | 1,000     | 141       | 307       |
| <b>Economic value distributed (A)+(B)+(C)+(D)</b>                            |           |           |           |
| Operating costs (A)  | 1,379,180 | 771,056   | -         |
| Operating expenses (B)   | 106,411   | 161,815   | 169,859   |
| Employee salaries and benefits   | 46,177    | 49,164    | 65,603    |
| Community investment   | 545       | 587       | 20        |
| Payments to funders (C)  | 37,456    | 31,691    | 20,122    |
| Government transactions (D)  | 76,750    | 56,351    | -         |
| Retained economic value (Direct economic value – distributed economic value) | 312,147   | 5,996     | (189,674) |

Note 1: Sinyi Development adopts a strategy of excellence and since the "Jiaping" project was fully sold out in 2020 and under construction in 2021, hence no operating revenue was recognized for it in 2021.

Note 2: Only business income tax is listed for government transactions, and Sinyi Development did not have any income tax expenses in 2021.



## III. Board Governance

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### 1. Director Selection Mechanism

Sinyi Development is a 100% invested subsidiary of Sinyi Realty, and the appointment or selection of its three directors is authorized by the Board of Directors of the parent company and carried out by the Chairman. Each director's term is set for three years, and the appointment is subject to approval by the most recent board meeting.

The Chairman of Sinyi Development is elected by the Board of Directors from among its members. The election requires the attendance of over two-thirds of the directors, and more than half of the attending directors must agree on the appointment. In the current term, Mr. Chun-Chi Chou serves as the Chairman, is the founder of Sinyi Group and with extensive experience as the Chairman of a publicly listed company. He with a wealth of talent selection and organizational management, upholds three core business concepts: "righteous ahead of profit, putting people-oriented, and positive thinking". He is committed to promoting the spirit of "Sinyi-Trustfulness and Righteousness" to others and steering the company towards achieving sustainable development goals. Chairman Chun-Chi Chou believes that Sinyi Development's mission to create better homes for its customers has a significant impact on society. With his past leadership experience in the real estate agency business, he can accurately and effectively meet customer needs and lead Sinyi Development with innovative ideas and visionary perspectives from a macro point of view. Through incorporating the principles of sustainable management, he prioritizes giving back to stakeholders. Therefore, Mr. Chun-Chi Chou is regarded as an ideal candidate for the position of Chairman at Sinyi Development.

### 2. Director Remuneration and Performance

Sinyi Development's directors serve voluntarily without remuneration, with responsibilities in overseeing the company's operational and sustainability issues. Throughout their service term, directors properly direct and supervise the company's strategic direction and resource allocation, action plans and progress on operational and sustainability matters. They evaluate the performance and results for continuous adjustments to the governance and strategic directions based on the outcomes.

Likewise, the performance and results of the company's operational and sustainability efforts reflect the effectiveness of the Board of Directors. Self-assessments are conducted at least once a year by the Board of Directors. The results serve as important supporting material for the re-appointment or election of directors by the Chairman of the parent company at the end of their tenure.



| Name           | Gender | Tenure  | Age     | Position   | Influence capacity on Sinyi Development                     | Operational Business and Sustainability Responsibilities  | Stakeholder Representative  |
|----------------|--------|---------|---------|------------|---|---|---|
| Chun-Chi Chou  | Male   | 3 years | Over 50 | Chairman   | Operation<br>Products and Services<br>Sustainability Issues | (1) Executes significant resolutions of the Board of Directors, reviews corporate management performance, and provides guidance to managers at the executive level.<br>(2) Engages in the formulation of critical strategic initiatives and key events at Sinyi Development.<br>(3) Leads Sinyi Development towards achieving the 2050 net-zero emissions target.   | Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development. |
| Chin-Hong Chen | Male   | 3 years | Over 50 | Director   | Operation<br>Products and Services                          | (1) Holds the position of General Manager at Sinyi Development.<br>(2) Responsible for leading and executing the overall operational planning of Sinyi Development; supervising and facilitating the business operations of each department.<br>(3) Continues to promote green buildings, low-carbon buildings and smart buildings as the industry standard, strive to obtain certificates or qualification labels issued by competent authorities and reduce GHG emissions, and ultimately achieve net-zero emissions throughout the entire lifecycle of projects, from construction to maintenance.<br>(4) Plans development projects starting from 2022 to establish green building and carbon footprint indicators, taking into account factors such as land location, surrounding environment, area size, building design, materials and construction techniques.<br>(5) Focuses on creating sustainable buildings that are exemplary to demonstrate the combination of urban development and sustainable practices, through utilizing and developing digital technologies and innovations, such as Building Information Modeling (BIM); reducing raw material waste, integrating the sustainability elements in advance; establishing a solid foundation for sustainable building development; incorporating high standards, green practices and low-carbon and smart techniques. | Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development. |
| Chih-Huan Chen | Male   | 3 years | Over 50 | Director   | Finance   | Provides professional advice on financial matters.  | Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development. |
| Chiu-Chin Lin  | Female | 3 years | Over 50 | Supervisor | Supervision   | Supervises the operational status of Sinyi Development and issues the Supervisor's Report.  | Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development. |



### 3. Director Training

As an important member of the Sinyi Group, Sinyi Development's board members regularly participate in training programs on operational business and sustainability issues organized by the Group. Additionally, they stay informed about the relevant updates through publications from the Taiwan Corporate Governance Association (TCGA) and training courses organized within the Group. This helps the directors enhance their competencies and abilities in their respective roles. Their training hours for 2023 are as follows:

| Role and Position | Name           | Date                  | Course Name   | No. of Hours |
|-------------------|----------------|-----------------------|---|--------------|
| Chairman          | Chun-Chi Chou  | 2023/09/21            | AI Transformation: Embracing the True Computer Age  | 3            |
|                   |                | 2023/11/29            | Building Future Architectures of Sustainable Net-Zero Emissions   | 3            |
| Director          | Chin-Hong Chen | 2023/11/29            | Building Future Architectures of Sustainable Net-Zero Emissions   | 3            |
| Director          | Chih-Huan Chen | 2023/04/27            | Advocacy of Sustainable Development Action Plan for Listed Companies  | 3            |
|                   |                | 2023/09/19            | Coping with Corporate Carbon Rights and Carbon Asset Management Under Global Carbon Trading Mechanism         | 3            |
|                   |                | 2023/09/21            | AI Transformation: Embracing the True Computer Age  | 3            |
|                   |                | 2023/11/29            | Building Future Architectures of Sustainable Net-Zero Emissions   | 3            |
|                   |                | 2023/12/12            | 2023 Corporate Governance Summit XIX-Creating New Sphere of Governance for the Elevating Value of Enterprises | 3            |
| Supervisor        | Chiu-Chin Lin  | 2023/09/18~2023/09/19 | Continuing Education Course for Accounting Executives   | 12           |

### 4. Board Supervision Mechanism for Operations and Sustainability Issues

The Board of Directors serves as the highest governance and risk management body. In addition to executing business in accordance with laws, regulations and shareholder resolutions, the Board must approve strategic plans, annual and quarterly financial reports, assessments of the effectiveness of internal control systems, and appointments or dismissals of CPAs and executives.

Sinyi Development reports key significant events with substantial impacts on operations to the Board of Directors based on financial or issue significance. The Board oversees and reviews management and performance across various dimensions and provides directions and strategies for important issues to assist the Company in creating long-term sustainable value.

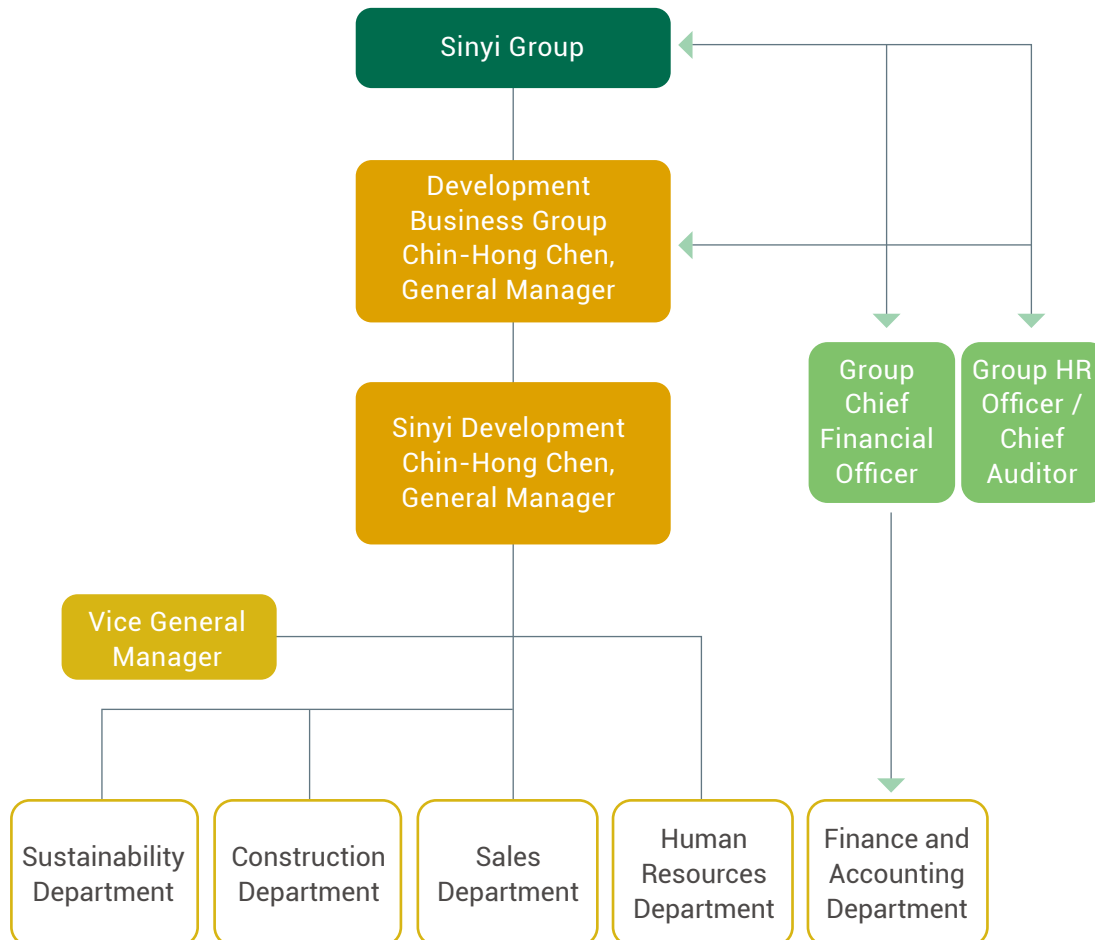
- **Financial Significance:** Proposals concerning securities or real estate investments exceeding NT\$ 50 million are submitted to the board for resolution. There were no such events in 2023.
- **Issue Significance:** Key issues such as sustainable development, ethical business practices, information security, intellectual property management, investor relations, and major litigation cases are reported to the board by the end of the year. There was a total of 0 cases reported in 2023. The Audit Office also reported significant risk assessment results quarterly, with a total of 4 reports in 2023.

Through regular and ad hoc meetings, the Board of Directors reviews and evaluates action strategies and risk management measures related to operational and sustainability issues (e.g., environmental protection, social responsibility and corporate governance). This oversight ensures the adequacy of reports, identifies execution obstacles and performance outcomes, and effectively supervises progress and resource allocation. The Board delegates authority to the General Manager and ESG Implementation Unit to handle operational matters (including dealings with suppliers) and sustainability-related issues. They develop and promote climate change actions, strategies and risk management measures, confirm short-term, mid-term and long-term plans, manage performance assessments and regularly or as needed report significant issues to the Board. Relevant decisions are documented in meeting minutes and followed up accordingly for further supervision.



## IV. Corporate Organizational Structure 2-13

### Organizational Structure Chart of Sinyi Development



### 1. Executive Committee

The Executive Committee at Sinyi Development consists of the General Manager and one Vice General Manager, who collectively oversee the Company's operations according to internal operating procedures. They are responsible for integrating sustainability-related issues with the Company's operations, reporting progress and performance to the board of directors at least once a month. Additionally, they participate in annual and quarterly deliberation meetings at the Sinyi Group to discuss operational and sustainability matters.

Following the compensation policy and decision-making process of the Sinyi Group, operational status, progress on sustainability issues, and performance results are linked to the Vice General Manager and above, complemented by annual performance bonuses.





The responsibilities of the Executive Committee in operation and sustainability-related matters are provided in the table below:

| Position             | Descriptions for Responsibilities in Operations and Sustainable Development Issues   |
|----------------------|--|
| General Manager      | (1) Responsible for overall operation planning, leadership, and execution, as well as supervising and promoting the operations of various departments.<br>(2) Promotes "sustainable architectures" to enhance environmental sustainability, overseeing each project's location, surrounding environment, area, building design, materials, and construction methods, and integrating suitable green building and carbon footprint indicators.<br>(3) Oversees temporary water and electricity installation, waste classification, dust control, and noise control to reduce impacts on the surrounding environment and residents, in accordance with ESG indicators. |
| Vice General Manager | Implements the Company's ESG goals, strategies, and action plans; responsible for supervising and coordinating the execution of various departments, providing timely feedback to ensure the Company implements plans according to schedule.   |



## 2.Role descriptions of each department

The integration of environmental protection, social responsibility, and corporate governance-related issues with company operations has gradually progressed. Therefore, regular monthly meetings involve both written and oral reporting to the Board members regarding performance. Below is a summary of the main departments' responsibilities in operational business and ESG issues:

| Department  | Scope of work  | Organizational responsibilities  | Descriptions for Responsibilities in Operations and Sustainable Development Issues   |
|---|--|--|--|
| <br>Human Resources Department | Human resources  | Promote the Company's cultural values, establish a talent system that aligns with our corporate culture, and handle various administrative tasks such as logistics, administration, legal affairs, information technology, and group coordination.   | <ol style="list-style-type: none"> <li>(1) Optimize HR operations, emphasizing a people-oriented organizational culture.</li> <li>(2) Promote company cultural values and establish a talent system in line with our corporate culture.</li> <li>(3) Handle various administrative support tasks for business operations, including administration, general affairs, legal affairs, information technology, and group correspondence.</li> </ol>   |
| <br>Sustainability             | Environmental<br>Resources and materials<br>Commercial venues                          | Integrate and lead the planning and implementation of sustainable development initiatives within the company. This includes introducing appropriate suppliers, construction methods, materials, and equipment, as well as overseeing the planning and operation of commercial spaces with a focus on environmental sustainability. | <ol style="list-style-type: none"> <li>(1) Integrate and lead the planning and implementation of sustainable ESG development initiatives within the Company. This includes introducing appropriate suppliers, construction methods, materials, and equipment, as well as overseeing the planning and operation of commercial spaces with a focus on environmental sustainability.</li> <li>(2) Lead and coordinate the implementation of business activities combined with environmental sustainability issues across units, handle external public relations, and disclose information on related issues.</li> <li>(3) Budget allocation, procurement, cost control, value engineering evaluation, and research and development.</li> </ol> |
| <br>Sales Department           | Sales<br>Development   | Land assessment and acquisition, product positioning, sales management, customer service, and promotion of community development initiatives. Additionally, the Department ensures that all departmental activities are aligned with the needs and expectations of customers.  | <ol style="list-style-type: none"> <li>(1) Conduct land assessment and acquisition, product positioning, sales management, customer service, and community development promotion, while leading and coordinating activities across units from a customer-oriented perspective.</li> <li>(2) Collect and analyze domestic and international real estate information, land resources, regulations, and industry intelligence.</li> <li>(3) Plan the integration of customer databases and conduct customer behavior analysis and research.</li> </ol>  |
| <br>Construction Department  | Facility<br>Mechanical and electrical-related affairs<br>Design<br>Digital development | management, evaluation of construction methods, selection of building materials, cost control, management of project quality and progress, safety management, and the use of Building Information Modeling (BIM).  | <ol style="list-style-type: none"> <li>(1) Promote energy-saving and carbon reduction in construction projects, demonstrate sustainable building projects, and integrate green building, carbon footprint, and smart building concepts into architectural design and construction.</li> <li>(2) Oversee planning, design management, evaluation of construction methods, selection of building materials, cost control, management of project quality and progress, safety management, and the use of Building Information Modeling (BIM).</li> <li>(3) Integrate development, research, and lead initiatives to implement a digitized operational model to reduce environmental impact and burdens.</li> </ol>                              |

Note: The Company completed a department restructuring in September 2023.

Sinyi Development has conducted operational activities based on defined business content and workflow following internal operational procedures within the aforementioned departments. They report to the Board members of Sinyi Development at least once a month. Additionally, they participate in annual and quarterly review meetings organized by Sinyi Group, where they report on operational business and ESG-related issues.



## CHAPTER 03

# Sustainable Strategy

Sinyi Development's vision for 2030 is to "Become an industry benchmark in ESG through Co-inclusive Pre-construction." This not only represents a fresh interpretation of our architectural philosophy but also embodies our corporate vision of "upholding corporate ethics and becoming a leader in lifestyle." Since the first publication of our sustainability report in 2021, Sinyi Development has remained steadfast in its sustainability goals and principles. We have actively established a more comprehensive ESG framework and deepened our management policies. In the future, we will communicate with stakeholders from a more extensive global perspective, bringing a better and happier new life to everyone around us.

### “ — The connotation of Co-inclusive Pre-construction vision — ”

The concept of "Co-inclusive Pre-construction" symbolizes the profound aspirations and firm commitment of Sinyi Development to the future, while also embodying a concrete manifestation of ESG principles. It's not merely about architecture but also about interpreting life.

"Inclusion" goes beyond cooperation; it's a pursuit of harmonious coexistence. Through dialogue, respect for nature, and keen insight, the aim is to create a lifestyle that benefits everyone and respects the environment. It's about progressing together with all stakeholders, fostering a symbiotic relationship where everyone thrives, and creating a harmonious coexistence.

"Prefabricated Buildings" symbolize Sinyi Development's exploration of innovation and the future. The emphasis on "Pre" is not just about the early stages of architectural design but encompasses the entire process from creation to usage, including its holistic impact on the environment and the community. This spirit is reflected in the Company's service to clients, not only meeting current needs but also anticipating future demands and providing more comprehensive solutions.



The use of red and green tones in the architecture represents the Co-inclusive Pre-construction concept advocated by Sinyi Development, showcasing the beautiful vision of harmonious coexistence between people and houses.

The handshake symbolizes "inclusion," representing the close connections, joint efforts, and shared values with the six major stakeholders (customers, colleagues, shareholders, society, environment, and suppliers). The yellow color of the "pre" symbolizes the concepts of anticipation, preparedness, and prevention.

### Key Points

|  |    |
|--|----|
| Sustainable Development Organization                             | 17 |
| Analysis of Material Topics                                      | 18 |
| Materiality References   | 21 |
| Stakeholder Engagement   | 22 |
| Management Guideline and Table of Short-/Medium-/Long-Term Plans | 25 |



# I. Sustainable Development Organization

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## Organizational Chart of Sinyi Development's ESG Sustainable Development Organization



The Board of Directors serves as the highest governing body of the Company, regularly addressing issues related to environmental protection, social responsibility, and corporate governance. They steer the strategic direction of the Company, supervise management measures and performance, and bear ultimate responsibility for the impacts of risks and opportunities.

One of the members of the Sinyi Development Board of Directors, Director Chen Chin-Hong, also serves as the General Manager, carrying the responsibilities for operational business and sustainability issues within the company. During Director Chen's tenure, he diligently oversees and directs the strategic direction, content, resource allocation, action plans, and execution progress related to operational and sustainability issues. He also evaluates performance outcomes, assesses governance and strategic directions, and adjusts them on a rolling basis as needed.

The ESG Implementation Unit is supervised by the General Manager and the Vice General Manager, under the leadership and direction of the Board of Directors. They formulate and promote action strategies and risk management measures, confirm short-, medium-, and long-term plans, manage performance evaluation outcomes, hold quarterly discussion meetings to review implementation progress, obstacles, and performance results, and adjust operational strategies or decisions along with management measures on a rolling basis.

Finally, the ESG Implementation Unit assists each department according to its responsibilities and integrates cross-departmental mechanisms to discuss and implement action strategies and risk management measures, formulate short-, medium-, and long-term plans, and regularly report performance evaluation results.

Additionally, the General Manager and the Vice General Manager, and ESG Implementation Unit members are also responsible for colleagues' participation to ensure alignment with the decision-making process of the Sinyi Group's "Total Ethical Management Committee" (i.e., the highest-level ESG promotion organization within the group, composed of senior management). The Board of Directors ensures effective management of economic, environmental, and social impacts through authorization and delegation. The decision-making processes are reflected in meeting records and tracked and reported by the Board of Directors.



## II. Analysis of Material Topics 3-1 3-2

Sinyi Development has analyzed global trends, internal and external business activities, collected and inventoried sustainability issues of concern, and continues to communicate with stakeholders through various channels such as regulatory agencies, third-party collaborations, community events, supplier meetings, and various internal meetings. Impact analysis is conducted by experts and senior management, and the results are prioritized based on significance, forming the Company's sustainable development strategy and measures.

### 1. Understanding Organizational Context

- **Identifying Stakeholders:** Following the strategies of Sinyi Group, stakeholders have been identified based on the five major principles of the AA1000 SES 2015 Stakeholder Engagement Standard (SES), including the environment, employees, customers, shareholders, the society (including media, government agencies and competent authorities), and suppliers, totaling 6 categories of stakeholders for engagement.
- **Collecting Issues of Concern:** Sinyi Development has analyzed global trends, internal and external business activities, and characteristics of the real estate industry, collecting and inventorying sustainability issues of concern. This includes referencing guidelines such as the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed and OTC Companies," "Guidelines for the Determination of Sustainable Economic Activities," as well as international standards and frameworks (e.g., GRI, TCFD, SASB) while taking Sinyi Group's net-zero emission policy and issues of concern from 2021, resulting in a total of 56 issues of concern.

### 2. Identifying Actual and Potential Impacts

For the identified sustainability issues, Sinyi Development continues to communicate with stakeholders through various channels such as regulatory agencies, third-party collaborations, community events, supplier meetings, and internal meetings, collecting and identifying the actual and potential impacts and feedback from stakeholders.

### 3. Assessment of Impact Significance

Sinyi Development seeks mutual benefits with stakeholders and thus carefully evaluates the actual and potential impacts of each issue of concern collected and identified through various communication channels and assesses the degree of impact significance. This information is then discussed and prioritized by the General Manager and senior executives of each department to determine the material topics for the current year.

### 4. Prioritizing the Reporting Sequence of Most Significant Impacts

Sinyi Development employs a process that involves distributing surveys to the General Manager and senior executives of each department. This process considers the important information compiled from the previous three steps, material topics from 2021, and consultation with expert advisors. Based on the analysis of the impact severity of "Environmental Protection, Social Responsibility, and Corporate Governance" and the likelihood of issue occurrence, the issues that could bring the most significant impacts for the current year are prioritized in sequence and regarded as material topics to be covered sequentially in this report.

As mentioned above, the degree of impact of each issue is ranked from high to low in the following table of the next page, with a total score of 116 points as the threshold for materiality (the total score of "Environmental Protection, Social Responsibility, and Corporate Governance" degree of impact and "Issue Occurrence Likelihood"). A total of 23 material topics have been compiled.

In deciding 2023 year's material topics, the General Manager and senior executives of each department reviewed the key information compiled from stakeholders, material topics from the year 2021, and consulted expert opinions. Since there have been no significant changes in organizational activities and business relationships, a decision has been made to maintain the material topics from 2021.

Sinyi Development will respond proactively to each material topic covered in this report, formulating action plans and management measures to demonstrate its commitment to environmental protection, social responsibility, and corporate governance (ESG) issues, harmonizing the interests of stakeholders, and achieving sustainable business goals.



| Ranking for 2023 | Issues of Concern                         | Positive/Negative Impact   | Actual/Potential Impact     | Total |
|------------------|---|--|-----------------------------|-------|
|                  |   | Degree of Impact on Environmental Protection, Social Responsibility and Corporate Governance | Issue Occurrence Likelihood |       |
| 1                | Operational Performance                   | 75   | 61                          | 136   |
| 2                | Compliance with Environmental Regulations | 78   | 57                          | 135   |
| 3                | Risk Control                              | 74   | 61                          | 135   |
| 4                | Employee Identification and Retention     | 73   | 58                          | 131   |
| 5                | Service Quality and Customer Rights       | 74   | 55                          | 129   |
| 6                | Land Use                                  | 77   | 50                          | 127   |
| 7                | Climate Change Risks and Opportunities    | 73   | 54                          | 127   |
| 8                | Energy-saving Design                      | 68   | 57                          | 125   |
| 9                | Organizational Climate                    | 67   | 58                          | 125   |
| 10               | Legal Compliance                          | 75   | 50                          | 125   |
| 11               | Corporate Image/Brand Management          | 72   | 53                          | 125   |
| 12               | Ethics and Integrity                      | 77   | 47                          | 124   |
| 13               | GHG Emissions                             | 71   | 53                          | 124   |
| 14               | Green Procurement                         | 68   | 55                          | 123   |

| Ranking for 2023 | Issues of Concern                        | Positive/Negative Impact   | Actual/Potential Impact     | Total |
|------------------|--|--|-----------------------------|-------|
|                  |  | Degree of Impact on Environmental Protection, Social Responsibility and Corporate Governance | Issue Occurrence Likelihood |       |
| 15               | Compensation and Benefits                | 67   | 56                          | 123   |
| 16               | Raw Material Use Management              | 68   | 54                          | 122   |
| 17               | Supplier Environmental Assessment        | 62   | 56                          | 118   |
| 18               | Community Development                    | 66   | 52                          | 118   |
| 19               | Audit Mechanism                          | 66   | 52                          | 118   |
| 20               | Innovative Technologies and Services     | 66   | 52                          | 118   |
| 21               | Talent Development                       | 62   | 55                          | 117   |
| 22               | Business Continuity                      | 72   | 45                          | 117   |
| 23               | Supplier Social Assessment               | 63   | 53                          | 116   |
| 24               | Supplier Corporate Governance Assessment | 63   | 52                          | 115   |
| 25               | Digital Resilience                       | 68   | 47                          | 115   |
| 26               | Fair Procurement                         | 62   | 53                          | 115   |
| 27               | Workplace Health and Safety              | 64   | 50                          | 114   |
| 28               | Environmental Management                 | 67   | 46                          | 113   |

Note: ■ environmental protection ■ social responsibility ■ corporate governance.



| Ranking for 2023 | Issues of Concern                               | Positive/Negative Impact   | Actual/Potential Impact     | Total |
|------------------|---|--|-----------------------------|-------|
|                  |   | Degree of Impact on Environmental Protection, Social Responsibility and Corporate Governance | Issue Occurrence Likelihood |       |
| 29               | Information Disclosure and Transparency         | 64   | 49                          | 113   |
| 30               | Governance Framework                            | 67   | 46                          | 113   |
| 31               | Social Engagement                               | 65   | 46                          | 111   |
| 32               | Work-Life Balance                               | 58   | 52                          | 110   |
| 33               | Financial Transparency                          | 61   | 48                          | 109   |
| 34               | Climate Change Adaptation                       | 64   | 44                          | 108   |
| 35               | Industry Development and Policy Communication   | 60   | 47                          | 107   |
| 36               | Water Installation Design                       | 58   | 48                          | 106   |
| 37               | Energy Management                               | 58   | 48                          | 106   |
| 38               | Water Resource Management                       | 55   | 49                          | 104   |
| 39               | Environmentally Friendly Technology Application | 62   | 42                          | 104   |
| 40               | Labor Rights                                    | 60   | 44                          | 104   |
| 41               | Social Welfare Contributions and Donations:     | 57   | 46                          | 103   |
| 42               | Circular Economy                                | 56   | 46                          | 102   |

| Ranking for 2023 | Issues of Concern                                | Positive/Negative Impact   | Actual/Potential Impact     | Total |
|------------------|--|--|-----------------------------|-------|
|                  |  | Degree of Impact on Environmental Protection, Social Responsibility and Corporate Governance | Issue Occurrence Likelihood |       |
| 43               | Labor-Employer Relations                         | 57   | 43                          | 100   |
| 44               | Career Development                               | 56   | 44                          | 100   |
| 45               | Housing Justice                                  | 61   | 39                          | 100   |
| 46               | Ecological Preservation                          | 60   | 39                          | 99    |
| 47               | Anti-Competitive Behavior                        | 57   | 41                          | 98    |
| 48               | Employment Opportunities                         | 49   | 45                          | 94    |
| 49               | Human Rights Assessment                          | 51   | 38                          | 89    |
| 50               | Forced Labor                                     | 57   | 31                          | 88    |
| 51               | Women's Rights                                   | 49   | 33                          | 82    |
| 52               | Workplace Equality                               | 51   | 31                          | 82    |
| 53               | Diversity  | 46   | 35                          | 81    |
| 54               | Biodiversity                                     | 45   | 35                          | 80    |
| 55               | Freedom of Association and Collective Bargaining | 43   | 37                          | 80    |
| 56               | Marine Resource Preservation                     | 36   | 26                          | 62    |

Note: ■ environmental protection ■ social responsibility ■ corporate governance.



### III. Materiality References

Based on the ranking of material topics, the corresponding GRI guidelines, SASB standards and TCFD framework are shown in the table below.

| Dimension            | Environmental Protection  | Social Responsibility  | Corporate Governance  |  | Suppliers  |
|----------------------|---|--|---|--|--|
| Material Topics      | Compliance with Environmental Regulations<br>Land Use<br>Energy-saving Design<br>Raw Material Use Management<br>GHG Emissions | Employee Identification and Retention<br>Organizational Climate<br>Compensation and Benefits<br>Talent Development<br>Service Quality and Customer Rights<br>Community Development | Operational Performance<br>Risk Control<br>Climate Change Risks and Opportunities<br>Legal Compliance<br>Corporate Image/Brand Management | Ethics and Integrity<br>Audit Mechanism<br>Innovative Technologies and Services<br>Business Continuity | Green Procurement<br>Supplier Environmental Assessment<br>Supplier Social Assessment |
| GRI guideline        | GRI 305: Emissions  | GRI 401: Employment<br>GRI 404: Training and Education<br>GRI 416: Customer Health and Safety<br>GRI 417: Marketing and Labeling   | GRI 201: Economic Performance   |  | GRI 308: Supplier Environmental Assessment<br>GRI 414: Supplier Social Assessment    |
| Customized Topics    | Compliance with Environmental Regulations<br>Land Use<br>Energy-saving Design<br>Raw Material Use Management                  | Community Development<br>Organizational Climate  | Risk Control<br>Legal Compliance<br>Audit Mechanism<br>Ethics and Integrity   | Corporate Image/Brand Management<br>Innovative Technologies and Services<br>Business Continuity        |  |
| SASB standards       | Land Use & Ecological Impacts<br>Ecological Impacts<br>Design for Resource Efficiency   | Workforce Health and Safety<br>Community Impacts of New Developments   | Climate Change Adaptation   |  |  |
| TCFD Recommendations | Climate Change Risks and Opportunities  |  | Climate Change Risks and Opportunities  |  | Climate Change Risks and Opportunities   |



## IV. Stakeholder Engagement 2-25 2-29

Sinyi Development is committed to providing exemplary service and fostering happy and harmonious lives. To achieve continuous communication, response, action plan formulation, and management measures with various stakeholders, our communication approaches and methods are as follows, as described in each table. Detailed responses and plans for relevant material topics are outlined in corresponding sections.

### Environment

| Strategies   | Engagement Method and Frequency  |  | Issues of Concern   |
|--|--|--|---|
| Commit to researching and promoting energy efficiency and carbon reduction. In land development and project design, invest in smart and green concepts to achieve net-zero emissions and sustainable development goals, contributing to global climate change efforts. | <ul style="list-style-type: none"> <li>● Sustainability reports[annually]</li> <li>● Official website[real-time]</li> <li>● Carbon management disclosure[annually]</li> <li>● Neighborhood or community offices[real-time]</li> </ul>  | <ul style="list-style-type: none"> <li>● Community development[irregularly],</li> <li>● Sustainable Walks (publication)[regularly]</li> <li>● Government agencies[irregularly]</li> <li>● Non-Profit Organizations[irregularly]</li> </ul>   | <ul style="list-style-type: none"> <li>● Raw Material Use Management</li> <li>● Land Use</li> <li>● Energy-saving Design</li> <li>● GHG Emissions</li> <li>● Compliance with Environmental Regulations</li> <li>● Climate Change Risks and Opportunities</li> <li>● Innovative Technologies and Services</li> </ul> |
|  | Engagement Results   | Our Responses  | Response Measures   |
|  | The Company responds to national environmental policies such as net-zero emission policies that have been formulated to encourage non-listed companies to conduct greenhouse gas inventories, focusing on land protection, and even launches progress on low-carbon and green buildings to address the impact of climate change. | The Company also continues to strengthen environmental management, initiate project greenhouse gas inventories, collaborate with third parties to collect low-carbon materials, methods, and equipment, establish databases, seek smart measures to enhance energy efficiency and carbon reduction, strive for low-carbon and green building certifications, and achieve net-zero emission policies in response to stakeholders' concerns. | <ul style="list-style-type: none"> <li>● Risk assessment of land development.</li> <li>● Regular implementation of GHG inventory.</li> <li>● Pursuit of net-zero emission buildings.</li> <li>● Climate change risk management.</li> <li>● Ensuring legal compliance.</li> </ul>                                    |



## Employees

| Strategies  | Engagement Method and Frequency   |   |  | Issues of Concern  |
|---|---|---|--|--|
| <p>Strategy: Talent is the cornerstone of sustainable development, and we have established four major policies for talent cultivation:</p> <p>(1) Shaping a common vision to guide colleagues in their career development direction.</p> <p>(2) Cultivating a leadership style and organizational culture that is broad and strict.</p> <p>(3) Increasing self-expectations as a driving force for growth.</p> <p>(4) Building mutual trust relationships to establish the foundation of management mechanisms.</p> | <ul style="list-style-type: none"> <li>● Sustainability reports[annually]</li> <li>● Official website[real-time]</li> <li>● Various internal meetings[regularly]</li> <li>● Sustainable Walks (publication) [regularly]</li> <li>● Internal communication platforms[real-time]</li> </ul> | <ul style="list-style-type: none"> <li>● Communication mailbox[real-time]</li> <li>● Departmental service hotline[real-time]</li> <li>● Labor-management meetings[regularly]</li> </ul>   | <ul style="list-style-type: none"> <li>● Employee Assistance Program (EAP)[real-time]</li> <li>● Sexual Harassment Prevention Hotline 1234[real-time]</li> <li>● course feedback surveys[real-time]</li> <li>● internal questionnaires [annually]</li> </ul> | <ul style="list-style-type: none"> <li>● Talent Development</li> <li>● Organizational Climate</li> <li>● Compensation and Benefits</li> <li>● Employee Identification and Retention</li> </ul>   |
|   | Engagement Results  | Our Responses   |  | Response Measures  |
|   | Sinyi Development conducts colleague satisfaction surveys and accepts colleagues' feedback and opinions in a timely manner.   | By establishing comprehensive and adequate communication channels, accepting colleagues' feedback in a timely manner, and adhering to a spirit of continuous improvement, we adjust manpower policies and corresponding regulations and systems as needed. At the same time, in conjunction with Sinyi Group's flexible benefit system of "Sinyi Coins," we return autonomy to colleagues, allowing them to freely choose from a more diverse range of training, benefits, or other needs. This fosters better utilization among colleagues at all levels, enhancing their professional capabilities, fostering innovative thinking, and balancing work and life. |  | <ul style="list-style-type: none"> <li>● Establishing stable communication and harmonious relationships between labor and management.</li> <li>● Foster a good organizational climate.</li> <li>● Establish diverse and autonomous talent cultivation, salary and reward, and welfare mechanisms.</li> <li>● Comprehensive retirement system.</li> <li>● Implementation of sound workplace health and safety systems.</li> <li>● Work-life balance.</li> <li>● Increase the scale of like-minded colleagues and retention rate.</li> <li>● Ensuring legal compliance.</li> </ul> |

## Customers

| Strategies   | Engagement Method and Frequency   |   |   | Issues of Concern   |
|--|---|---|---|---|
| <p>Customers, as a key driving force for company operations, are served by benchmark projects that are professional, green, energy-efficient, environmentally friendly, sustainable, safe, and compliant, thereby establishing the Company's ethical image and shaping its green brand reputation.</p> | <ul style="list-style-type: none"> <li>● Sustainability reports[annually]</li> <li>● Official website[real-time]</li> <li>● Social media platforms[regularly]</li> <li>● Sustainable Walks (publication) [regularly]</li> </ul>           | <ul style="list-style-type: none"> <li>● Community seminars, events, carnivals[irregularly]</li> <li>● Customer feedback mailbox and hotlines [real-time]</li> </ul>  | <ul style="list-style-type: none"> <li>● Service Quality and Customer Rights</li> <li>● Legal Compliance</li> <li>● Ethics and Integrity</li> </ul> | <ul style="list-style-type: none"> <li>● Corporate Image/Brand Management</li> <li>● Innovative Technologies and Services</li> </ul>  |
|  | Engagement Results  | Our Responses   |   | Response Measures   |
|  | The Company responds to customer feedback and expectations obtained through channels like customer mailbox/hotline and community services, continuously confirming demands, mainly focusing on inquiries regarding project uncertainties. | Through digital innovations such as BIM and information sharing platforms, design and spatial optimization are achieved to avoid construction errors, enhance customer satisfaction, and ensure that customer needs are met. Additionally, the Company has strengthened service quality by adhering to 10 specific requirements to ensure that customer needs are met satisfactorily. |   | <ul style="list-style-type: none"> <li>● Innovative Technologies and Services.</li> <li>● Continuous improvement in service quality, taking customers' rights into consideration at all times.</li> <li>● Ensuring complete and comprehensive disclosure of product information.</li> <li>● Ensuring legal compliance.</li> <li>● Establishing the Company's ethical image and shaping its green brand reputation.</li> </ul> |



## Society

| Strategies   | Engagement Method and Frequency  |  | Issues of Concern  |
|--|--|--|--|
| Real estate development should encompass not only the land and buildings themselves but also the surrounding neighborhoods and communities. It should bring about a spiral of benefits in terms of environmental protection and social responsibility, ultimately fostering sustainable development in the local area. | <ul style="list-style-type: none"> <li>● Sustainability reports[annually]</li> <li>● Official website[real-time]</li> <li>● Social media platforms[regularly]</li> <li>● Sustainable Walks (publication) [regularly]</li> </ul>  |  | <ul style="list-style-type: none"> <li>● Community Development</li> <li>● Legal Compliance</li> <li>● Ethics and Integrity</li> </ul>  |
|  | Engagement Results   | Our Responses  | Response Measures  |
|  | Through channels such as OUR-Space community experience centers, community-building services for projects, and hosting various industry-academia research seminars, we have gathered feedback extensively. This helps us confirm societal expectations and devise appropriate response strategies. | Sinyi Development promotes its business philosophy through hosting diverse community-building activities and advocating the concepts of green practices and community development, thereby strengthening the close ties between neighborhoods to ensure the continued positive impact and growth within the community. | <ul style="list-style-type: none"> <li>● Diverse community-building activities.</li> <li>● Ensuring legal compliance.</li> <li>● Establishing the Company's ethical image and shaping its green brand reputation.</li> </ul> |

## Shareholders

| Strategies  | Engagement Method and Frequency  |  | Issues of Concern   |
|---|--|--|---|
| We value shareholder opinions and feedback, striving to respond promptly to relevant information. | <ul style="list-style-type: none"> <li>● Sustainability reports[annually]</li> <li>● Official website[real-time]</li> <li>● Shareholder meetings [annually in May]</li> <li>● Sustainable Walks (publication) [regularly]</li> </ul>           |  | <ul style="list-style-type: none"> <li>● Operational Performance</li> <li>● Risk Control</li> <li>● Audit Mechanism</li> <li>● Ethics and Integrity</li> </ul>  |
|   | Engagement Results   | Our Responses  | Response Measures   |
|   | As a wholly owned subsidiary of its parent company, Sinyi Development also relies on bank loans. Therefore, the Company has consistently collected feedback from both the Sinyi Group and banks to improve its corporate governance practices. | Sinyi Development regularly participates in meetings held by its parent company to ensure governance and performance achievements. Additionally, it engages in consistent, timely, and comprehensive dialogues with banks on matters related to environmental protection, social responsibility, and corporate governance to enhance its sustainable development strategies. | <ul style="list-style-type: none"> <li>● Stable and profitable operational performance</li> <li>● Soundboard structure and responsible operations.</li> <li>● Comprehensive risk management and robust audit mechanisms.</li> <li>● Ensuring legal compliance.</li> </ul> |



## Suppliers

| Strategies  | Engagement Method and Frequency  |   | Issues of Concern   |
|---|--|---|---|
| Suppliers are our crucial partners, and we have taken steps to ensure alignment of both parties' philosophies and mutual support, advancing toward low-carbon and green construction, meeting customer expectations for quality, and ultimately achieving the goal of net-zero emissions, working hand in hand toward sustainable operations. | <ul style="list-style-type: none"> <li>● Sustainability report [annually]</li> <li>● Official website [real-time]</li> <li>● Sustainable Walks (publication) [regularly]</li> <li>● Supplier impact assessment and risk investigation [annually]</li> </ul>  | <ul style="list-style-type: none"> <li>● Supplier management evaluation [irregularly]</li> <li>● Supplier on-site inspections [annually]</li> <li>● Supplier advocacy meetings [irregularly]</li> </ul>   | <ul style="list-style-type: none"> <li>● Green Procurement</li> <li>● Supplier Environmental Assessment</li> <li>● Supplier Social Assessment</li> </ul>  |
|   | Engagement Results   | Our Responses   | Response Measures   |
|   | Steps shall be taken to embed sustainability, low-carbon, and green principles into our supplier selection process and supplier evaluation management mechanism, supplemented by supplier self-assessment forms, regular meetings, and inspection mechanisms, to collect feedback and facilitate communication interaction, aiming to foster consensus on sustainable development. | In terms of supplier selection, we aim to find appropriate suppliers and strive to integrate building design with environmental factors such as wind, sunlight, water, and green spaces. We also ensure the signing of sustainability commitment agreements. Furthermore, we shall enhance supplier evaluation management through mechanisms such as on-site energy usage management, regular meetings, and inspections so as to foster a gradual accumulation of green awareness, consolidate consensus on sustainable development, meet customer quality expectations, and ultimately achieve net-zero emissions goals. | <ul style="list-style-type: none"> <li>● Seek suppliers who share our values and possess green capabilities.</li> <li>● Ask suppliers to sign a sustainability commitment agreement.</li> <li>● Improve our management mechanism for supplier evaluations.</li> </ul> |

## V. Management Guideline and Table of Short-/Medium-/Long-Term Plans

3-3

| Dimension                | Strategies                                      | Management Guideline   | Short Term (2025)   | Medium Term (2030)   | Long Term (2050)  | Corresponding Material Topics   | Corresponding Impacts Chapter(s) featuring Corresponding Management Mechanisms |
|--------------------------|---|--|---|--|---|---|--|
| Environmental Protection | Moving Toward Organizational Net-Zero Emissions | Sinyi Development is committed to moving toward organizational net-zero emissions as its guiding direction, utilizing it to identify, analyze, and respond to both actual and potential impacts.   | <ul style="list-style-type: none"> <li>● Sinyi Development HQ's carbon emissions (Category 1+2) reduced by 40%. (with 2021 as the baseline year)</li> <li>● Planning green energy strategies and resource preparation.</li> </ul> | <ul style="list-style-type: none"> <li>● Sinyi Development's carbon emissions (Category 1+2) reduced by 90%. (with 2021 as the baseline year)</li> <li>● Achieving 50% usage of green energy.</li> </ul>   | <ul style="list-style-type: none"> <li>● Achieving net-zero emissions.</li> <li>● Achieving 100% usage of green energy.</li> </ul>  | <ul style="list-style-type: none"> <li>● Climate Change Risks and Opportunities</li> <li>● GHG Emissions</li> </ul>   | IV. Climate Change   |
|                          | Forging Sustainable Architectures               | Our mission is to create timeless architecture, actively sourcing, developing, and utilizing low-carbon materials, mechanical and electrical systems, and construction methods. We aim to forge green, energy-efficient, environmentally friendly, compliant, safe and comfortable buildings as part of our sustainable development strategy, utilizing them to identify, analyze, and respond to both actual and potential impacts. | <ul style="list-style-type: none"> <li>● Introduction of green building design planning.</li> <li>● No penalties for violating land or building regulations.</li> <li>● Zero land acquisition disputes.</li> </ul>                | <ul style="list-style-type: none"> <li>● 100% of buildings are certified as green buildings.</li> <li>● 100% of project revenue is from green buildings.</li> <li>● No penalties for violating land or building regulations.</li> <li>● Zero land acquisition disputes.</li> </ul> | <ul style="list-style-type: none"> <li>● 100% of buildings achieving net-zero emissions.</li> <li>● 100% of revenue from net-zero carbon buildings.</li> <li>● No penalties for violating land or building regulations.</li> <li>● Zero land acquisition disputes.</li> </ul> | <ul style="list-style-type: none"> <li>● Raw Material Use Management</li> <li>● Land Use</li> <li>● Energy-saving Design</li> <li>● Compliance with Environmental Regulations</li> <li>● GHG Emissions</li> <li>● Innovative Technologies and Services</li> </ul> | V. Environmental Protection  |



| Dimension             | Strategies   | Management Guideline   | Short Term (2025)   | Medium Term (2030)  | Long Term (2050)  | Corresponding Material Topics   | Corresponding Impacts Chapter(s) featuring Corresponding Management Mechanisms |
|-----------------------|--|--|---|---|---|---|--|
| Social Responsibility | Fostering a Friendly Workplace<br><br>Attracting Outstanding Talents | The Company prioritizes the establishment of a robust salary, incentive, and welfare system, alongside a flexible training mechanism, fostering mutual trust among employees. We regard employees as the cornerstone of sustainable development, shaping a shared vision to attract top talents and cultivate a friendly workplace environment. This direction guides our identification, analysis, and response to both actual and potential impacts. | <ul style="list-style-type: none"> <li>Employee turnover rate &lt; 25%.</li> <li>Employee satisfaction &gt; 4.</li> <li>Zero accident rate.</li> <li>100% completion rate for health check-ups.</li> <li>100% employee complaint resolution rate.</li> </ul>  | <ul style="list-style-type: none"> <li>Employee turnover rate &lt; 23%.</li> <li>Employee satisfaction &gt; 4.2.</li> <li>Zero accident rate.</li> <li>100% completion rate for health check-ups.</li> <li>100% employee complaint resolution rate.</li> </ul>  | <ul style="list-style-type: none"> <li>Employee turnover rate &lt; 20%.</li> <li>Employee satisfaction &gt; 4.5.</li> <li>Zero accident rate.</li> <li>100% completion rate for health check-ups.</li> <li>100% employee complaint resolution rate.</li> </ul>  | <ul style="list-style-type: none"> <li>Employee Identification and Retention</li> <li>Organizational Climate</li> <li>Compensation and Benefits</li> <li>Talent Development</li> </ul>  | VI. Social Responsibility – Employees  |
|                       | The Pursuit of Service Excellence                                    | Sinyi Development places customers at the center of its operations, progressively raising its self-imposed standards for service quality to establish itself as a benchmark in the industry. Our pursuit of excellence in service delivery serves as our guiding principle and framework to discern, analyze, and address both actual and potential impacts.   | <ul style="list-style-type: none"> <li>Customer satisfaction &gt; 90%.</li> <li>Zero consumer disputes related to product quality for home purchases.</li> </ul>  | <ul style="list-style-type: none"> <li>Customer satisfaction &gt; 90%.</li> <li>Zero consumer disputes related to product quality for home purchases.</li> </ul>  | <ul style="list-style-type: none"> <li>Customer satisfaction &gt; 90%.</li> <li>Zero consumer disputes related to product quality for home purchases.</li> </ul>  | <ul style="list-style-type: none"> <li>Service Quality and Customer Rights</li> <li>Corporate Image/Brand Management</li> <li>Innovative Technologies and Services</li> <li>Ethics and Integrity</li> <li>Legal Compliance</li> </ul> | VI. Social Responsibility – Services and Customers                             |
|                       | Concept of Community Harmony   | Through ongoing and deepening efforts to promote community-building activities, Sinyi Development plants the seeds of community harmony and goodwill. We aim to cultivate a strong cultural atmosphere within local communities, ultimately achieving sustainable development goals. This serves as our guiding direction, helping us to discern, analyze, and respond to both actual and potential impacts.   | <ul style="list-style-type: none"> <li>Assisting in the establishment of community-building mutual aid organizations for projects</li> </ul>  | <ul style="list-style-type: none"> <li>Assisting in the establishment of community-building mutual aid organizations for projects</li> </ul>  | <ul style="list-style-type: none"> <li>Assisting in the establishment of community-building mutual aid organizations for projects</li> </ul>  | <ul style="list-style-type: none"> <li>Community Development</li> <li>Ethics and Integrity</li> <li>Legal Compliance</li> </ul>   | VI. Social Responsibility – Services and Customers                             |
| Corporate Governance  | Toward Sustainable Corporate Operations                              | Sinyi Development upholds corporate ethics as its vision, innovating to lead in human values, deeply cultivating service to set an exemplary standard as its mission, and steadfastly advancing toward sustainable business operations. This serves as our guiding direction, enabling us to identify, analyze, and respond to both actual and potential impacts.  | <ul style="list-style-type: none"> <li>Business operation generates and maintains positive profits.</li> <li>Zero cases of penalties or disciplinary actions due to legal violations.</li> <li>Zero confirmed cases of complaints regarding violations of corporate ethics or integrity in operations.</li> </ul> | <ul style="list-style-type: none"> <li>Business operation generates and maintains positive profits.</li> <li>Zero cases of penalties or disciplinary actions due to legal violations.</li> <li>Zero confirmed cases of complaints regarding violations of corporate ethics or integrity in operations.</li> </ul> | <ul style="list-style-type: none"> <li>Business operation generates and maintains positive profits.</li> <li>Zero cases of penalties or disciplinary actions due to legal violations.</li> <li>Zero confirmed cases of complaints regarding violations of corporate ethics or integrity in operations.</li> </ul> | <ul style="list-style-type: none"> <li>Operational Performance</li> <li>Risk Control</li> <li>Audit Mechanism</li> <li>Ethics and Integrity</li> <li>Legal Compliance</li> <li>Business Continuity</li> </ul>                         | VII. Corporate Governance  |
| Suppliers             | Together Toward Sustainability                                       | Sinyi Development and its suppliers shall take steps to ensure alignment of both parties' philosophies and mutual support, advancing toward low-carbon and green construction, meeting customer expectations for quality, and ultimately achieving the goal of net-zero emissions, working hand in hand toward sustainable operations and thus enabling us to identify, analyze, and respond to both actual and potential impacts.                     | <ul style="list-style-type: none"> <li>Zero cases of supplier contract violation.</li> <li>Achieve 100% signing of "Sustainability Commitment Agreement" by suppliers.</li> </ul>   | <ul style="list-style-type: none"> <li>Zero cases of supplier contract violation.</li> <li>Achieve 100% signing of "Sustainability Commitment Agreement" by suppliers.</li> </ul>   | <ul style="list-style-type: none"> <li>Zero cases of supplier contract violation.</li> <li>Achieve 100% signing of "Sustainability Commitment Agreement" by suppliers.</li> </ul>   | <ul style="list-style-type: none"> <li>Green Procurement</li> <li>Supplier Environmental Assessment</li> <li>Supplier Social Assessment</li> </ul>  | VIII. Suppliers  |



# CHAPTER 04

## Climate Change

Sinyi Development is committed to moving toward organizational net-zero emissions as its guiding direction, utilizing it to identify, analyze, and respond to both actual and potential impacts.

As a real estate development business, it's undeniable that Sinyi Development belongs to an industry with high greenhouse gas emissions.

In this regard, Sinyi Development follows the methodology of the Task Force on Climate-related Financial Disclosures (TCFD) as a framework for mitigating climate change actions. The Board of Directors and senior executives lead our operational strategies to address both the risks and opportunities of climate change, continuously enhancing overall organizational resilience.

### Material Topics:

GRI ➤ 201  
305

SASB ➤ Home Builders

SDGs ➤  13 CLIMATE ACTION

### Key Points:

|  |    |
|--|----|
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| Sinyi Development's Climate Risk Management        | 36 |
| Sinyi Development's Climate Indicators and Targets | 38 |



# I. Sinyi Development's Climate Governance

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1. Climate change has become a significant issue impacting the sustainable development of companies. To address this, a governance structure has been established with three levels, each responsible for different duties. These levels work from top to bottom to provide leadership direction, supervise effectiveness, and ensure execution and progress reporting, aiming for continuous improvement in management cycles.



## Board of Directors

As the highest governing body, it reviews climate change action strategies and risk management measures at least once a year to assess corporate performance, discuss critical strategic issues, and address significant events related to economic, environmental, and social impacts, risks, and opportunities. Based on this, it confirms content reports, addresses execution obstacles, and monitors progress and resource allocation effectively. In the event of a major crisis, it activates crisis management procedures directly overseen by the board of directors to respond to the operational impacts of climate change and maintain company operations. As for "acquisitions or divestments" and "capital acquisition," these aspects are assessed by Sinyi Group as Sinyi Development is wholly owned by the group, so Sinyi Development has not evaluated these areas yet.



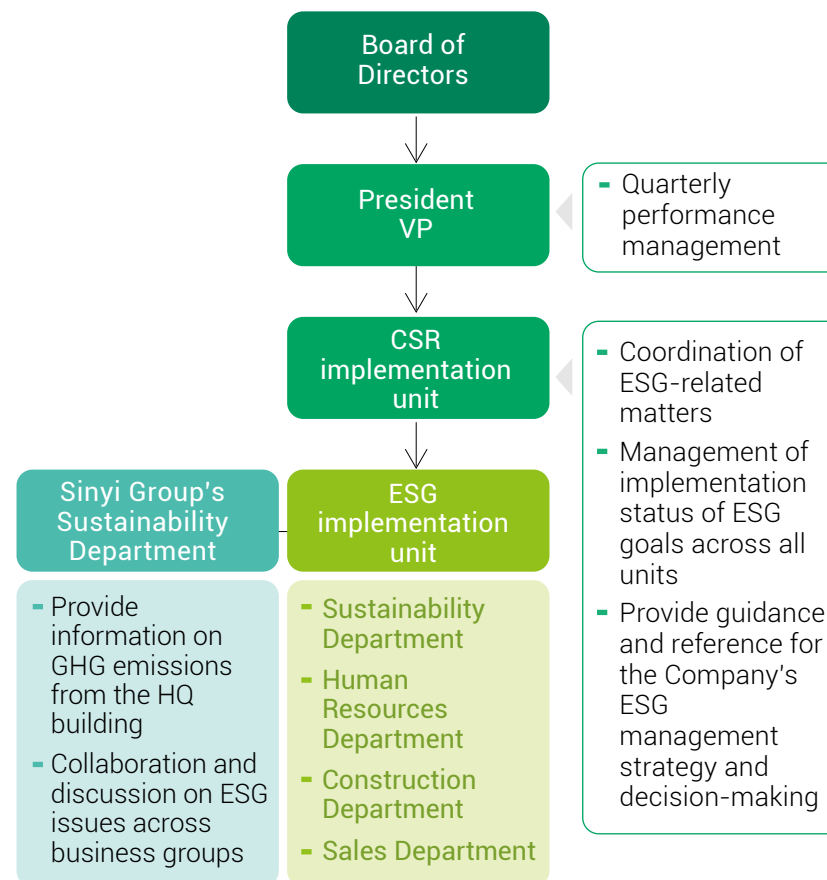
## General Manager, Vice General Manager, and ESG Implementation Unit

The ESG Implementation Unit serves as the coordinating window, consolidating stakeholder identification of climate change risks and opportunities. It formulates and promotes climate change action strategies and risk management measures, confirms short-, medium-, and long-term plans, and manages performance evaluation outcomes. Through performance assessment mechanisms, the ESG Implementation Unit reports execution progress, obstacles, and performance results to the General Manager and Vice General Manager on a monthly basis. Additionally, it will discuss and plan climate change impacts as references for operational strategies or decisions.



## Relevant Departments of Sinyi Development

The ESG Implementation Unit guides various departments, including Environment, Materials, Commercial Venues, Human Resources, Engineering, Mechanical and Electrical, Design, Digital Development, Sales, and Development. These departments discuss and implement climate change action strategies and risk management measures, formulate short-, medium-, and long-term plans, and regularly report performance evaluation outcomes. Furthermore, the Group's Sustainability Department offers support to the ESG Implementation Unit as the coordinating hub.



2. As an integral part of the Sinyi Group, Sinyi Development regularly sends representatives from the Board of Directors and senior management to participate in the Group's "Total Ethical Management Committee" (TEM Committee). Together, they discuss climate change issues and bring back insights to adjust the Company's internal climate change strategies, risk management, indicators, and goals on a rolling basis.



## II. Sinyi Development's Climate Strategy 201-2

1. Sinyi Development refers to the recommendations provided by the Task Force on Climate-related Financial Disclosures (TCFD) and industry-specific guidelines, as well as suggestions from the World Business Council for Sustainable Development (WBCSD) to identify climate change risks and opportunities across the value chain, conduct scenario analyses, and deliberate on strategies and response measures.
2. Sinyi Development determines relevant climate change risks and opportunities based on professional expertise, the Group's net-zero emissions policy, and industry characteristics. These risks include: (1) Policy and Legal: Increasing GHG emission pricing, requirements on construction techniques, and enhanced obligations in emissions reporting. (2) Technology: Costs of low carbon technology transformation. (3) Market: Replacement of current products and services with low-carbon goods and rising raw material costs/behavioral change of customers. (4) Reputation: Increasing attention from stakeholders with negative feedback. (5) Acute Risks: Flooding. (6) Chronic Risks: Changes in precipitation patterns/rising average temperature; The identified opportunities include: Participation in carbon trading markets, changes in customers' preferences, use of new technology, recycling and reusing, participation in renewable projects with adoption of energy-efficient measures, development and increasing use of low-carbon products and services and entering a new market. Sinyi Development, led by the General Manager and the Company's management team, regularly assesses the impact severity and likelihood of various issues (definitions can be found in the table below). This includes risks such as "carbon pricing" and "flooding," as well as opportunities such as "participating in carbon trading markets," based on the identification results of climate change risks and opportunities in 2021 (with a frequency of 3-5 years per identification).
3. Regarding the impacts and responses in aspects such as "products and services," "value chain," and "business operations," Sinyi Development provides explanations on the "value chain impacts" in climate risk impact and scenario analysis, and response strategies. Action plans and implementation measures for aspects such as "research and development investment" and "adaptation and mitigation activities" are detailed in the "comprehensive response strategies and risk management measures" section of the climate risk impact and scenario analysis.

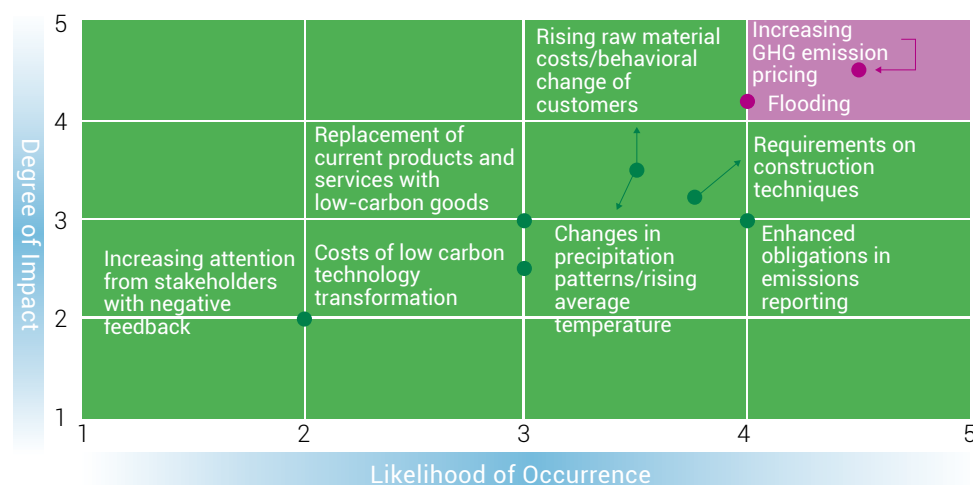
### Degree of Impact and Likelihood of Occurrence

| Degree  | Degree of Impact Explanation  | Likelihood of Occurrence Explanations  |
|---------|---|--|
| Serious | <p>A climate-related issue has immediate and significant impacts on Sinyi Development's operations due to legal requirements, regulations, or <b>mandatory measures</b> by the government or <b>demands</b> from stakeholders (e.g., customers, investors, suppliers, and regulatory authorities). Examples:</p> <p><b>1.Risks:</b> Failure to implement appropriate measures to address the climate-related issue could reasonably lead to adverse consequences, including the temporary or permanent suspension of Sinyi Development's business activities, termination of certain operations, or putting Sinyi Development's viability at risk.</p> <p><b>2.Opportunities:</b> Sinyi Development has already made efforts to address the climate-related issue with measures in place, leading to substantial improvements in business operations (with sustainable profitability), and potentially a competitive advantage of at least three years ahead in terms of profitability.</p> | <ol style="list-style-type: none"> <li>1. Sinyi Development's business operations frequently encounter a recurring issue or have become a com-mon practice, with the occurrence of the issue exceed-ing ten times within a year.</li> <li>2. The risk associated with the issue has not yet oc-curred, but the probability of the risk happening is over 80%.</li> </ol> |
| High    | <p>A climate-related issue has short-term impacts on Sinyi Development's operations due to legal requirements, regulations or <b>mandatory measures (with a grace period)</b> by the government or <b>suggestions</b> from stakeholders (e.g., customers, investors, suppliers, and regulatory authorities). Examples:</p> <p><b>1.Risks:</b> Failure to implement appropriate measures to address the climate-related issue could reasonably lead to significant negative impacts, including substantial reductions or hindrances in business operations, or even enormous financial losses (exceeding NT\$ 100 million).</p> <p><b>2.Opportunities:</b> Sinyi Development has already made efforts to address the climate-related issue with measures in place, leading to substantial improvements in its business operations (increased profits of at least NT\$ 100 million), and potentially a competitive advantage of two to three years ahead in terms of profitability.</p>       | <ol style="list-style-type: none"> <li>1. Sinyi Development's business operations frequently encounter a recurring issue, with the occurrence of issue 7 to 9 times within a year (about 2 times per quarter)</li> <li>2. The risk associated with the issue has not yet occurred, but the probability of the risk happening is 61%-80%.</li> </ol>                      |

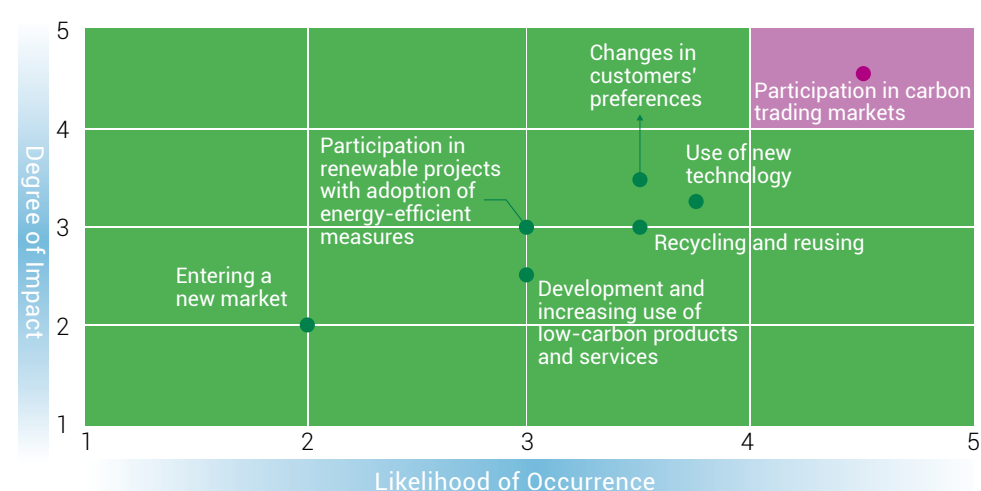


| Degree           | Degree of Impact Explanation   | Likelihood of Occurrence Explanations  |
|------------------|--|--|
| Medium           | <p>A climate-related issue has long-term impacts on Sinyi Development's operations due to regulatory <b>guidance</b> or <b>government policies (non-mandatory)</b> or <b>discussions</b> with stakeholders (e.g., customers, investors, suppliers, and competent authorities). Examples:</p> <p><b>1.Risks:</b> Failure to implement appropriate measures to address the climate-related issue could reasonably result in Sinyi Development's business facing difficulties or obstacles, and gradual economic losses (between NT\$ 10 million and below NT\$ 100 million).</p> <p><b>2.Opportunities:</b> Sinyi Development has already made efforts to address the climate-related issue with measures in place, leading to substantial improvements in its business operations (increased profits ranging from NT\$ 10 million to below NT\$ 100 million), and potentially a competitive advantage one year ahead in terms of profitability.</p> | <ol style="list-style-type: none"> <li>Sinyi Development's business operations occasionally encounter a recurring issue, with the occurrence of the issue 4 to 6 times within a year (about 1 time per quarter)</li> <li>The risk associated with the issue has not yet occurred, but the probability of the risk happening is 41%-60%.</li> </ol> |
| Low              | <p>A climate-related issue is at the ideation stage from various sources and has no urgent impact on Sinyi Development's operations. Failure to implement, proactively de-ploy and promote appropriate measures to address the climate-related issue does not cause significant impacts on Sinyi Development's business in terms of risk (e.g., economic losses) or opportunities (i.e., profitability).</p>   | <ol style="list-style-type: none"> <li>Sinyi Development's business operations sporadically encounter a recurring issue, with the occurrence of the issue 2 to 3 times per year (less than once per quarter)</li> <li>The risk associated with the issue has not yet occurred, but the probability of the risk happening is 11%-40%.</li> </ol>    |
| Almost no impact | <p>A climate-related issue has a negligible impact on Sinyi Development's business risks (e.g., economic losses) or opportunities (i.e., profitability).</p>   | <ol style="list-style-type: none"> <li>Sinyi Development's business operations barely encounter a recurring issue, with the occurrence of the issue 0 to 1 time within a year.</li> <li>The risk associated with the issue has not yet occurred, but the probability of the risk happening is below 10%.</li> </ol>                                |

## Climate Risks Identification Results



## Climate Opportunities Identification Results





## Climate Action for Climate Risks and Opportunities

| Important Climate Risk/<br>Opportunity Type | Risk/Opportunity Item                              | Potential Impact and Financial Implications   | Response Measures  | Resource Allocation  |
|---|--|---|--|--|
| Transition Risk                             | Policy and Legal (Increasing GHG emission pricing) | <ul style="list-style-type: none"> <li>Operating costs increase:                             <ol style="list-style-type: none"> <li>Approximately NT\$ 5 million annually for third-party environmental performance verification fees.</li> <li>Additional investment of approximately NT\$ 10 million annually for low-carbon materials</li> </ol> </li> </ul>   | <ul style="list-style-type: none"> <li>Continue collaborating with the Low Carbon Building Alliance, actively collecting information on low-carbon materials, mechanical and electrical systems, and construction methods for development and design.</li> <li>Promote carbon footprint assessments for projects, accumulate practical experience, and refine assessment methods using appropriate tools.</li> <li>Include carbon fees and sustainable-linked loans (including green building certification) in project sales cost assessments.</li> </ul> | <ul style="list-style-type: none"> <li>Sustainable Advisory Consultant: Approximately NT\$ 3 million per year.</li> <li>Carbon Footprint Assessment: Approximately NT\$ 5 million per year.</li> </ul>   |
| Physical Risk                               | Acute (Flooding)                                   | <ul style="list-style-type: none"> <li>Business interruption: If severe storms cause equipment or asset losses, the impact on operating costs is estimated to be approximately NT\$ 300,000 annually.</li> <li>Employee safety: The safety risk associated with employees commuting or inspecting customer properties during floods or windstorms is estimated at approximately NT\$ 500,000 annually.</li> </ul> | <ul style="list-style-type: none"> <li>Activate disaster preparedness mechanisms and inform colleagues of response plans for various business operations.</li> <li>Utilize digital tools to ensure uninterrupted customer service.</li> <li>Continuously monitor climate information for emergency planning and insurance arrangements, periodically reviewing response measures.</li> </ul>   | <ul style="list-style-type: none"> <li>Maintenance Costs for Uninterrupted Power Supply Systems in Data Centers and Emergency Generators: Approximately NT\$ 500,000 per year.</li> <li>Disaster Drills and Traffic Safety Seminars: Approximately NT\$ 300,000 per year.</li> <li>Investment in Disaster Insurance: Approximately NT\$ 500,000 per year.</li> </ul> |
| Opportunity                                 | Markets (Participation in carbon trading markets)  | <ul style="list-style-type: none"> <li>Non-operating income is expected to increase by approximately NT\$ 3 million.</li> <li>Ach project is projected to enhance revenue by 5%.</li> </ul>   | <ul style="list-style-type: none"> <li>Align with the Sinyi Group's net-zero emissions policy, positioning green buildings, low-carbon buildings, and smart buildings as brand strategies in the construction market.</li> <li>Collect information on international carbon trading markets and domestic and foreign policy trends, actively seeking greenhouse gas emissions or carbon quota allocations for company or project participation in the carbon trading market.</li> </ul>   | <ul style="list-style-type: none"> <li>Costs Associated with Implementing Green Building Practices: Approximately NT\$ 5 million per year</li> <li>Sustainable Advisory Consultant: Approximately NT\$ 3 million per year.</li> </ul>  |



## Climate Risk Impact, Scenario Analysis and Response Strategies

| Increasing GHG Emission Pricing   |  |  |   |  |   |
|---|--|--|---|--|---|
| Scenario Analysis/<br>Reference Scenario  | Value Chain Impacts  |  |   | Degree of Impact<br>(including Financial)<br>and Likelihood<br>of Occurrence<br>Explanation  | Overall Response Strategies and Risk Management Measures  |
|   | Raw Materials  | Development & Design   | Construction  |  |   |
| Carbon tariffs continue to rise year by year, and GHG emissions are strictly limited. Effective emission reduction plans are required to be proposed, and the possibility of future environmental taxes (such as carbon border taxes) is not ruled out. Meanwhile, regulations are gradually requiring projects to introduce green construction techniques or low-carbon materials to address the issue of carbon footprints and limit GHG emissions. This results in a continuous increase in operating costs along the value chain. | <p><b>Short-term and mid-term risks:</b><br/>The GHG emissions from transportation are affected by both carbon tariffs, and the replacement of low-carbon transportation equipment, which increases the cost of raw material transportation.</p> <p><b>Long-term risks:</b><br/>The continuous increase in raw material costs is affected by environmental taxes (such as carbon border taxes), and the adoption of green construction techniques and low-carbon materials, leading to higher operating costs.</p> | <p><b>Short-term and mid-term risks:</b><br/>The transport and construction-related GHG emissions are affected by carbon taxes, equipment replacements, and the trend towards promoting green construction techniques and low-carbon materials, leading to higher costs for the design and development of green buildings.</p> <p><b>Long-term risks:</b><br/>The increasing regulation requirements on incorporating green construction techniques and low-carbon materials for development projects lead to continuous impacts on raw material costs and ongoing research and development of green technologies. There is also a potential risk of being displaced by new regulations and market trends.</p> | <p><b>Short-term and mid-term risks:</b><br/>Building construction is one of the main sources of GHG emissions, particularly during the construction process and waste disposal stage, which emits a considerable amount of GHG. Because of the introduction of carbon emission fees and the adoption of green construction techniques, operating costs are also affected, leading to a rise in housing prices.</p> <p><b>Long-term risks:</b><br/>The continuous stringent regulations on GHG emissions in building construction projects, along with the adoption of the carbon footprint as a market comparison or legal requirement, drive the introduction of green construction techniques and low-carbon materials. This influences various factors such as construction workforce skills, construction techniques, raw materials, carbon tariffs, environmental taxes and GHG emission caps, leading to an impact on operating costs.</p> | <p>A. Referring to domestic carbon pricing rates and international carbon pricing decisions, along with total carbon emissions calculated from the "Low Carbon Building Alliance" (LCBA) carbon footprint certification case, impact level: estimated to be around NT\$ 100 million.</p> <p>B. Likelihood of occurrence: high to very high</p> | <p><b>Short-term and mid-term response strategies:</b></p> <ul style="list-style-type: none"> <li>A. Sinyi Development continues to collaborate with the Low Carbon Building Alliance, actively collects information on low-carbon materials, E&amp;M and construction techniques and promotes their use in development, design and construction.</li> <li>B. Starting in 2022, Sinyi Development has been promoting carbon footprint inspections for development projects. We continuously accumulate practical experience and integrate tools to prove the methodology of carbon footprint inspections for projects.</li> <li>C. Sinyi Development establishes strategies for carbon tariffs, GHG emissions quotas and carbon pricing analysis across the value chain. We evaluate GHG reduction schemes and seek policy incentives for support.</li> <li>D. Sinyi Development continuously procures competitive renewable energy sources. We purchase carbon credits for unavoidable GHG emissions.</li> <li>E. Sinyi Development strives to align the value chain of raw materials, development &amp; design and construction with low-carbon priorities in our decision-making and expenditure.</li> <li>F. Sinyi Development actively collects information on carbon offsets and selects high-quality sites to participate in carbon offset activities.</li> </ul> <p><b>Long-term responding strategies</b></p> <ul style="list-style-type: none"> <li>A. Sinyi Development continuously optimizes the carbon tariffs, GHG emission quotas and carbon pricing analysis strategies across the value chain, as well as enhances GHG reduction plans.</li> <li>B. Sinyi Development continuously procures competitive renewable energy sources and purchases carbon credits for unavoidable GHG emissions.</li> <li>C. Sinyi Development selects a variety of low-carbon materials, E&amp;M and construction techniques for green buildings and even net-zero buildings as part of Sinyi Development's brand strategy, to create market differentiation.</li> <li>D. Sinyi Development actively collects information on carbon offset and selects high-quality sites to participate in carbon offset activities.</li> </ul> |

Note 1: The value chain boundary includes the raw materials, development & design and construction stages. However, the impact on the maintenance or upkeep of the projects, which are transferred to the management committee after handover, is not assessed here.

Note 2: Timeframe definitions: short-term is before 2025, mid-term is from 2026 to 2030 and long-term is from 2031 to 2050.



## Flooding

| Scenario Analysis/Reference Scenario   | Value Chain Impacts  | Degree of Impact (including Financial) and Likelihood of Occurrence Explanation   | Overall Response Strategies and Risk Management Measures  |
|--|--|---|---|
| <p>The scenario is projected in Taiwan where the headquarters and development projects are located. Based on the application of the MIROC-ESM-CHEM climate model and under the scenario of stable GHG emissions represented by RCP4.5, the estimated temperature and precipitation trends are: 23.57°C and 3.73 mm/day in 2030 and 24.84°C and 5.36mm/day in 2050 (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform)</p> | <p>The impact level varies significantly at different stages of the project, including the raw materials, development &amp; design (e.g., drainage facilities and sales revenue) and during the construction process (work stoppage days and restoration costs due to flooding).</p> <p><b>Short-term and mid-term risks:</b></p> <p>The climate model indicates significant fluctuations in temperature and precipitation. It is estimated that carbon peaking and ecological interaction may lead to the following impact scenarios along the value chain, resulting in increased operating costs and damage compensation, which are still considered manageable:</p> <ul style="list-style-type: none"> <li>● Delay in raw materials inventory or procurement</li> <li>● Increased variability in development &amp; design and actual construction, changes in raw materials or construction techniques</li> <li>● Instability at the construction site or neighboring areas</li> <li>● Potential impact on labor safety during the construction process</li> <li>● Delay in the estimated construction timelines</li> </ul> <p><b>Long-term risks:</b></p> <p>With GHG emissions under control, the temperature and precipitation simulations stabilize in the long term, similar to the average conditions. In this stable scenario, the following impact scenarios are expected, leading to stable operating costs and damage compensation:</p> <ul style="list-style-type: none"> <li>● Given the predictable occurrence and impact of flooding, the project development and design including raw materials and construction techniques (water drainage/blocking facilities) can be controlled to minimize deviations. Hence, the project costs, sale quantities and amounts remain stable.</li> <li>● In the event of flooding, the potential impact and extent can be estimated based on past construction experience. The waterproof measures and facilities (e.g., waterproof walls and foundation constructions) in the construction process are sufficient to handle moderate or light flooding situations, and there is no damage to the foundation and building structure. The primary costs would be related to the use of water pumps for drainage but with minimal impact on project timelines.</li> </ul> | <p>A. Considering the increased costs in development design and construction due to flooding, the potential decrease in sales revenue for projects in flood-prone areas, and the additional costs incurred from expected construction stoppages due to damage, impact level: estimated to be around NT\$ 100 million.</p> <p>B. Moderate likelihood of flooding caused by typhoons or heavy rainfall.</p> | <p><b>Short-term and mid-term response strategies</b></p> <ol style="list-style-type: none"> <li>Sinyi Development establishes emergency plans and insurance arrangements.</li> <li>Sinyi Development builds flexibility and resilience by diversifying the supplier portfolio.</li> <li>Sinyi Development closely monitors weather forecasts to ensure safety at construction sites and adequate preparation.</li> <li>Sinyi Development implements ongoing professional training programs for employees and suppliers.</li> </ol> <p><b>Long-term response strategies</b></p> <ol style="list-style-type: none"> <li>Sinyi Development maintains insurance coverage and policy conditions at the same level.</li> <li>Sinyi Development installs waterproof barriers and improves drainage systems in certain areas to address flood risk effectively.</li> <li>In future site selection, Sinyi Development considers integrating climate science and long-term forecasts to enhance the project's adaptability to climate events.</li> </ol> |



## Flooding

| Scenario Analysis/<br>Reference Scenario  | Value Chain Impacts   | Degree of Impact<br>(including Financial)<br>and Likelihood of<br>Occurrence Explanation   | Overall Response Strategies and<br>Risk Management Measures  |
|---|---|--|--|
| <p>The scenario is pro-jected in Taiwan where the head-quarters and devel-opment projects are located. Based on the application of the MIROC-ESM-CHEM climate model and under the scenario of stable GHG emis-sions represented by RCP8.5, the esti-mated temperature and precipitation trends are: 24.95°C and 5.76 mm/day in 2030 and 25.54°C and 6.34 mm/day in 2050 (Taiwan Climate Change Projection Information and Adaptation Knowledge Plat-form)</p> | <p>The impact level varies significantly at different stages of the project, including the raw materials, development &amp; design (e.g., drainage facilities and sales revenue) and during the construction process (work stoppage days and restoration costs due to flooding).</p> <p><b>Short-term and mid-term risks:</b><br/>The simulated conditions for temperature and precipitation indicate minimal difference and there is no significant impact on the scenario.</p> <ul style="list-style-type: none"> <li>Given the predictable occurrence and impact of flooding, the project development and design including raw materials and construction techniques (water drainage/ blocking facilities) can be controlled to minimize deviations. Hence, the project costs, sale quantities and amounts remain stable.</li> <li>In the event of flooding, the potential impact and extent can be estimated based on past construction experience. The waterproof measures and facilities (e.g., waterproof walls and foundation constructions) in the construction process are sufficient to handle moderate or light flooding situations, and there is no damage to the foundation and building structure. The primary costs would be related to the use of water pumps for drainage but with minimal impact on project timelines.</li> </ul> <p><b>Long-term risks</b><br/>Due to high GHG emissions and increased fluctuations in temperature and precipitation as indicated by the climate model, the possibility of typhoons or heavy rainfall occurrences is expected to be much higher than usual. This may lead to the following potential impact scenarios, resulting in increased operating costs and damage compensation, which are considered beyond control:</p> <ul style="list-style-type: none"> <li>Before construction, the design of flood prevention and water-blocking facilities in the project must be pre-planned with enhanced scope and specifications. Moreover, since flooding situations are difficult to accurately predict, the costs of adaption measures for the design, development, and construction of the measures to counter the unpredictability of floods will have a profound impact on the selling price of the project.</li> <li>A potential reduction of 30%-50% in sales revenue may occur for development projects located in the flood-prone region. Assuming an average of 140 units with an average size of 132 square meters per unit, the estimated impact on the total sales amount for a single project could range from NT\$ 800 million to NT\$ 1.4 billion.</li> <li>Based on past construction experience, it is anticipated that the existing flood prevention facilities (e.g., waterproof walls and foundation constructions) may not be sufficient to cope with the situation. Damage to the foundation and buildings may cause an expected halt in construction for around 6 months, requiring additional costs of around NT\$ 100 million for using a drainage pump and reconstruction of relevant infrastructure.</li> </ul> <p>Based on the above, there may be the following impact scenarios across the value chain:</p> <ul style="list-style-type: none"> <li>A. Delay in raw materials inventory or procurement</li> <li>B. Increased variability in development &amp; design and actual construction, changes in raw materials or construction techniques</li> <li>C. Instability at the construction sites or neighboring areas</li> <li>D. Potential impact on labor safety during the construction process</li> <li>E. Delay in the estimated construction timelines</li> <li>F. Potential project cancellation when the construction location deteriorates significantly, making construction difficult</li> </ul> | <p>A. Considering the increased costs in development design and construction due to flooding, the potential decrease in sales revenue for projects in flood-prone areas, and the additional costs incurred from expected construction stop-pages due to damage, im-pact level: es-timated to be around NT\$ 100 million. (For detailed information on each scenario, please refer to the explanation in the left col-umn.)</p> <p>B. High likelihood of flooding caused by ty-phoons or heavy rainfall</p> | <p><b>Short-term and mid-term response strategies</b></p> <ul style="list-style-type: none"> <li>A. Sinyi Development collaborates with industry, government, academia and research institutions to share risk warnings, monitor intelligence and engage in communication.</li> <li>B. Sinyi Development installs waterproof barriers and improves drainage systems in certain areas to address flood risk effectively.</li> <li>C. Sinyi Development maintains insurance coverage and policy conditions at the same level.</li> </ul> <p><b>Long-term responding strategies</b></p> <ul style="list-style-type: none"> <li>A. Sinyi Development implements waterproof barriers, improves drainage systems throughout the area and evaluates the possibility of elevating the base of the construction site.</li> <li>B. Sinyi Development collaborates with industry, government, academia, and research institutes to share risk warnings, monitor intelligence, and engage in communication.</li> <li>C. In future site selection, Sinyi Development considers integrating climate science and long-term forecasts to enhance the project's adaptability to climate events.</li> <li>D. Sinyi Development actively engages with insurance companies to discuss insurance coverage and policy conditions and explore the development of new insurance products to better address various risks.</li> </ul> |



## Climate Opportunity Impact, Scenario Analysis and Response Strategies

### Participation in Carbon Trading Markets

| Scenario Analysis/Reference Scenario   | Value Chain Impacts   |  |  | Degree of Impact (including Financial) and Likelihood of Occurrence Explanation  | Overall Response Strategies and Risk Management Measures   |
|--|---|--|--|--|--|
|  | Raw Materials   | Development & De-sign  | Construction   |  |  |
| <p>Introducing green construction techniques or low-carbon materials to development projects for adapting to the gradual requirement of 'net-zero emissions buildings by 2050' and addressing carbon footprint issues.</p> <p>The implementation of 'Climate Change Response Act', encourages companies to propose carbon reduction plans and the government offers policy incentives. Additionally, there are mechanisms for GHG emission quotas through accounts and trading, in line with the maturing internal carbon trading markets.</p> | <p><b>Short-term opportunities:</b><br/>Active use of low-carbon materials and participation in international carbon trading markets.</p> <p><b>Mid-term and long-term opportunities:</b><br/>Active involvement in carbon offset activities, increasing market share in carbon credit and striving for access to carbon trading markets.</p> | <p><b>Mid-term and long-term opportunities:</b><br/>A. Proactive positioning for increasing market share in carbon credit, such as active involvement in carbon offset activities; and acquisition of GHG emission quotas, to enhance the flexibility in project development and design.<br/>B. Seeing policy incentives in project development &amp; design to obtain GHG emission quotas net-zero emission allowances.</p> | <p><b>Mid-term and long-term opportunities:</b><br/>A. Proactive positioning for increasing market share in carbon credit, such as active involvement in carbon offset activities; and acquisition of GHG emission quotas, to enhance the flexibility in project development and design.<br/>B. Focus on green buildings or net-zero emission buildings as Sinyi Development's flagship branding strategy.</p> | <p>A. Each project is expected to increase revenue by 5%, impact level: Each project is estimated to have an impact of above NT\$ 100 million or even a significant business growth opportunity (continuous profit).<br/>B. Likelihood of occurrence: high to very high.</p> | <p><b>Overall response strategies</b><br/>A. Sinyi Development adopts green buildings and even net-zero emission buildings as its branding strategy in the construction market, following the company's net-zero emission policy. The short-term goal is to prepare resources and plan brand branding and project strategies. The mid-term goal is to promote green buildings in the market. The long-term goal is to introduce net-zero emission buildings.<br/>B. Sinyi Development continues to collaborate with the Low Carbon Building Alliance, actively collect information on low-carbon materials, E&amp;M and construction techniques and promote their use in development, design and construction.<br/>C. Sinyi Development collects information on international carbon trading markets, domestic and overseas policies and regulatory trends to actively seek GHG emissions quotas or carbon credit allowance for Sinyi Development or its projects, enabling its active participation in the carbon trading market.</p> |

Note 1: The value chain boundary includes the raw materials, development & design and construction stages. The impact on the maintenance or upkeep of the projects, which are transferred to the management committee after handover, is not assessed here.

Note 2: Timeframe definitions: short-term is before 2025, mid-term is from 2026 to 2030 and long-term is from 2031 to 2050.



## III. Sinyi Development's Climate Risk Management

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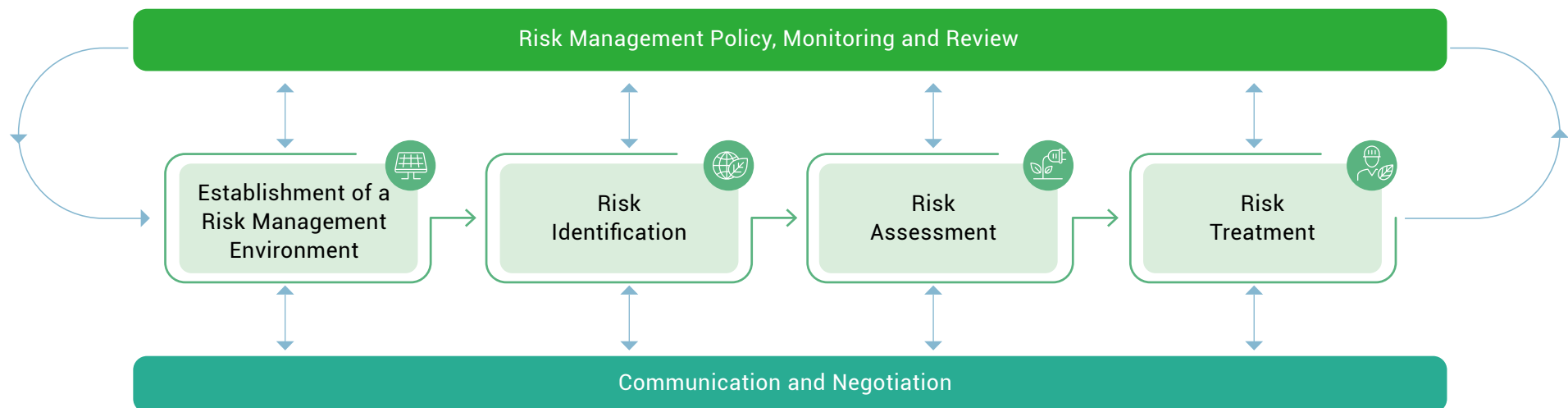


Climate change risk issues are managed through Sinyi Development's established internal risk management mechanism. This process involves different stages including risk management environment, risk identification, risk assessment, risk treatment, supervision, review, communication, and negotiation. Sinyi Development evaluates each climate risk issue on its risk level (the impact level and the likelihood of occurrence). For the significant climate change risk issues, Sinyi Development implements risk treatment, transfer or acceptance assessments to develop appropriate and rational mitigation plans, to minimize or avoid potential impacts and prevent unforeseen risks and damages.



Sinyi Development conducts a comprehensive assessment every three years. In 2021, the significant climate change risk issues were assessed and maintained as "Increasing GHG emission pricing" and "Flooding" by the General Manager and Executive Team. During the assessment, various considerations are taken into account, including Sinyi Development's internal expertise, resources, manpower, practical experience, and market changes, along with discussions with Total Ethical Management Committee on Sinyi Group's net-zero emission policy and external expert trend analysis results. As a result, periodical adjustments to risk management measures for significant climate change risk issues are made. Subsequent assessment is conducted to determine whether the current risk response measures are sufficient and evaluate whether initiate risk treatment, transfer or acceptance assessments are needed.

### Risk Management Process Diagram





- Establish risk/opportunity management environment
  - External risk/opportunity management environment: Including general trends, natural disaster events, and changes at various levels of the industry, along with an assessment of their impact on overall operations.
  - Internal risk/opportunity management environment: Understand the business scope and various risks/opportunities in the future development of new ventures, and fully grasp the company's own strengths, weaknesses and capabilities.
- Risk/opportunity identification: Identify the risks that affect the company's sustainable operation and the achievement of business performance goals.
- Risk/opportunity assessment: Assess the impact level and possible probability of the risk/opportunity and evaluate risk treatment options with reference to the risk tolerance of the project. We define materiality as NT\$100 million in terms of financial impact. If the effect of risk or opportunity on revenue, costs, assets, capital, or liabilities exceeds this materiality threshold, we will include it in our risk assessment system.
- Risk/Opportunity response treatment: Evaluate alternative treatment strategies, formulate and implement risk treatment action plans, monitor and review the results of the plan. And mitigate, transfer, accept, or control these risks through the aforementioned action plans. Risks with an impact exceeding the materiality threshold will be prioritized for mitigation and control in the action plans. Other risks (such as more flexible regulatory guidance or government policy directions) can be addressed through mitigation, control, transfer, or acceptance. For detailed information, please refer to the "Climate Risk and Opportunity Metrics and Targets" table.

- Continuous monitoring: The oversight responsibility for risk/opportunity management rests with the risk management unit. The Board of Directors monitors key risk indicators (KRIs) by reviewing risk management reports and audit reports to confirm the effective implementation of risk management policies.
- Communication and negotiation: Report and disclose in the annual report, Sustainability Report, and sustainability website every year.

### 3

The rolling adjustment mechanism is implemented by the Executive Team and various departments. To address the significant climate change risk issues, they discuss and implement climate change action strategies and risk management measures, develop short-term, mid-term and long-term plans, and regularly report the performance evaluation outcomes. The Executive Team compiles the implementation status and performance evaluation results and confirms the progress in the execution of short-term, mid-term and long-term plans. Through the performance evaluation mechanism, the Executive Team submits a report to the General Manager at least once a year, with discussions and planning of climate change impacts serving as references for business strategies and decision-making.

### 4

Finally, the Board of Directors as the highest governance body, oversees and supervises the implementation of climate change action strategies and risk management measures through risk management reports, audit reports and quarterly performance reviews. The purpose is to ensure the effective management of significant climate change risk issues.



## IV. Sinyi Development's Climate Metrics and Targets

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### Strive to achieve the 2050 net-zero emissions target

Sinyi Development adheres to green building and low-carbon construction as its product strategy, actively promoting energy-saving and carbon-reduction measures as ongoing responses to climate change metrics and targets.

1

In response to the opportunities arising from climate change, we are actively investing in green, energy-efficient, environmentally friendly, compliant, safe and comfortable buildings in the construction market. We collaborate with other organizations to collect information on low-carbon materials, mechanical and electrical engineering, and construction methods, and promote their use in development and construction to mitigate the impact of climate change. Additionally, we have begun implementing carbon footprint assessments for projects, accumulating practical experience and refining the methods for carbon footprint assessments.

2

The General Manager and the Company's management team have incorporated climate change risks and opportunities into their regular evaluations, reviewing climate change action strategies and risk management measures and optimizing short-, medium-, and long-term plans. Subsequent performance results are reported to the board of directors to ensure the entire company effectively implements climate change and sustainable development goals.

3

Key Metrics: Develop corresponding metrics for the identified key risks and opportunities, and set short-, medium-, and long-term goals for management. For detailed information, please refer to the "Climate Risk and Opportunity Metrics and Targets" table.

4

In accordance with Sinyi Group's remuneration policy and decision-making process, link the operational status, progress on sustainability-related issues, and performance outcomes with the levels of Vice General Manager and above, along with annual performance bonuses.

5

Sinyi Development conducts greenhouse gas inventory according to the guidelines of the "ISO 14064-1:2018" standard, disclosing emissions from operational activities, including "Direct Greenhouse Gas Emissions (Category 1)," "Energy Indirect Greenhouse Gas Emissions (Category 2)," and "Indirect GHG Emissions from Organizational Product Use (Category 4)." These emissions undergo third-party verification. Sinyi Development's greenhouse gas emissions for Categories 1 and 2 in 2023 are as follows. Category 1 emissions reached zero in 2022 because the headquarters building completed its takeover project in 2021, resulting in no greenhouse gas emissions from septic tanks in 2022. The decrease in Category 2 emissions in 2022 was mainly due to the Covid-19 pandemic, which resulted in reduced electricity consumption at the headquarters building because of the shift to remote work.

6

#### Key points regarding green building and low-carbon products:

- In line with the introduction of 100% green buildings for new projects in 2023, planning for the Xinzhuang Sub-City Center project began in 2022 to obtain green building, smart building, and low-carbon building candidate certificates. Some building materials selected comply with green-label materials and supply chains to enhance the design advantage of sustainable low-carbon products.
- The "Jiaxue" project in the Xinzhuang Sub-City Center has obtained a Diamond-level green building candidate certificate and Diamond-level Low Carbon Building (LCBA) candidate certificates, and we are expecting to obtain a Gold-level Smart Building candidate certificate in the future. The project meets standards in location and transportation, site sustainability, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality. These collectively reduce the negative environmental impact of building construction and usage.



| GHG Emissions       |       |        |        |                               |
|---------------------|-------|--------|--------|-------------------------------|
| Item                | 2021  | 2022   | 2023   | Unit                          |
| Category 1          | 2.87  | 0      | 0      | tCO <sub>2</sub> e            |
| Category 2          | 34.23 | 27.52  | 28.57  | tCO <sub>2</sub> e            |
| GHG Intensity       | 0.07  | 0.05   | 0.06   | tCO <sub>2</sub> e/Floor Area |
| Total(Category 1+2) | 37.1  | 27.52  | 28.57  | tCO <sub>2</sub> e            |
| Change from 2021    |       | -25.8% | -23.0% | -                             |
| Category 4          |       |        | 5.68   | tCO <sub>2</sub> e            |

Note 1: GHG emissions are calculated as: GHG Emissions = Energy Consumption x Emission Factor x GWP value.

Note 2: Emission factors are based on the Table of GHG Emission Factors (Version 6.0.4) issued by the Ministry of Environment, Executive Yuan.

Note 3: GWP value is based on the IPCC Sixth Assessment Report in 2021.

Note 4: Carbon emission factor for electricity generation is 0.494 kgCO<sub>2</sub>e/kWh, based on the 2023 announcement by the Energy Administration, Ministry of Economic Affairs.

Note 5: GHG intensity (tCO<sub>2</sub>e/floor area) is calculated to two decimal places as: GHG Intensity = (Category 1 (direct) emissions + Category 2 (indirect) emissions) / Total building floor area (including dedicated and common areas) of 500.64 m<sup>2</sup>.

## Climate Risk and Opportunity Metrics and Targets

| Climate Risk                    | Climate Opportunity                     | Target  |                                      |  | 2023–2025 (Short term)   | 2023 Performance   | 2030 (Medium term)   | 2050 (Long term)                       | Specific Management Measures   |
|---------------------------------|---|---|--------------------------------------|--|--|--|--|--|--|
|                                 |   | Disclosure Dimension  | Risk/opportunity response processing | Strategy   |  |  |  |  |  |
| Increasing GHG emission pricing | Participation in Carbon Trading Markets | Transition risk<br>Climate-related opportunities                        | Mitigation and control               | Use of renewable energies                                | ● Planning of green energy strategies and resource preparation                             | Refer to V. Environmental Protection, and Chapter 2 on Pursuing the Ideal of Net-Zero Emissions Buildings                                      | ● Achieving 100% usage of green energy   | ● Achieving 100% usage of green energy | A. Continue to procure competitive renewable energy sources; as for the rest, purchase carbon credits for emissions that cannot be reduced.<br>B. Sinyi Development has reduced its carbon emissions (Category 1 and 2) by 40% due to the adoption of remote work and online meetings, which have decreased the Company's electricity consumption.   |
| Increasing GHG emission pricing | Participation in Carbon Trading Markets | GHG emission volume<br>Transition risk<br>Climate-related opportunities | Mitigation                           | GHG emission management (with 2021 as the baseline year) | ● Decrease Sinyi Development's greenhouse gas emissions (Category 1 and Category 2) by 40% | Decrease Sinyi Development's greenhouse gas emissions (Category 1 and Category 2) by a larger margin in 2023 compared to 2021 (pending update) | ● Decrease Sinyi Development's greenhouse gas emissions (Category 1 and Category 2) by 90% | ● Achieve net-zero emissions           | C. The carbon emissions of Sinyi Development (Category 1+2) have decreased by 90%, with 50% of the electricity sourced from green energy, complemented by remote working arrangements.<br>D. Continual support for greenhouse gas audits and third-party verifications at Sinyi Development.<br>E. Initiation of carbon foot-print assessments for projects with ongoing accumulation of practical experience and refinement of assessment methods in coordination with the implementation of tools.<br>F. Actively gather carbon trading information and select premium locations to participate in carbon trading activities.<br>G. For details on the implementation of GHG management and renewable energy, refer to Chapter V. Environmental Protection, Section 2 on Pursuing the Ideal of Net-Zero Emissions Buildings. |



## Climate Risk and Opportunity Metrics and Targets

| Climate Risk                                 | Climate Opportunity                     | Target  |                                      |                                       | 2023–2025 (Short term)  | 2023 Performance  | 2030 (Medium term)   | 2050 (Long term)   | Specific Management Measures   |
|--|---|---|--------------------------------------|---------------------------------------|---|---|--|--|--|
|  |   | Disclosure Dimension  | Risk/opportunity response processing | Strategy                              |   |   |  |  |  |
| Increasing GHG emission pricing              | Participation in Carbon Trading Markets | Transition risk<br>Climate-related opportunities                  | Control                              | Low-carbon products and their revenue | <ul style="list-style-type: none"> <li>Preparation and planning of low-carbon product combination</li> </ul>  | Our Xinzhuang Sub-City Center project has obtained a Diamond-level Green Building and Diamond-level Low Carbon Building candidate certificate; applications for the candidate certificates for Gold-level Smart Building are currently in progress. | <ul style="list-style-type: none"> <li>100% of project revenue from green buildings</li> </ul>   | <ul style="list-style-type: none"> <li>100% of revenue from net-zero emission buildings</li> </ul>   | <p>A. We have adopted green buildings and even net-zero emission build-ings as part of our brand-ing strategy for the real estate market. Short-term goals will involve plan-ning brand and project strategies, medium-term goals focus on promoting green building as a market priority, and long-term goals aim to introduce net-zero emissions build-ings.</p> <p>B. The Company will con-tinue to collaborate with the Low Carbon Building Alliance to actively gather information on low-carbon materials, electromechani-cal systems, and construc-tion methods, and promote their use in development design and construction.</p> |
| Increasing GHG Emission Pricing and Flooding | Participation in Carbon Trading Markets | Transition risk<br>Physical risk<br>Climate-related opportunities | Control                              | Green archi-<br>tectures              | <ul style="list-style-type: none"> <li>Introduction of green building design planning in various projects</li> <li>Projects are 100% not located in high flood-risk areas.</li> </ul> | Our Xinzhuang Sub-City Center project has obtained a Diamond-level Green Building and Diamond-level Low Carbon Building candidate certificate; applications for the candidate certificates for Gold-level Smart Building are currently in progress. | <ul style="list-style-type: none"> <li>100% of buildings are certified as green buildings.</li> <li>Projects are 100% not located in high flood-risk areas.</li> </ul> | <ul style="list-style-type: none"> <li>100% of buildings achieving net-zero emissions.</li> <li>Projects are 100% not located in high flood-risk areas.</li> </ul> | <p>C. Regarding suppliers, the choice shall be made based on their shared sustaina-bility goals and capabilities (such as construction companies).</p> <p>D. For details on the imple-mentation of green build-ing and low-carbon prod-ucts, refer to Chapter V. Environmental Protection, Section 2 on Pursuing the Ideal of Net-Zero Emis-sions Buildings.</p>   |



## CHAPTER 05

# Environmental Protection

“

Promoting carbon reduction throughout the entire lifecycle of buildings will contribute to reducing the environmental impact of the construction industry and promoting the transition of related sectors toward low-carbon emissions.

”

### Environmental Sustainability Targets for 2030

- The objective is to reduce carbon emissions by 30% over the “building lifecycle” of each project and to obtain “low-carbon” and “energy-efficient” labels for newly constructed green buildings.
- The benchmark will be set based on the project, with each new project gradually reducing the carbon emissions per square meter.

### Formulation of Strategy

- We have planned to conduct carbon footprint assessments and implement carbon reduction measures at each stage of the project lifecycle.
- We strive to optimize building designs by fully considering energy efficiency and selecting building materials with low-carbon emissions and high environmental performance.
- We emphasize improving construction quality to reduce energy consumption and carbon emissions, thereby lowering the total carbon emissions over the “building lifecycle” of each project. We also aim to promote the reuse of building materials wherever possible.
- We will continuously innovate energy-saving technologies and develop new energy-saving building materials, structures, and equipment to enhance the energy efficiency of buildings. Additionally, we will leverage advanced technologies such as Building Information Modeling (BIM) and big data to establish intelligent building energy management systems, enabling precise management of energy consumption in buildings. This will help to reduce our overall carbon emissions and achieve “low-carbon” and “energy-efficient” labels for newly constructed green buildings.

### Material Topics:

GRI ➤ 416

SASB ➤ Home Builders

Self-defined Topics ➤ Compliance with Environmental Regulations  
Land Use  
Energy-Saving Design  
Raw Material Usage  
Management

### Key Points:

|   |    |
|---|----|
| Symbiotic and Harmonious Relationship with the Land | 42 |
| Smart Energy-Saving System                          | 44 |
| Net-zero Emission Buildings                         | 47 |
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# I.Symbiotic and Harmonious Relationship with the Land

2-23 2-24

Sinyi Development's mission is to create timeless architecture, actively sourcing, developing, and utilizing low-carbon materials, mechanical and electrical systems, and construction methods. We aim to forge green, low-carbon, energy-efficient, environmentally friendly, compliant, safe and comfortable buildings as part of our sustainable development strategies, utilizing them to identify, analyze, and respond to both actual and potential impacts. The following table is a summary of Sinyi Development's compliance with regulations and promotion of sustainable development for projects in 2023:

| Summary of Sinyi Development's compliance with regulations and promotion of sustainable development for projects |             |                  |
|--|-------------|------------------|
| Item   | 2023 Target | 2023 Performance |
| No. of penalties for violating land regulations  | 0 cases     | 0 cases          |
| No. of penalties for violating building regulations  | 0 cases     | 0 cases          |
| No. of land acquisition disputes   | 0 cases     | 0 cases          |
| Implementation of GHG inventory for projects   | 1case       | 1case            |
| Independent or collaborative implementation of energy-saving services  | 1case       | 1case            |

Sinyi Development values the close relationship between site selection and the surrounding environment. The foundation of real estate development lies in the land, which sustains people's lives. Particularly in Taiwan, with its limited land area and dense population, the interdependence between people and land is crucial. We understand that the planning of projects and sites has an inseparable impact on the surrounding environment, especially in addressing climate change and land conservation issues such as flooding, heavy rainfall, and environmental carrying capacity, all of which directly affect people's lives and property safety. Therefore, our business strategy is centered on fostering symbiosis between people and the land, aiming to achieve the goal of sustainable development.

## 1.Strategy of Land Ethics

Starting from the concept of "land ethics," we extend ethical principles to the relationship between people and land, maintaining a humble attitude toward land development and showing respect and equality toward the surrounding environment. This involves conducting safety assessments, striving for symbiosis, and ultimately achieving the goal of sustainable development.



### Safety Assessment

In Sinyi Development's approach to land selection for projects, a comprehensive investigation, assessment, and analysis are conducted covering aspects such as soil, geology, surrounding environment, and regulatory requirements. Every project undergoes 100% evaluation and analysis to establish a solid foundation. This ensures that the selection of raw materials, development design, construction process, and quality of building materials all meet standards and maintain a high level of safety.



### Symbiosis

Land development extends beyond the building site itself; it encompasses the surrounding environment as a holistic concept. There is an inseparable yet mutually impactful relationship between the site and its surroundings. Therefore, from development design to the selection of raw materials and the construction process, the assessment extends beyond the building site to the surrounding environment. Rigorous and comprehensive evaluations are conducted on the environmental carrying capacity and impact level, aiming to create a symbiotic relationship between the land, its inhabitants, the ecosystem, and the social relationships built among them.



### Sustainable Development

The holistic concept of land and its surrounding environment transcends the planar level; it encompasses three-dimensional space and even incorporates the dimension of time. Particularly, climate change poses significant challenges to the current and future state of the land, making it a critical issue for the Company's sustainability. Events such as frequent flooding caused by typhoons and heavy rainfall, as well as the expansion of flood-prone areas due to rising sea levels, significantly impact the sustainability of land and intensify competition in the real estate market. In response, Sinyi Development upholds the spirit of business integrity and ethics, recognizing that land development is not a one-time endeavor. The Company takes responsibility for people, ecology, land, and the surrounding environment. It considers measures for sustainable development, such as optimizing the site, increasing greenery, managing water retention and drainage, maintaining the surrounding environment, promoting community-building, advocating environmental protection, and conserving ecology. Sinyi Development shall disclose relevant information honestly to make customers aware of the impact of their living environment, evaluate future risks and opportunities, and collectively move toward sustainable land development.

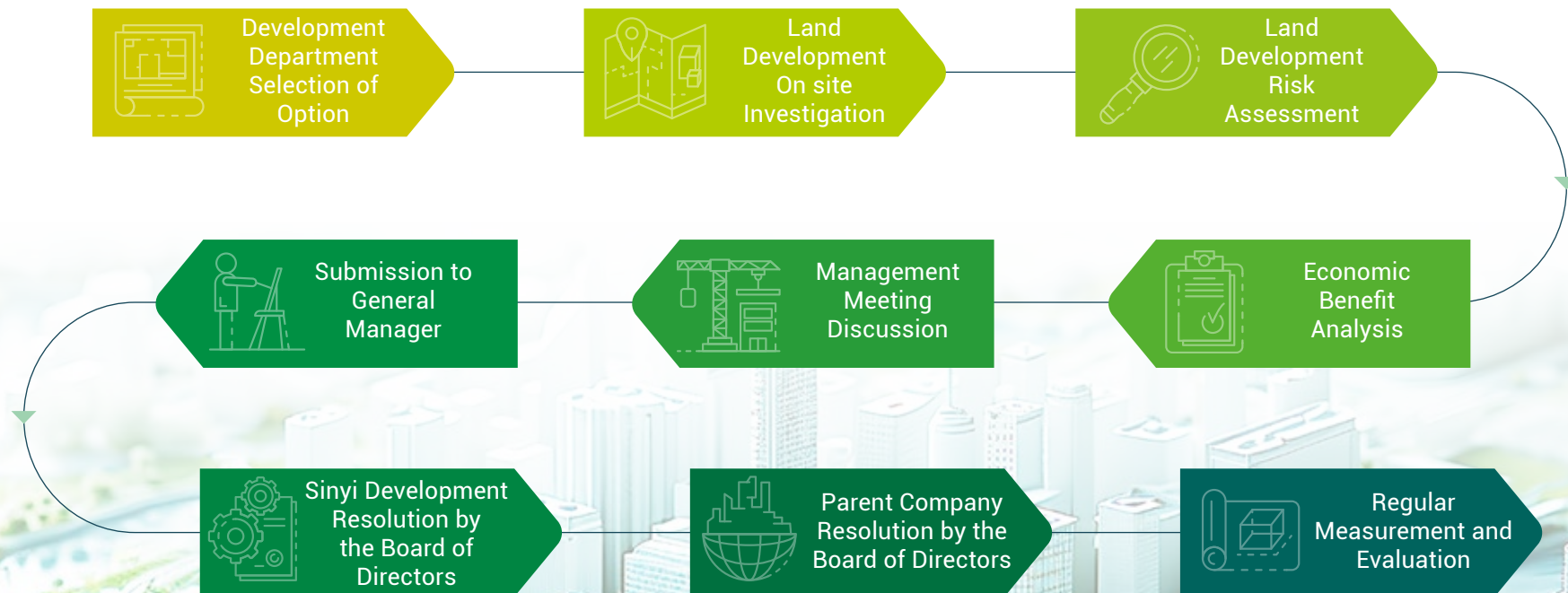


## 2.Land Development Risk Assessment

Our Development Department is responsible for collecting relevant information on development sites, formulating land and project development plans, and conducting on-site investigations, including climate, soil, geology, environment, and regulations. After organizing and summarizing the information, it is integrated into historical and future timelines to assess climate change, environmental loads, and their impact levels along with cost-benefit analyses. These results are submitted for discussion at the management level, reported to the General Manager, and subsequently reviewed and decided upon by the board of directors and the parent company's board of directors (please refer to the Land Development Risk Assessment Process diagram below).

Sinyi Development adheres to land ethics, regularly monitoring and risk assessing raw materials, development designs, and construction to ensure that the land and surrounding environment is not negatively impacted. Regular reports on monitoring results are presented at performance meetings, and risk adjustments are implemented to fulfill our responsibility for the sustainable development of land and the environment. This commitment underscores our steadfast dedication to environmental protection.

《Flowchart of Risk Assessment in Land Development by Sinyi Development》





### 3.Land Maintenance: Greening and Water Retention

To protect the ecological function of the land and avoid the use of destructive or irreversible construction methods, Sinyi Development has implemented two measures to maintain building sites: (1) Site greening and (2) Site water retention. The goal of these measures is to achieve a perfect connection between the land, humanity, organisms, and social relationships.



#### Site Greening

"Site greening" involves planting vegetation using the natural soil layers within the building site, as well as on roofs, balconies, exterior walls, and artificial terrains.

Enhancing land greening not only improves the quality of the living environment but also serves as a crucial strategy for sustainable development. Especially in recent years, environmental issues such as urban heat islands, deteriorating air quality, and declining biodiversity have become increasingly severe. Coupled with the risks brought by climate change, actively promoting "site greening" in land development has become an essential principle and goal for Sinyi Development.



#### Site Water Retention

Historically, land development in previous projects often overlooked the water retention capacity of natural soil layers, mainly considering aesthetics or ease of maintenance. This significantly reduced the feedback of site greening and the latent heat capacity of evaporated water, thus failing to effectively regulate temperature and exacerbating the "urban heat island effect." Moreover, in past rainwater drainage designs, the common approach was to quickly discharge water to the surrounding area or drain it into public sewer systems. However, with the impact of climate change, typhoons or heavy rainfall have increasingly burdened infrastructure (e.g., sewage systems and transportation roads), leading to frequent flooding.

Therefore, in the introduction of raw materials, land development design, and construction processes, Sinyi Development emphasizes symbiosis with the land. Permeable designs are incorporated into building sites to maintain the land's water circulation capacity while also contributing to site greening and regulating the temperature of the surrounding environment, fulfilling the responsibility of mitigating urban heat island effects.

## II.Smart Energy-Saving System

Sinyi Development collaborates with the New Taipei City Government and the Institute for Information Industry to promote the "Energy-saving E-Housekeeper" project. In our "Jiapi Project," hardware and software related to energy-saving digitization are introduced, including smart power meters, intelligent CT comparators, and phase shifters, to enhance residents' "energy visualization" and "energy-saving awareness". Once residents agree to adopt the proactive smart control load decision-making service tools, these tools can transmit their electricity usage data to the backend for analysis. Through the app, residents can receive feedback on energy consumption and appliance conditions, personalized electricity usage predictions, regular analysis reports, and improvement suggestions. This helps them gradually change their electricity usage behavior, manage energy usage, and GHG emissions, effectively achieving energy savings. Furthermore, in the main electricity systems and equipment of community public facilities, smart meters are installed to achieve "energy visualization," further encouraging residents to actively participate in energy-saving activities.



《Sinyi Development Collaborates with the New Taipei City Government and the Institute for Information Industry to Jointly Promote the New Taipei Energy saving E-Housekeeper System》





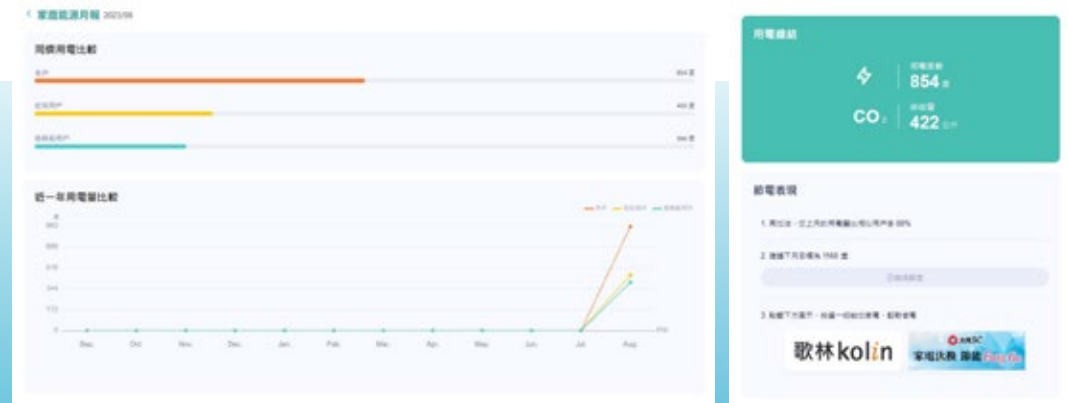


### Pictures of actual installation

Notes on installation: The execution team commissioned by the Institute for Information Industry (III) appointed a licensed professional electrician to assist in the installation. All installations were completed according to the construction plan submitted to the Jiapin project by Sinyi Development. (The following photos show the actual installation in a colleague's home.)



### Demo user (2023/08/28–2023/09/03)



### Demo user (2023/08)





## III. Net-zero Emission Buildings

Sinyi Development is promoting and implementing the goal of net-zero emission buildings through four main measures: building materials and development design, greenhouse gas inventory, green construction methods, and people-oriented green practices.

### 1. Building Materials and Development Design

Sinyi Development is already a member of the Low Carbon Building Alliance (LCBA). Our Construction Department and Sustainability Department have continued to research low-carbon building materials, mechanical and electrical information, low-carbon construction methods, and environmentally friendly landscapes to create relevant themes for net-zero buildings. We are accumulating practical experience and continuously optimizing the development and design of green sustainable projects to meet international low-carbon trends and achieve net-zero emission goals. The “Jiaxue” project has already obtained a Diamond-level Green Building candidate certificate and a Diamond-level Low-Carbon Building (LCBA) candidate certificate, and we are expecting to obtain a gold-level Smart Building candidate certificate in the future, achieving the goal of “two diamonds and one gold.”

In order to advance toward the goal of net-zero emission buildings and ensure that all future projects meet the dual certification quality of Green Buildings and Low Carbon Buildings (LCBA), Sinyi Development has established five execution principles for building materials and development design:

- Use low-carbon or recyclable materials.
- Select native tree species for site greening and maintain ecological diversity.
- Pursue localization of project materials to reduce GHG emissions during transportation.
- Seek appropriate collaborators or organizations to integrate buildings into environmental conditions (e.g., wind, sunlight, water, green spaces, etc.)
- Ensure that development and design can symbiotically integrate with the environment, not just pursue green building certifications, but truly incorporate environmental characteristics.

## 2. GHG Inventory

Sinyi Development collaborated with National Cheng Kung University to conduct a comprehensive carbon inventory within Category 3-6 of our Jiaxue project's entire life cycle. This inventory not only covers carbon emissions from the transportation of building materials and construction processes (embodied carbon) but also includes carbon emissions during the operation of the building, such as electricity or water consumption from air conditioning, lighting, and cooking appliances (operational carbon). Through carbon inventory, we are able to accurately calculate the overall carbon emissions of the Jiaxue project. It is worth noting that we intend to establish the data of our Jiaxue project as a baseline, which will help identify the hotspots for energy-saving and carbon reduction and further develop more effective energy-saving and carbon reduction strategies. This baseline will also serve as a comparison standard for future new projects, advancing toward the goal of reducing environmental impact and achieving net-zero buildings.



《Collaboration with National Cheng Kung University—Photo of our meeting for the Carbon Inventory in Jiaxue Project》

To promote the development of net-zero buildings, we have been actively cultivating implementation data and technology. In recent years, we have also actively promoted GHG inventory for projects. We calculated the GHG emissions at each stage of the construction process and collected practical experiences and challenges faced by each project. This allows us to continuously optimize methods and databases for GHG inventory. Furthermore, we provided feedback on GHG control measures and reduction plans to promote the application of low-carbon materials, mechanical and electrical equipment, and green construction methods.



### 3.Green Building Techniques

Sinyi Development has taken proactive measures in building development and design, both independently and in collaboration with third parties, to embed green principles from the outset, starting with households, and implementing energy-saving and carbon-reduction measures. This not only helps occupants save on expenses and ensures electrical safety amid future electricity price increases but also fundamentally realizes the goal of zero-energy consumption buildings through building development and design.



#### Building Structure

- Through rational and economical architectural structural design, we ensure uniform symmetry of plans, facades, and sections to reduce unnecessary structural weight and effectively minimize the use of building materials.
- Lightweight structures, such as dry lightweight partition construction methods, not only reduce the use of building materials but also decrease energy consumption and greenhouse gas emissions during production. In terms of land protection and household safety, compared to brick-built structures, lightweight structures significantly reduce the load on the site and mitigate the occurrence of natural disasters (e.g., earthquakes), thereby reducing potential harm to households. Take the "Jiaxue" project as an example. The entire project uses reinforced concrete, with a seismic resistance level reaching a magnitude of 6 weak (0.255G). The floor thickness is 15 cm (with the outdoor roof slab of the basement being 30 cm). The exterior walls use double-layer rebar with a thickness of 15 cm. In terms of load bearing, compressive strength, earthquake resistance, typhoon resistance, and fire resistance, all features comply with the construction technical regulations issued by the Ministry of the Interior.
- During the building's lifespan, maintenance needs will arise. Therefore, Sinyi Development adopts exposed conduits for indoor electrical power and pipelines for water supply/drainage to minimize energy consumption, waste generated during dismantling, and greenhouse gas emissions.



#### Smart E-Management

Sinyi Development has actively brought innovation to green construction methods, aligning well with the low-carbon and zero-energy consumption trends. In 2023, we collaborated with the New Taipei City Government and the Institute for Information Industry to promote net-zero energy consumption buildings through the implementation of the "Energy-Saving E-Housekeeper" project. In the "Jiaping Project," we have introduced proactive smart load control decision-making tools into public facilities and households, coupled with AI technology. Through E-management-related software and hardware and installation of smart CT meters, adapters, etc., in households to collect energy usage data from appliances (e.g., TVs, air conditioners, and washing machines) and transmit it to the backend for analysis of electricity consumption patterns.

Additionally, in the key electricity systems and equipment of community public facilities, "smart meters" have been installed to aggregate and analyze energy usage data. This data is converted into the community's energy use indicator, the "EUI value (electricity consumption per square meter)" and provided regularly for reference by households and community management committees. By visualizing energy usage, any abnormal situations can be promptly identified and addressed, encouraging and actively assisting communities in their efforts toward energy conservation.

Furthermore, the "E-Procurement" project is still in trial operation. In 2023, bidding was conducted in an exciting E-manner. Internal approvals for the contract of public facility decoration in the Jiaping Project were tested by printing only the negotiation approval form for signature, while the rest of the bidding process, vendor quotations, and submission content were archived in the Company's shared folder for review.

In the era of the Internet of Things, the use of E-management and smart technology devices and equipment requires special attention to and protection of household data security. In particular, with the increasing awareness of personal data protection and the importance of information security, Sinyi Development strictly adheres to the requirements of each household's consent and regulations in software, hardware, backend systems, app systems, and network data transmission to ensure the protection of personal data and information security and properly safeguard the rights and interests of all households.



#### Water Conservation

Assessing the water usage of buildings is a significant challenge, especially with measures such as rainwater recycling and the active use of water-saving equipment to enhance the "water-saving rate". Here are two key measures:

- Water-saving equipment installations: According to a national survey on residential water usage, bathroom toilets account for 50% of a household's total water consumption. Sinyi Development incorporates assessments of water-saving benefits to achieve daily water conservation goals.
- Flush systems and rainwater recovery devices: Household wastewater is collected, appropriately treated to meet specified standards, and then reused for toilet flushing and landscape maintenance. In addition, community rainwater recovery devices intercept and store rainwater, undergo basic purification and supply it for public building water usage, garden maintenance etc.. These measures reduce regional and overall building water consumption, achieving water conservation from the source.





## Reducing Energy Consumption

The construction phase of projects is a major stage of greenhouse gas emissions. In addition to introducing low-carbon construction methods in development designs, efforts are made to improve the daily details of construction, gradually introducing green awareness to achieve zero carbon emissions and reduce unnecessary energy consumption. For example:

- Site energy use management mechanism: Implementing management measures for equipment and tools, such as using low-energy consumption equipment or controlling usage times during the day.
- Use of renewable energy or low-energy consumption equipment: Incorporating green energy and low-energy consumption equipment right from the start of construction sites, such as LED lighting and variable frequency water pumps.
- Cycling and recycling of equipment, tools or resources: Implementing recycling practices for temporary power distribution boards, waste resource, and setting up rainwater recovery systems according to site environmental conditions for construction use, such as toilet flushing, greenery, or site dust reduction. Additionally, we also promote the temporary water and electricity equipment recycling plan by properly maintaining and preserving such equipment after the completion of each project, facilitating their reuse in new projects.

Moreover, during the building's service life of at least 50 years, the daily use of electrical appliances naturally constitutes a significant portion of the building's energy consumption. Therefore, Sinyi Development employs green methods to reduce energy consumption. This includes using LOW-E glass<sup>1</sup> for west-facing surfaces, equipping buildings with LED lighting, installing energy recovery systems for elevator equipment, using various system variable frequency motors for electrical equipment, and employing sensor-controlled switches for public area lighting and among other measures.

Furthermore, combining statistical analysis of public facility electricity usage with mechanisms to adjust electricity usage patterns allows communities to self-regulate electricity usage patterns. For example, adjusting the operating hours of parking garage ventilation and exhaust systems and controlling the usage periods of public facility electricity, are all aimed at collectively reducing greenhouse gas emissions by saving energy over the long service life of buildings.

Note 1: "Low-E glass (Low-Emissivity glass)" is a type of transparent glass with a very thin coating of metallic oxide on its surface. It offers high transparency, high thermal insulation, and low reflectivity, achieving energy efficiency and natural indoor lighting effects.

# IV. Outcome of Green Building Project Promotion

## 1.Highlights of the Year – Jiaxue Project

The Jiaxue project holds significant meaning for Sinyi Development, marking the beginning of its journey toward the 2030 vision of "Inclusive Prefabricated Building" and serving as the inaugural year for Sinyi's "Inclusive Prefabricated Building" initiative. Commencing in March 2024, it is expected to be completed and obtain the occupancy permit by the first quarter of 2028.

The Jiaxue project incorporates various sustainable building features, such as sustainable construction methods, community development, proprietary building production records, energy-saving double-layer insulated glass, energy-saving thermal insulation mortar, provision of charging pile slots and electric vehicle charging management systems for each parking space, among others. These energy-saving measures not only enhance the building energy efficiency but also contribute to reducing carbon emissions. These energy-saving measures are crucial steps toward achieving ESG goals- energy management, demonstrating Sinyi's commitment to the concept of "Co-inclusive Pre-construction" and our commitment to corporate social responsibility and sustainable development.

Furthermore, the Jiaxue project aims to achieve the "Two Diamonds and One Gold" goal, including the Diamond-level Green Building certification, Diamond-level Low Carbon Building (LCBA) candidate certificate, and Gold-level Smart Building candidate certificate. The Green Building Labeling and Building Energy Efficiency Certification Meeting approved the candidate Diamond-level Green Building certificate for the Jiaxue project on November 24, 2023, which received a score of 63.77 points (Diamond level: above 58 points). It was officially notified by the Taiwan Architecture & Building Center on December 7, 2023, and was obtained in January 25, 2024. Additionally, the Low Carbon Building (LCBA) candidate certificate was also received on March 29, 2024.





In the future, apart from continuing to plan and apply for certification for new projects, Sinyi Development will focus on three main areas:

- 1 Development of Building Materials:** Actively participating in major building material exhibitions to continuously expand the database of green building material suppliers and stay updated on new construction methods and materials for future projects.
- 2 Procurement and Contracting:** Incorporating requirements related to green building materials into procurement contracts, such as requiring water-saving certifications for showerheads and toilets when purchasing bathroom equipment, and selecting products with green building material certifications for interior paints, floor tiles, etc. Any additional requirements identified during construction are also included in the contracting documents.
- 3** After obtaining the Green Building candidate certificate and label for this project and future projects, Sinyi Development will allocate 50% of the public fund in accordance with Article 5 of the "Enforcement Rules of Condominium Administration Act" to the management committee for the maintenance and repair of green building index items (e.g., relevant plantings, equipment, etc.). We will also regularly coordinate with the construction management unit to conduct on-site inspections and make necessary improvements as requested, aiming to achieve the sustainable operation goals of green buildings.

Note: In order to strengthen the assessment of carbon reduction in design, the Low Carbon Building Alliance (LCBA) categorizes building carbon footprint assessments into five levels: Qualified, Bronze, Silver, Gold, and Diamond.

| Project Name                                | <b>Jiaxue Project</b>   |
|---|---|
| Site Address                                | Lot. 110, Xinzhuang Sub-City Center Section 1   |
| Sales Status                                | 80% sold by the end of 2023, fully sold by March 2024.  |
| Digital Innovations                         | <ul style="list-style-type: none"> <li>Constructed Electric Vehicle Charging Management System (EMS), allowing scheduled charging times.</li> </ul>   |
| Site Protection Measures                    | <ul style="list-style-type: none"> <li>Planted endemic trees to complement the building and balcony greenery in harmony with the park.</li> <li>Adopted construction techniques that enabled large storage and permeable water reserves to enhance the site's water circulation capability.</li> </ul>  |
| Green Construction Techniques               | <ul style="list-style-type: none"> <li>Adoption of LOW-E 6+6A+6mm energy-saving insulated glass.</li> <li>Utilization of energy-saving lighting equipment in the building's main exterior, courtyard, elevator lobby, and parking areas.</li> <li>Installation of water-saving labeled equipment and rainwater recycling design.</li> <li>Implementation of energy recovery elevators, LED lighting, and smart power meters.</li> <li>Utilization of dry lightweight partition methods, with clear pipe designs for water supply and drainage.</li> <li>Incorporation of large windows for daylighting and use of thermal insulation mortar.</li> </ul> |
| Number of suppliers (including contractors) | 43  |



Note: The number of contractors may fluctuate depending on the project stage and construction period. Therefore, considering the nature of the industry, the number of contractors is calculated directly.



## 2.Sinyi Jiapin Project

Our Jiapin project has been fully sold and is scheduled for completion in the first quarter of 2025. This project not only selects low-carbon materials for raw materials but also adopts green construction methods such as reasonable and economical building structural design, water conservation, and energy consumption reduction to achieve the effect of greenhouse gas reduction. The Jiapin project further leads the market by directly promoting smart digitalization within the development. This helps change electricity usage behaviors, control energy consumption, and reduce greenhouse gas emissions, effectively achieving the goal of "energy conservation" (for details, see Section V, Environmental Protection, Part II, Smart Energy-Saving System).

Since August 2023, Sinyi Development has been collaborating with National Cheng Kung University to rigorously conduct carbon emission assessments throughout the entire life cycle of the Jiapin project. In the short term, we will continue to collect data on building carbon emissions. We plan to use the data obtained from the Jiapin project as the baseline for carbon emissions for Sinyi Development's future projects, as well as a benchmark for comparison for future new projects. In the medium term, this data will serve as the basis for applying for the Ministry of the Interior's "Building Energy Efficiency Label" and "Low Carbon Building Label," and in the long term, it will be an important proof for applying for the Environmental Protection Administration's "Carbon Footprint Label" and "Carbon Footprint Reduction Label."

## 3.BIM (Building Information Modeling)

"BIM" involves digitally creating the architecture first through PC simulation. This approach can effectively reduce energy and resource waste in various stages such as raw material procurement, development design, and construction.

Sinyi Development began implementing BIM with its first project, "Chianshi," and has since applied this technology in recent projects such as Jiahe, Jiapin and Jiaxue. We plan to continue using BIM in the future, ensuring that new projects in various locations incorporate energy-efficient and environmentally friendly building practices.



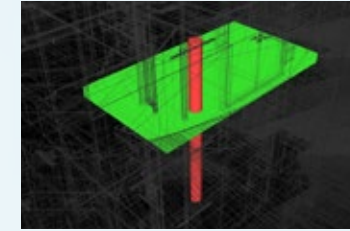
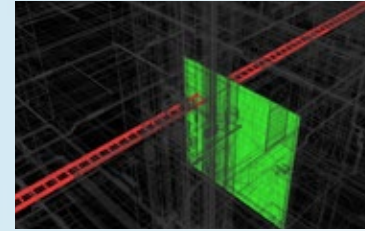
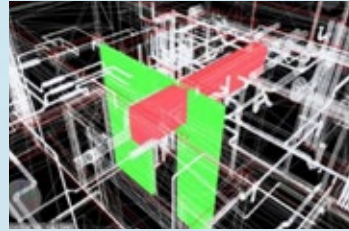


## The three major advantages of using BIM

1

In the design  
phase

Identifying drawing errors, omissions, collisions, and deficiencies early.



2

In the review  
phase

Enhancing efficiency through 3D visualization discussions to minimize construction errors.



3


In the  
construction  
phase

Implementing detailed on-site management to prevent rework and maintain quality by addressing on-site construction errors.





## The four main processes of BIM implementation are as follows:

**1**  **During the initial design phase**, BIM is used to initiate architectural design. After the preliminary design is finalized, MEP (Mechanical, Electrical, Plumbing) planning is incorporated (e.g. pipe layout, standard layers, and transition layers), basic principles are established, and spatial dimensions and regulations are reviewed.

- Colleagues in Construction Department will assist in drawing and reviewing plans, elevation, section views, and reference materials.
- Colleagues in Construction Department's MEP division will assist in configuring MEP construction drawings and basic reference materials.
- Colleagues in Construction Department's BIM architectural information modeling division will assist in revising results to improve space and serve as the basis for new functional reference drawings.
- Colleagues in Sales Department will assist in confirming whether the architectural and structural 3D drawings can be used for electronic displays during sales and provided to showroom designers.
- Colleagues in the Sustainability Department will assist in providing data during procurement and calculating the use of certain building materials.

**2**  **The detailed design phase will involve the following processes:** decoration, MEP systems (for the entire building), and landscaping.

- Construction Department – Civil engineering
  - Checking for errors, omissions, and collisions in 2D and 3D architectural, structural, interior, public decoration, and exterior building material decorations.
  - Examining building regulations, technical specifications, company standards, construction and maintenance spaces, etc.
- Construction Department – Mechanical and electrical
  - Checking for errors or omissions in the submission drawings of the five major pipeline systems.
  - Drawing the MEP 3D diagrams of each system's pipeline equipment (including architectural, structural, interior and public decoration, and exterior building material decoration) to check for errors, omissions, collisions, and insufficient space for MEP layout and construction.
  - Evaluating the pipeline routing and configuration directions of each system and adjusting according to feedback from architects and electrical engineers.
- Construction Department – BIM
  - Checking for errors, omissions, and collisions in 2D and 3D architectural, structural, interior, public decoration, exterior building material decorations, and MEP system drawings.
  - Verifying if the 3D diagrams (models) are built according to contract and company standards.
  - Collaborating with the Electrical Department to simulate the pipeline routing and configuration directions for each system.



**3** During the tendering stage, a comprehensive review of the MEP pipelines throughout the entire building will be required. Any feedback on construction dimensions should be provided to the tendering drawings in advance, and standard construction methods and principles should be established for contractors to refer to for review and drawing of construction plans.

- The Construction Department receives integrated outputs from the architects, including complete 3D architectural, structural, interior, public decoration, exterior building material decoration, and various MEP system diagrams (models). These should be saved in corresponding project folders and notified to Departments such as Civil Engineering, MEP, Materials, and Sales, with version control managed within the folders.
- Depending on project requirements, the Sustainability Department should convert various system 3D diagrams (models) to Navisworks for estimation by contractors.
- Attention during bidding: When construction companies or MEP contractors (including but not limited to those mentioned) bid for projects, they should obtain Navisworks files for evaluation and estimation purposes. Contractors must sign confidentiality agreements and not disclose the data to unauthorized individuals or units. If the bid is unsuccessful, the data must be returned.

**4** During the construction stage, contractors can directly use BIM for construction review and drawing of construction plans.

- Based on the change data provided by the Construction Department in both 2D and 3D diagrams (models), formal letters should be issued to construction companies and MEP companies or self-operated engineering contractors by the Construction Department.
- Responses to issues related to architecture, structure, exterior, and landscaping shall be collectively addressed by the Civil Engineering staff from the Construction Department; issues related to power supply, water supply and drainage, fire protection, and telecommunications by the MEP Department.
- Upon receiving responses from the Civil Engineering staff from the Construction Department or the MEP Department, on-site staff should formally reply to construction companies, MEP companies, or self-operated engineering contractors.



Photo from the site



Image of BIM simulation

The colleagues involved in BIM digital development will conduct model acceptance checks to ensure compliance with modeling standards and identify any areas for improvement. The Sales Department will verify if the models can be used for electronic sales dashboards and showroom designs, while colleagues from the Sustainability Department will confirm if they can serve as auxiliary materials for tendering and for calculating some building materials. All these directions require collaboration from various departments.

The implementation of BIM in projects not only reduces resource wastage but also promotes the concept of energy-efficient and low-carbon building practices. Regarding model checks, all departments at Sinyi Development use Navisworks to review dimensions and model accuracy according to regulations, company standards, and construction workflows, and propose corresponding solutions for any discrepancies. The Digital Development Department is currently consolidating the Company's existing component libraries, such as those from the Jiapin project (constructed based on manufacturer drawings), to provide subsequent projects and contractors with readily applicable components. This approach facilitates a more efficient and environmentally friendly way to review spaces and construction dimensions. In the future, we plan to establish company-standard construction methods to provide colleagues with a more comprehensive experience when communicating with external vendors and clients.



# CHAPTER 06

## Social Responsibility – Employees

### Fostering a Friendly Workplace to Attract Outstanding Talents

Fostering a Friendly Workplace to Attract Outstanding Talents: Sinyi Development prioritizes the establishment of a robust salary, incentive, and welfare system, alongside a flexible training mechanism, fostering mutual trust among employees. We regard employees as the cornerstone of sustainable development, shaping a shared vision to attract top talents and cultivate a friendly workplace environment. This direction guides our identification, analysis, and response to both actual and potential impacts.

|   | Item                                    | 2023 Target | 2023 Performance |
|---|---|-------------|------------------|
| 1 | Employee turnover rate <sup>1</sup>     | 20%         | 57.69%           |
| 2 | Employee satisfaction rate <sup>2</sup> | 4 points    | 3.55 points      |
| 3 | Injury rate <sup>3</sup>                | 0           | 3.82%            |
| 4 | Health check completion rate            | 100%        | 100%             |
| 5 | Employee complaint resolution rate      | 100%        | 100%             |

Note 1: The primary reason lies in the influence of employees' career planning and company strategy.

Note 2: Regarding the content on employee satisfaction rate, please refer to the Employee Satisfaction Survey section.

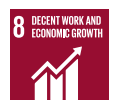
Note 3: Regarding the content on injury rate, please refer to the Occupational Health and Safety section.

### Material Topics:

GRI 201  
401  
403  
404  
405

Self-defined Topics Organizational Climate

SDGs



### Key Points:



The Cornerstone of Sustainable Development – Employees


56



# I. The Cornerstone of Sustainable Development-Employees

Four Major Directions of Sinyi Development's Talent Policy:

- 1  **Shaping a common vision to guide colleagues in their career development direction**  
Working together to cultivate a clear vision and common goals, integrating employees' objectives into the Company's vision, guiding the direction of employees' future career development, clarifying work values, establishing future goals, and continuing efforts.
- 2  **Cultivating a leadership style and organizational culture that is broad and strict**  
Managers shall lead by example, constantly reflect and refine, establish a broad, strict, and inclusive relationship, foster a friendly interactive environment, uphold a spirit of continuous improvement, and pursue a culture of excellence.

- 3  **Increasing self-expectations as a driving force for growth**  
We embrace the concept that "only a diamond can polish a diamond," and we expect our managers to become benchmarks for the Company at higher standards. We also encourage employees to adhere to the principle of "walking the path of greater resistance," keep trying to break through oneself and inspire employees to demonstrate a spirit of accountability.
- 4  **Building mutual trust relationships to establish the foundation of management mechanisms**  
Sinyi Development has various management mechanisms that aim for transparency of information and full communication, demonstrating a spirit of fairness and consistency. The Company follows two major frameworks of human rights policies and legal compliance and has established a sound platform for communication and cooperation. This shapes the Company's internal organizational atmosphere with a win-win goal where "supervisors trust and are willing to guide and empower colleagues, and colleagues trust and are willing to lead and respect supervisors".

## 1.Composition of Professional Talents 2-7 2-8 405-1

As of the end of 2023, Sinyi Development had a total of 26 employees, including 10 women and 16 men. The proportions of female and male employees were 38% and 62%, respectively. Based on employment type, 100% of Sinyi Development's employees are full-time, with no part-time employees. In terms of age distribution, employees aged between 30 and 50 years old accounted for approximately 53.85% of the total workforce.

| Category                                 | Female | Male | Total |
|--|--------|------|-------|
| Total number of employees                | 10     | 16   | 26    |
| Number of permanent employees            | 10     | 16   | 26    |
| Number of temporary employees            | 0      | 0    | 0     |
| Number of non-guaranteed hours employees | 0      | 0    | 0     |
| Number of full-time employees            | 10     | 16   | 26    |
| Number of part-time employees            | 0      | 0    | 0     |

Note 1: The data is as of December 31, 2023.

Note 2: There has been no significant fluctuation in the total number of employees compared to the previous year, and all employees are based in Taiwan.

Note 3: This statistical table is based on GRI definitions, where the total number of employees = number of permanent employees + number of temporary employees + number of non-guaranteed hours employees= number of full-time employees + number of part-time employees.

Note 4: For information regarding non-employee workers, please refer to VIII. Suppliers.



| Item   | Employee Age |                   |         | Total   | Ratio  |
|--------|--------------|-------------------|---------|---------|--------|
|        | Under 30     | Between 30 and 50 | Over 50 |         |        |
| Female | 3            | 6                 | 1       | 10      | 38.46% |
| Male   | 2            | 8                 | 6       | 16      | 61.54% |
| Total  | 5            | 14                | 7       | 26      | 100%   |
| Ratio  | 19.23%       | 53.85%            | 26.92%  | 100.00% |        |

Note 1: The data is as of December 31, 2023.



### Structure of Educational Background

The educational backgrounds of all Sinyi Development employees are shown in the table below. Due to the nature of the industry, about 46% are professionals related to engineering:

| Item                      | 2022                |            | 2023                |            |
|---------------------------|---------------------|------------|---------------------|------------|
|                           | Number of employees | Percentage | Number of employees | Percentage |
| Total number of employees | 33                  | 100%       | 26                  | 100%       |
| Below bachelor's degree   | 7                   | 21.21%     | 4                   | 15.38%     |
| Bachelor's degree         | 18                  | 54.55%     | 14                  | 53.85%     |
| Master's degree           | 8                   | 24.24%     | 7                   | 26.92%     |
| Doctorate                 | 0                   | 0          | 1                   | 3.85%      |

Note 1: The data is as of December 31, 2023.

Note 2: Below bachelor's degree includes high school and vocational school graduates and bachelor's degree includes two-year and four-year technical college graduates.

## 2. Status of New Hires and Turnovers 401-1

Our new hires primarily consist of female employees under the age of 50, while the turnover ratio is similar to the overall employee structure. Please see the analysis table of new hires and turnovers for 2023 below:

| Category           | Age Group         | Male                |            | Female              |            |
|--------------------|-------------------|---------------------|------------|---------------------|------------|
|                    |                   | Number of employees | Percentage | Number of employees | Percentage |
| New employee hires | Under 30          | 0                   | 0.00%      | 1                   | 3.85%      |
|                    | Between 30 and 50 | 2                   | 7.69%      | 3                   | 11.54%     |
|                    | Over 50           | 0                   | 0.00%      | 0                   | 0.00%      |
| Employee turnover  | Under 30          | 0                   | 0.00%      | 4                   | 15.38%     |
|                    | Between 30 and 50 | 11                  | 42.31%     | 0                   | 0.00%      |
|                    | Over 50           | 0                   | 0.00%      | 0                   | 0.00%      |

Note: The data is as of December 31, 2023, the percentage is calculated based on the total number of employees of 26.

For new employees, in addition to the HR Department conducting a new hire care survey to provide support and assistance, department supervisors will offer one-on-one guidance to help them integrate into the Company's operations. This approach ensures that new hires receive the necessary care and counseling to adapt to their new work environment. For departing employees, Sinyi Development arranges individual departure interviews with either the hiring department supervisor or the HR Department supervisor to understand the reasons behind their departure. These reasons are then analyzed, and appropriate improvement measures are implemented accordingly based on the findings.



## 3. Talent Development

401-1



### Education and Training Plan

Sinyi Development places great emphasis on talent development and actively promotes talent training plans. Following the Company's key strategic directions (such as ESG, and green building), annual course content is arranged targeting different job grades (i.e., managers, colleagues, and new hires). Through various satisfaction surveys and feedback, we ensure that the training content meets the needs of our colleagues. The course content includes the following:

- **New Employee Onboarding Program:** This program focuses on the development of new employees. In addition to arranging mandatory courses to help colleagues familiarize themselves with the Company's environment, policies, and systems, HR colleagues and department supervisors provide continuous support and consultation. Moreover, the General Manager will personally interact with new hires to convey the Company's philosophy.

**3 hours**

General Courses  
(including company environment, policies, and systems)

**3 hours**

Legal-related Courses and Seminars (such as Personal Data Protection Act, Trade Secrets Act, and Fire Safety Training)

**2 hours**

Exchange of Business Philosophy

- **Professional Courses for Employees:** These courses are department-specific and are planned by department supervisors based on business development directions (such as on-site instructional guidance according to the progress of different projects). Colleagues also arrange their own learning and growth plans, such as courses on on-site management, and occupational safety.
- **Managerial Courses:** Managers play a crucial role in transmitting organizational values. Therefore, we arrange reading and exchange sessions for different management levels and provide a platform for discussion led by the Sinyi Group Corporate Ethics Office. This helps in establishing and deepening action plans in line with Sinyi Development's talent policy. Through these courses, managers will be able to enhance their leadership skills and facilitate mutual support and assistance among colleagues, thereby implementing comprehensive care practices.

**6 hours**

Reading and Exchange Sessions

| Average Training Hours in 2023 |  |                     |                      |
|--------------------------------|--|---------------------|----------------------|
|                                | Item   | Number of employees | Total training hours |
| Position                       | Employees  | 18                  | 363.5                |
|                                | Managers(Department Managers)                      | 6                   | 119                  |
|                                | Senior Executives (Vice General Manager and above) | 2                   | 27.5                 |
| Gender                         | Male   | 16                  | 335.5                |
|                                | Female   | 10                  | 174.5                |
| Total                          |  | 26                  | 510                  |

Note: The information in the table above is based on company-planned physical/online courses, including arrangements made by department supervisors according to departmental plans and individual self-directed learning and growth plans by colleagues.



### Diverse Learning Subsidies

Sinyi Development encourages colleagues to participate in external training and diverse learning activities. Each person can be subsidized up to 50% of the tuition fees for external training. The usage information for related training resources is shown in the table below:

| Item              | 2023    |                 |
|-------------------|---------|-----------------|
|                   | NTD     | Number of users |
| Diverse Learning  | 84,096  | 38              |
| External Training | 60,000  | 2               |
| Total             | 144,096 | 40              |



### Lifelong Learning

Sinyi Development believes that lifelong learning is a voluntary form of education that fosters personal achievement and emphasizes individual development. It is a manifestation of professional learning and the pursuit of personal interests, enhancing self-sustainability and competitiveness. Therefore, following the strategy of the Sinyi Group, Sinyi Development implements the "Sinyi Coins" mechanism and provides learning subsidies to cultivate more abilities among colleagues, enabling them to adapt to changes in the times.



## 4. Human Rights Management

2-23

2-25

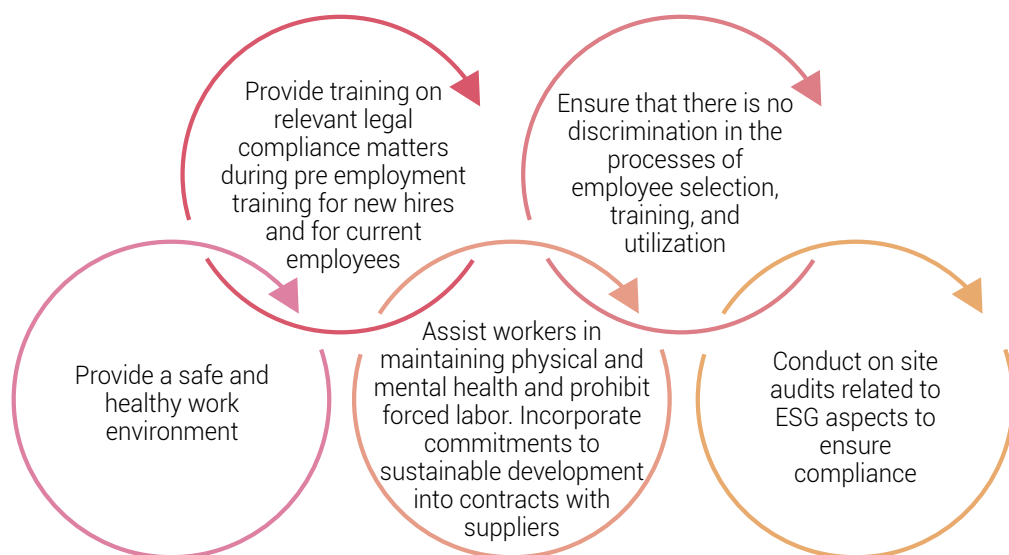
2-26

2-30

Sinyi Development places great importance on the protection of human rights and is committed to creating a fair working environment. The Company follows the human rights policy established by the Sinyi Group, recognizing and voluntarily adhering to internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights," the "United Nations Global Compact," the "United Nations Guiding Principles on Business and Human Rights," and the "International Labor Organization" conventions. Sinyi Development is dedicated to eliminating any behavior that infringes on or violates human rights, treating all colleagues with dignity and respect, and upholding the protections outlined in human rights conventions. Additionally, our suppliers and business partners are also expected to ensure that their operations do not violate fundamental human rights and that everyone is treated fairly and with dignity.

The identification and assessment of human rights-related risks is conducted through an annual major risk assessment and quarterly reviews. Subsequent plans and measures have been formulated to manage and address these risks.

### Sinyi Group's Human Rights Policy & Practices



## 5. Smooth Communication Channels

Sinyi Development values the opinions and feelings of its employees regarding organizational development and various operations. Given the Sinyi Group's emphasis on integrity and ethics, the Company provides diverse and effective communication channels and grievance mechanisms. These include hotlines for sexual harassment, channels for discrimination issues (e.g., race, gender, religion, marriage, nationality), and labor-management meetings, all aimed at establishing a healthy and ethical work environment. At the same time, continuous promotion ensures employees fully understand and feel confident using these communication channels and grievance mechanisms to address personal rights or unfair treatment. This helps ensure that employee concerns are promptly addressed, facilitating seamless workplace communication.

| Item                     | Descriptions   |
|--------------------------|--|
| Communication Channels   | Collect employee feedback to inform company policies and management improvements, enhancing overall employee engagement. Employees are encouraged to express suggestions, clarify operational doubts, or correct inappropriate behaviors.  |
| Grievance Mechanism      | Implementation of Mr. Chou's Mailbox.<br>Sinyi Group has established "Mr. Chou's (founder) Mailbox" and a communication platform to provide employees with a robust communication channel for two-way dialogue with management and the board.  |
| Labor-Management Meeting | 1. Although Sinyi Development does not have a union or collective agreement, it holds regular labor-management meetings annually. These meetings provide a platform for representatives from both sides to discuss employee rights, work environment, compensation, and benefits.<br>2. Each side appoints two representatives, and quarterly meetings were held in 2023. Topics covered included flexible employee benefits, site benefits, departmental social events, and more. These meetings were conducted transparently, clearly understanding employee suggestions and opinions, and were used as a reference for future company management. |



## 6. Employee Satisfaction Survey

Sinyi Development highly values employee feedback regarding the Company, as this is crucial for optimizing talent policies and corresponding regulations. The most important measure is the organizational identity and job satisfaction survey, which covers 10 aspects: value recognition, work value, willingness to stay, work enthusiasm, balanced life, organizational innovation, business strategy, collaboration, salary and benefits, growth and development. Each aspect is scored from 0 to 5. In 2023, the survey had an 86% response rate with a 100% completion rate, and the average overall score was 3.55.

The company reviewed the results of the questionnaire, the items with relatively high scores are value recognition and balanced life. Sinyi Development inherits Sinyi Realty's business philosophy and methods, hoping to jointly achieve business and change the industry and society by treating the six major stakeholders including society and employees appropriately. In addition to the recruitment explanation and the introduction and guidance of new employees after they join, what is more important is the actual display in daily interactions. For example, during meetings, the guidance and decision-making of the operating supervisor are based on the vision and purpose serving as the foundation for discussion and decision-making considerations. This approach allows employees to concretely feel that words and deeds are consistent, and then believe and recognize that joining the company can achieve a sense of mission and a sense of meaning in their careers.

Sinyi Development has always adhered to the thinking logic of talent → quality → performance. Talent has always been the foundation of Sinyi Development. Therefore, in terms of treatment and care for employees, they are no less than the market standards and continue to improve, which means that employees have a good feeling. The company believes it will also be reflected in the quality of their daily work.

On the other hand, the relatively low-scoring items are business strategy and organizational innovation. In 2023, the company initiated the largest organizational change since its establishment. In addition to arranging explanations and interactions with employees, we also invited employees to give feedback, relevant ideas and suggestions for optimization and improvement. However, due to continuous adjustments during the rolling and trial process, it inevitably caused cognitive confusion among employees during the transition period. Therefore, the company still needs to make further efforts in this area. Plans are underway to launch workshops and other communication channels in 2024 to address these challenges.

Through comprehensive surveys and analysis of both quantitative scores and qualitative feedback, Sinyi Development is committed to continuous improvement. We've timely and appropriately adopted employees' suggestions, ensuring a robust foundation for sustainable development. This approach helps our colleagues feel truly engaged in the mutual growth and development of the Company.

## 7. Compensation, Performance, and Promotion

2-20

2-21

404-3



### Compensation and Reward System

As a wholly owned subsidiary of Sinyi Realty, Sinyi Development's compensation and reward system follows the policies and recommendations of the Sinyi Group. Although it lacks independent directors or a remuneration committee and does not engage consultants to evaluate the overall compensation system, Sinyi Development has established three main principles to create a clear management mechanism for supervisors and employees to follow and implement.

#### ● Fair Compensation and Transparent Promotion Pathways

Sinyi Development has established the "Position Titles and Salary Management Procedure", which clearly outlines the salary and promotion processes, as well as the competency requirements for various job levels. The Company conducts an internal comprehensive salary review and adjustment once every April.

Emphasizing the accumulation of professional experience and sustainable corporate heritage, Sinyi Development offers transparent promotion pathways and opportunities with the principle of "no double yellow lines, overtaking is always possible" to ensure that professional capabilities, academic and work experience, daily performance, rewards and penalties, and industry standards are considered to comprehensively evaluate employees' performance and development potential. This determines job categories, levels, and salary compensation.

The Company strictly adheres to domestic laws and international human rights policies, ensuring no discrimination based on race, gender, religion, marital status, or nationality. Every employee receives fair compensation corresponding to their contributions to the Company.

#### ● Sharing Business Success

Sinyi Development implements the "Individual Performance Bonus System" to allow employees to share in the Company's success, motivating them to contribute further. This approach also aims to enhance company cohesion and reduce employee turnover, thereby attracting more talented individuals to the team.

Based on annual business performance, all employees receive a year-end bonus, embodying the spirit of sharing corporate profits with employees.



## ● Employee Compensation

The total compensation ratios and related information for the past three years at Sinyi Development are shown in the table below. In 2023, the highest individual annual income was 12.95 times the median annual income of all other employees (excluding the highest-paid individual). The percentage increase in the highest individual total annual compensation compared to the median percentage increase for all other employees was -4.27%. The highest individual annual compensation increased by 77.98%. This significant increase was primarily due to the construction project completion bonus associated with the Jiahe project, which was handed over in stages throughout 2023. The decline in the median employee salary is primarily due to personnel changes, resulting in some employees not receiving a full year's salary.

| Item   | 2021    | 2022    | 2023    |
|--|---------|---------|---------|
| Median Employee Salary (NTD)                   | 877,779 | 979,687 | 800,642 |
| Median Salary Change Rate (%)                  | 26.66   | 11.61   | -18.28  |
| Annual Total Compensation Ratio (times)        | 5.84    | 5.95    | 12.95   |
| Annual Total Compensation Change Ratio (times) | -0.92   | 1.17    | -4.27   |
| Highest Salary Change Rate (%)                 | -24.58  | 13.54   | 77.98   |

Note 1: Annual total compensation includes base salary, allowances, and bonuses.

Note 2: In 2023, the title of the highest-paid individual was the General Manager.

Note 3: Annual Total Compensation Ratio = the annual total compensation of the highest-paid individual in the organization / the median annual total compensation of all employees (excluding the highest-paid individual).

Note 4: Annual Total Compensation Change Ratio = Percentage increase in the annual total compensation of the highest-paid individual in the organization / Percentage increase in the median annual total compensation of all employees (excluding the highest-paid individual).



## Performance Management

To support the continuous growth of our employees, Sinyi Development not only offers comprehensive talent training and lifelong learning mechanisms but also employs appropriate systems to identify employee capabilities and evaluate performance. This ensures that employees are utilized according to their strengths, driving the company's ongoing innovation and growth. Therefore, Sinyi Development has established a regular performance management system, enabling all employees to participate in fair and consistent assessments and interviews. Supervisors regularly set performance goals with their team members, review and discuss these goals, and implement improvements. The annual performance results are crucial for determining employee promotions, salary adjustments, and bonuses.

In addition to a robust performance management system, Sinyi Development provides thorough training for supervisors on conducting performance interviews and assessments. This ensures that supervisors can provide professional, logical, and appropriate guidance, encouragement, support, and career counseling to employees, helping them to continuously improve and excel.

In 2023, the percentage of Sinyi Development employees participating in performance interviews, evaluations, and assessments was 100%.

## 8. Welfare System

401-2 401-3



### Family Care

#### ● Parental Leave

Sinyi Development strictly adheres to relevant laws and regulations regarding applications and reinstatement for parental leave without pay. In 2022, the reinstatement rate after one year of returning to work post-parental leave was 100%, and this rate remained 100% for 2023. Detailed information is provided in the table below.

#### ● Second Childbirth Incentive

To support the government's policy of encouraging childbirth, Sinyi Development has implemented a "Second Childbirth Incentive". Employees who have worked for the Company for over one year and give birth to a second child (or more) will receive a reward of NT\$ 120,000 per child. In 2023, one employee has benefited from this incentive.

| Item  | Male | Female | Total |
|---|------|--------|-------|
| Total number of employees that were entitled to parental leave in 2023                | 1    | 0      | 1     |
| Total number of employees that took parental leave in 2023                            | 1    | 0      | 1     |
| Number of employees expected for reinstatement after parental leave in 2023 (A)       | 1    | 0      | 1     |
| Actual number of employees reinstated after parental leave in 2023 (B)                | 1    | 0      | 1     |
| Actual number of employees reinstated after parental leave in 2022 (C)                | 1    | 0      | 1     |
| Number of employees reinstated after parental leave in 2022 and stayed for a year (D) | 1    | 0      | 1     |
| Return to work Rate % = B/A   | 100% | N/A    | 100%  |
| Retention Rate % = D/C  | 100% | N/A    | 100%  |



## 2

### Employee Benefits

At Sinyi Development, all employees are provided with basic insurance and leave as mandated by labor laws, including labor insurance, national health insurance, and various types of leave such as personal leave, sick leave, maternity leave, prenatal check-up leave, paternity leave, menstrual leave, family care leave, epidemic isolation/care leave, marriage leave, bereavement leave, injury leave, special leave, and parental leave without pay. Additionally, the Company provides and encourages the use of the following welfare measures:

- We provide professional masseurs to offer stress relief massages to employees.
- Group Insurance: Coverage up to NT\$ 5 million (NT\$ 10.5 million for employees assigned to construction sites), including term life insurance, accidental injury insurance, accidental medical insurance, hospitalization insurance, burn injury insurance, cancer medical insurance, and occupational injury insurance. Employees' dependents can also participate at preferential rates at their own expense.
- Assistance for marriage, bereavement, childbirth, hospitalization, and emergency aid.
- Club subsidies.
- Flexible Benefits: Sinyi Development implements a flexible benefits system for all employees. Through flexible planning and operation, we aim to fully support our employees, enhancing organizational atmosphere, company recognition, and satisfaction. The system operates by issuing virtual currency called "Sinfu Coins", with each employee receiving 10,000 coins annually. The various benefit items are categorized into learning and growth, health maintenance, family care, and environmental protection, each with its own weighted value (up to 1.5 times). This allows employees to choose and plan their annual benefits according to their individual needs.





Sinyi Development offers various additional welfare subsidies such as gym/sports center memberships, self-funded health check-ups, childcare/long-term care, vaccination/epidemic prevention subsidies, health check-ups for family members, festival gifts/vouchers, and birthday vouchers. The following table summarizes relevant expenses and usage:

Statistics of Other Welfare Subsidies

| Item                                  | 2023           |                 |
|---------------------------------------|----------------|-----------------|
|                                       | NTD            | Number of users |
| Gym/Sports Center                     | 30,236         | 20              |
| Self-covered Health Check-ups         | 35,000         | 7               |
| Health Check-ups for Family Members   | 10,000         | 2               |
| Vaccination/Epidemic Prevention       | 56,711         | 33              |
| Full-face Safety Helmets              | 23,451         | 6               |
| Childcare/Long-term Care              | 49,101         | 6               |
| Additional Group Insurance            | 12,644         | 4               |
| Uniform Subsidy                       | 1,900          | 2               |
| Mid-Autumn Festival Gifts (Vouchers)  | 11,200         | 14              |
| Dragon Boat Festival Gifts (Vouchers) | 13,600         | 17              |
| Birthday Vouchers                     | 14,000         | 14              |
| <b>Total</b>                          | <b>257,843</b> | <b>125</b>      |

### Employee overseas travel



### Employee activity (Escape room game)





## 3

### Work-Life Balance

Sinyi Development has implemented the Employee Assistance Program (EAP), which allows employees to seek individual counseling through a dedicated phone line with external professional consultants. The program covers various topics such as career, family, emotional, psychological stress, financial management, and legal issues. This support helps employees manage personal challenges and obstacles outside of work, ensuring they maintain a healthy body and mind, and achieve a better balance between work and life. Additionally, this benefit extends to employees' family members, reflecting the Company's commitment to the well-being of employees' families and enabling employees to focus more on their career development.

## 4

### Improving Work Hours and Promoting a Happy Work Environment

- Overtime Management System

Sinyi Development has established clear regulations and methods for managing employees' schedules and attendance (e.g., the Attendance Management Regulations and Business Trip Management Procedures). Our overtime and attendance policies are compliant with legal requirements. If staff members need to work overtime due to work requirements, supervisors must obtain the employees' consent, and their monthly overtime duration should not exceed 46 hours. Additionally, based on annual health check results, the Company identifies high-risk employees for healthcare purposes and informs relevant supervisors to review work conditions and adjust work content as needed.

- Optimized Leave System

The Company offers one day of paid volunteer leave annually, encouraging employees to engage in volunteer activities, experience the joy of giving, and promote a cycle of good deeds. For special leave, supervisors are required to assist employees in taking their leave. If employees cannot take all their special leave, they have three options: "settlement of unused leave as wage", "deferment to the next year" or "half settlement of unused leave as wages and half deferment to the next year".

- Flexible Working Hours System

- I. Flexible Working Hours

To create a friendly workplace and assist employees in balancing ongoing employment with family care responsibilities, the Company has implemented a flexible punch-in & punch-out system for employees, allowing them to adjust their start and end times within a specified range.

- II. Reduced Working Hours

Employees who have special circumstances (e.g., childcare, caring for family members, and lifestyle changes) can apply for a reduced working hours system. Depending on their situation, they may request a shorter daily work schedule, which could include starting later or leaving earlier, to better balance their work and personal life.





## 9. Retirement System 201-3

Employees who meet the legal requirements for voluntary or mandatory retirement can apply for retirement at any time. The standards for pension payments are handled in accordance with Taiwan's Labor Standards Act and Labor Pension Act. The Company strictly adheres to the Labor Standards Act by establishing a Supervisory Committee for the Labor Retirement Reserve Fund, which ensures the proper management of the fund's contributions and distributions. Furthermore, the Company makes monthly contributions to employees' pension accounts as per the Labor Pension Act.

- **Labor Standards Act Retirement System:** The Company contributes a full amount of retirement reserve funds based on the total salary of employees each month, and the funds are deposited into a "Company Retirement Fund Account" at the Bank of Taiwan.
- **Labor Pension Act:** The Company contributes 6% of each employee's monthly salary to individual pension accounts set up by the Bureau of Labor Insurance. Employees who choose to voluntarily contribute to their pension accounts can have their selected contribution rate deducted from their monthly salary and transferred to their individual pension accounts.

## 10. Occupational Safety and Health 403-5 403-6 403-9

Sinyi Development has implemented the following measures to ensure comprehensive protection and care for employees in terms of occupational safety and health.



### Occupational Safety and Health Management:

To enhance the occupational safety and health management system, Sinyi Development provides education and training for employees along with accident insurance and hospitalization insurance. To mitigate compensation liability for third-party injuries caused while employees are operating vehicles for business purposes, the Company has provided coverage for voluntary third-party liability insurance for employees. Since 2021, the Company has been encouraging employees to wear full-face safety helmets by subsidizing their purchase.

To strengthen employees' fire safety awareness and reduce accidents due to panic during fires, the Company has established a self-defense firefighting team and conducts regular fire drills. In 2023, the Company organized one first aid training session (CPR/AED/Heimlich maneuver) and one emergency evacuation drill at the headquarters building.



### Emergency First Aid Training







## Emergency Evacuation Drill



In the event that an employee is injured on the job, Sinyi Development follows legal regulations to provide occupational injury and sick leave based on the actual circumstances. The Company also assists employees in applying for labor insurance and occupational injury compensation. In 2023, one employee was recognized by the Bureau of Labor Insurance as having sustained an occupational injury, which occurred while commuting to the work location and being rear-ended by another vehicle. There were no cases of occupational disease reported.

## Occupational Injury and Occupational Disease Statistics for 2023.

| Item                    | Work-related injuries | Work-related ill health |
|-------------------------|-----------------------|-------------------------|
| Number of cases         | 1                     | 0                       |
| Number of lost workdays | 13                    | 0                       |

## 2023 Occupational Injury Rate Table

| Gender      | Male  | Female |
|-------------|---|--------|
| Injury rate | 0   | 3.82   |
| Notes       | <ul style="list-style-type: none"> <li>• <math>(1 \times 200,000) / (252 \text{ days} \times 8 \text{ hours} \times 26 \text{ employees}) = 3.82</math>.</li> <li>• Sinyi Development has a total of 26 employees. The calculation uses 200,000 work hours, which is different from the Sinyi Group's standard of one million work hours.</li> <li>• The injury rate is based on the number of occupational injuries and lost days reported to the Bureau of Labor Insurance each month.</li> </ul> |        |





## 2

### Health Management

Sinyi Development has established its "Wellness Health Management Center", staffed with dedicated health management professionals. This center systematically ensures the physical and mental well-being of employees through various services, including physical health check-ups, psychological assessments, and emergency training. These measures aim to enhance workplace safety, health education, and achieve the goal of a "healthy and happy workplace with zero occupational injuries".



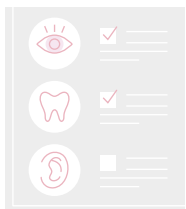
Physical health  
check-ups

1. New employees are entitled to a free physical examination upon joining the Company.
2. After joining the Company, every employee is entitled to one company-funded health check-up every two years; employees over 40 years old will receive a company-funded health check-up on a yearly basis.
3. Employees' family members are eligible for discounted rates on health check-up services.



Mental health  
assessment

Sinyi Development provides an online health management system for all employees to conduct psychological assessments at any time. Results can be reviewed by health management professionals who offer counseling and appropriate assistance.



## 11. Recognitions and Honors

### 1

#### "Badge of Accredited Healthy Workplace" from the Health Promotion Administration of Ministry of Health and Welfare

To maintain the health of its employees, Sinyi Development is committed to promoting a smoke-free environment and enforcing a total smoking ban during working hours. By implementing health promotion measures and creating a positive work environment, the Company has earned the Badge of Accredited Healthy Workplace from the National Health Bureau of the Executive Yuan, valid until October 31, 2025.

### 2

#### "Excellent Breastfeeding Room Certification" from the Department of Health of Taipei City Government

To protect women's breastfeeding rights, Sinyi Realty has established breastfeeding rooms at its Group headquarters. These facilities have received the "Excellent Breastfeeding Room Certification-Outstanding Grade" from the Taipei City Government's Department of Health, with the certification extended until August 2026.



Healthy Workplace  
Certification – Badge of  
Accredited Healthy Workplace



Excellent Breastfeeding  
Room Certification

榮耀肯定



# CHAPTER 06

## Social Responsibility - Services and Customers

### Two Core Principles

**Excellence in Service:** Sinyi Development is committed to customer-centric service, continuously improving its service quality standards with the aim of becoming a leader in the industry.

**Community Harmony:** Sinyi Development centers its operations around the concept of community harmony, consistently deepening community-building activities while integrating the principles of harmony and goodwill into the community and fostering a rich local culture.

|   | Item  | 2023 Target | 2023 Performance |
|---|---|-------------|------------------|
| 1 | Customer satisfaction   | 4.5         | 4.83 (Achieved ) |
| 2 | Consumer disputes related to product quality for home purchases | 0 cases     | 0 cases          |
| 3 | Community-building activities                                   | 10 events   | 11 v             |

### Material Topics:

GRI » 417

Self-defined Topics » Community building  
innovative technologies and services

SDGs »  11 SUSTAINABLE CITIES AND COMMUNITIES

### Key Points:

Service Quality 69

Community Building 74



## I. Service Quality

2-23 2-24 416-1 417-1



### Building Production History

The “Building Production History” entails transparent disclosure of all materials used, construction methods, site environment, and processes involved in a building’s construction. This practice embodies the Company’s core principles of “prioritizing ethics over profit,” “people-oriented,” and “positive thinking,” while committing to green construction methods and energy-efficient, low-carbon solutions.

To maintain high standards of service quality, Sinyi Development has adopted the concept of building production history. This industry-unique approach makes the entire construction process transparent, ensuring that residents feel secure and confident in the comprehensive services we provide.



### Material Traceability Management

Sinyi Development meticulously manages the traceability of various construction materials, including: rebar materials, splicing materials, concrete (e.g., sand, gravel, cement, and other additives), aluminum windows and glass materials (including glass/silicon factory certificates and weather test reports), acoustic insulation material production history (including on-site inspection reports), fire doors, entrance doors, lightweight partition materials (with green building labels), ceiling materials (with green building labels), paint materials (with green building labels), waterproof materials for water tanks (with non-toxic certification), kitchen materials, and bathroom cabinet materials. For each material, complete production histories and factory certificates are provided. Additionally, we also obtain quality inspection results based on specific usage requirements. Sinyi Development ensures that from the origin to manufacture and delivery to the construction site, the quality of building materials meets relevant design standards.



### Transparent Engineering Inspections:

Sinyi Development provides unit-based quality inspection reports for interior construction, covering both building and mechanical and electrical (M&E) aspects. In terms of building renovation, inspections include checks on lightweight partition acoustic insulation, bathroom waterproofing and water testing, aluminum window waterproofing and water testing, joint waterproofing, and acoustic insulation mat installation. As for M&E inspections, items include tests on: indoor drainage pipe full water testing, water pipe pressure testing, piping in lightweight partitions in various spaces, indoor plumbing system layout in lightweight partitions, and the electrical system layout in lightweight partitions (see pictures below).

For the aforementioned inspection items, detailed inspection records and photos are provided, supplemented with self-checklists to ensure that even the unseen parts of construction meet industry standards, thus living up to customer expectations. For example, in 2023, our Jiapin project offered fully transparent engineering inspection services, demonstrating Sinyi Development’s commitment to thorough and transparent quality assurance.



M&E installation



Frame water testing



Joint waterproofing inspection



4

## Online Supervision System

Sinyi Development is committed to providing customers with more transparent and convenient services. To achieve this, Sinyi Development has launched an online supervision system, offering real-time construction monitoring services for customers (accessible by visiting <https://www.xinyikf.com.tw/service/supervise>).

The Supervision System offers the following features:

Real-time Monitoring

Customers can view the status of the construction site at any time through the online supervision system. Even if they cannot visit the site in person, they can still keep track of the latest construction progress.

Image Archiving

The system automatically archives site images, allowing customers to review the construction progress at any time. This helps ensure the quality of the construction work.

Transparency

The entire construction process is made public, allowing customers to clearly understand the progress and quality of the work, reflecting Sinyi's commitment to integrity and ethics.

Online Communication

Customers can communicate with the construction team through the online supervision system, raising questions or suggestions to maintain good interaction and cooperation between both parties.

Safety Monitoring

The system helps ensure site safety by providing real-time monitoring, allowing potential safety hazards to be identified and addressed promptly.

Sinyi Development's online supervision system aims to provide customers with more efficient and convenient services, enabling them to monitor construction progress anytime and anywhere. This ensures the quality of the project while showcasing Sinyi Development's commitment to integrity and professionalism.

5

## Structural Testing:

Sinyi Development provides comprehensive production records and related test reports for both building and electromechanical structural engineering.

Building structural engineering includes columns, walls, beams, reinforcement bars, bamboo-joint reinforcement bars, concrete column specimens, reinforcement couplers, and high-furnace slag powder for concrete and cement mortar water quenching. All these components have passed and obtained third-party testing reports. Electromechanical structural engineering includes inspection of piping within slabs and walls, electrical engineering checks, plumbing engineering inspections, and fire safety engineering inspections. These inspections are carried out by the construction factory to execute related verification operations.

All project site conditions, test reports, and inspection records are integrated into detailed visual and textual documentation. This transparent approach allows residents to clearly understand quality control measures and structural safety certifications.

## 1.Customer Service

Sinyi Development is committed to providing high-quality customer service, which encompasses ten comprehensive aspects of excellence. This ensures the quality of service before, during, and after construction, as well as a complete customer experience. We place great importance on addressing customer inquiries and feedback, strictly controlling the response progress and content to ensure timely and accurate replies, thereby preventing customer complaints. In 2023, our customer satisfaction for property handovers reached 99%. The cumulative resolution rate for customer service cases reached 85% (as of December 31st, 2023), with ongoing follow-up on remaining cases until resolution.

1

### Detailed Explanations

Sinyi Development provides thorough and accurate explanations of project progress and responses to inquiries and feedback at different stages of construction. This includes project commencement briefings, structural completion briefings, and handover briefings.



Project Commencement Briefing





## On-site Visits

Sinyi Development highly values interaction and communication with customers. To provide customers a comprehensive understanding of the construction quality and progress, we invite them to participate in on-site visits at key construction milestones. The key content and purposes of these visits are as follows:

### Completion of Ground Floor Rebar Binding

Customers can witness the foundational structure of the building and understand the quality of the rebar binding. At the same time, our professional team will explain the structural safety and sturdiness of the building on-site.

### Completion of Beam Work

At this crucial stage of the building structure, customers are invited to observe the completed beam work, allowing them to appreciate the building's height and space. They can also inspect the quality of beams and columns, ensuring the building's durability and safety.

### Model Room

The model room is a miniature representation of the building, allowing customers to experience the future living environment in advance. Through an on-site visit to the model room, customers can personally assess the quality of materials, interior design, and spatial planning. Based on their experience, they can provide feedback to Sinyi Development.

Through these on-site visits, customers can personally experience the construction process, further enhancing their trust and confidence in the building's quality. Additionally, by incorporating valuable customer feedback, Sinyi Development continuously improves and enhances the quality of its projects to ensure customer satisfaction.



## E-Services

Sinyi Development recognizes the critical role that digital technology and the internet play in modern society and is therefore committed to developing digital services. By offering customers convenient and efficient online information and services, we not only enhance customer satisfaction but also improve internal management efficiency and reduce labor costs, achieving a win-win situation. Through digital services, such as the online monitoring system, customers can keep track of project progress anytime, meeting their demands for real-time information and service quality.

Sinyi Development maintains close contact with customers through its digital service platform, providing online customer support to address their questions. The implementation of digital services not only increases customer satisfaction but also significantly enhances Sinyi Development's business competitiveness. Customers can access the information they need anytime, ensuring real-time, transparent information sharing. Furthermore, digital services also reduce labor costs and increase internal management efficiency. Customers can easily access the required information through Sinyi Development's official website or mobile app. The process is simple and clear, requiring only a visit to the relevant function page. We have been optimizing the website interface and operational procedures to ensure that customers can easily obtain the information they need. To embrace the digital age, Sinyi Development has implemented three specific measures to ensure that customers can access services online at any time:

### Online Monitoring System

Sinyi Development offers customers a 24-hour online monitoring system. Customers will be able to see the construction personnel, quality, and progress of their projects in real-time through the Sinyi Development official website or mobile app.

### Online Document Viewing

Within 30 days of signing the contract and after completing customization work, Sinyi Development will scan and upload the contract and customization documents to a dedicated section on the official website. This allows customers to conveniently access their contract details and customization records online.

### Online Payment Inquiry

Sinyi Development collaborates with Taishin Bank to update payment records within one month after customers pay each installment. Customers can use the Taishin Bank pre-sale house payment trust inquiry system to check online whether their payments have been successfully transferred to the trust account, enhancing customer confidence and trust.



4

### Customer Customization Services

Sinyi Development collaborates with related construction and electromechanical manufacturers to form a professional service team, assisting customers with design changes, material selection, and color choices. To provide superior customization services, Sinyi Development has continued to optimize its processes and seeks innovation. For customization services, Sinyi Development has taken the following measures to enhance customer satisfaction:

- Strengthening communication with customers to understand their needs in advance and providing professional advice during the design phase.
- Offering a diverse range of material and colors to meet individualized preferences.
- Optimizing the customization process to reduce completion times and minimize impacts on project schedules.

Through a wide range of material and color options, customers can better create living environments that match their personal tastes and needs. Sinyi Development internalizes past customer customization experiences as professional expertise and will continue to optimize customization operations in the future, providing more professional services that meet customer needs.

5

### Dedicated Customer Service

Sinyi Development adheres to the philosophy that “a transaction is not just the starting point of service but a commitment to providing a wholehearted experience”.

To offer superior service, the Company has established comprehensive complaint channels, handling processes, and strict time control principles. Customers can reach us through our customer service e-mail (XINYIKF@sinyi.com.tw), the community assistance system, or the customer service hotline. With dedicated personnel tasked with handling customer issues and feedback, we are always improving service quality.

In 2023, for instance, customers of the Jiahe project reported issues with damp and discolored bathroom floor tiles. The Company promptly convened a response meeting to address the situation, explaining it to the customers and formulating a plan to replace and repair the tiles. This demonstrated the Company's utmost sincerity in resolving the issue and safeguarding the Company's brand image.

Sinyi Development promises to address customer concerns promptly to reduce complaints. In special cases, matters are relayed to senior management for directives or direct customer interaction. We have taken steps to ensure that internal responses to customer inquiries or feedback will be given within 24 hours for direct replies, and within 72 hours for issues requiring cross-departmental coordination or involving external partners.

6

### Mobile Home Inspection

Sinyi Development's “Mobile Home Inspection” service leverages modern technology to offer customers a convenient, efficient, and professional home inspection experience. Here are the details of our “Mobile Home Inspection” service:

- Purpose and Philosophy: The service aims to provide customers with convenient, quick, and professional home inspection tools, saving their time and effort while ensuring home quality. With the assistance of Sinyi Development's professional team and digital software, customers can complete the inspection process with peace of mind. For customers, the “Mobile Home Inspection” service offers a highly convenient way to complete the inspection and ensures the accuracy of related feedback and records.
- Process: The process is simple and clear. Through our dedicated mobile app, our professional team conducts a detailed on-site inspection with customers, capturing the inspection results in real-time. Customers can review the inspection results at any time and communicate with the professional team on the spot, receiving expert advice to ensure the home meets quality expectations. After improvements are made, the app will record and generate improvement logs for customer verification.
- Instant Viewing: Customers can view inspection records anytime through their mobile devices, keeping track of the home's condition to ensure it meets satisfactory standards upon delivery.



- Information Transparency: The entire inspection process is made transparent, allowing customers to clearly understand the home's quality, thereby increasing their confidence.
- Implementation Outcome: The "Mobile Home Inspection" service significantly reduces time costs, improves inspection efficiency, and minimizes paper usage, contributing to environmental sustainability. It also enhances customer satisfaction by allowing them to complete the inspection process swiftly and ensuring home quality under the guidance of a professional team.

## 7

### Home Inspection

Sinyi Development proactively offers a basic interior inspection service one year after the handover. This inspection includes the structural beams and columns, fire safety, electrical and air conditioning systems, water supply and drainage tests, waterproofing, and window and door hardware.

- Ensure Safety: Identifies potential safety hazards early, reducing the risk of accidents.
- Enhance Living Quality: Maintains internal facilities to ensure that resident's living quality is not compromised.
- Save on Repair Costs: Regular checks help detect issues early, reducing future repair costs.
- Increase Customer Trust: Proactively providing home inspection services demonstrates Sinyi Development's commitment to quality, thereby increasing customer trust.

## 8

### Public Facility Inspection

Sinyi Development also provides a community safety inspection one year after the public facilities have been handed over. This inspection covers the building exterior, roof drainage systems, public structures, fire equipment, escape routes, and underground parking lots.

- Community Safety Assurance: Ensures the safety of public facilities, enhancing overall community safety.
- Maintenance of Public Facilities: Timely maintenance extends the lifespan of public facilities and reduces repair costs.
- Enhance Community Image: Keeps the community clean and attractive, improving the overall image and quality of life in the community.
- Strengthen Community Cohesion: Actively responds to residents' needs, promotes interaction and trust within the community, and strengthens relationships among community members.

## 9

### Warranty Service

Sinyi Development provides warranty services for various components of the building structure, fixed materials, equipment, kitchen appliances, and waterproofing.

| Warranty Item  | Warranty Duration |
|--|-------------------|
| Structural Components (e.g. foundation, beams and columns, stairs, load-bearing walls, floors, roofs, and retaining walls) | 15 years          |
| Fixed Materials and Equipment (e.g. doors, windows, painting, and floor tiles)   | 2 years           |
| Waterproofing  | 2 years           |
| Kitchen Appliances and Equipment   | 1 year            |

- Quality Assurance: Sinyi Development is highly confident in the quality of its construction and offers a warranty period to ensure customer peace of mind.
- Prompt Repairs: During the warranty period, any issues encountered by the customer will be promptly addressed and repaired.
- Reduced Burden: Customers will not bear any repair costs during the warranty period, alleviating their financial burden.
- Increased Customer Satisfaction: Providing warranty services enhances customer trust and satisfaction with Sinyi Development.





## Sustainable Services

Sinyi Development, embodying over 40 years of brand spirit from Sinyi Group, maintains a steadfast commitment to sustainable services. Through strict quality control measures, such as building production traceability, and a dedication to providing exceptional customer service, we ensure that our projects meet 100% of our customers' health and safety requirements at every stage of construction. We actively foster close interactions with local communities to promote mutual growth. Our 2030 vision of "Inclusive Prefabricated Building" integrates Sinyi Development's sustainability philosophy with practical actions, demonstrating our comprehensive commitment to corporate social responsibility.

- Long-term Service Guarantee: We pay close attention to diverse customer needs, offering comprehensive services and support. We promise consistent quality and rights protection for our customers, striving to enhance service quality and customer satisfaction.
- Growth with Customers: We actively establish long-term partnerships with our customers, aiming for mutual progress and shared success.
- Community Inclusion: We engage in community activities, building positive interactions with local communities and fulfilling our corporate social responsibility.

## II. Community Building

Sinyi Development's core founding objective inspires us "Strives to develop and construct buildings with kindness for future generations, foster humanistic values through innovation, set a positive example with outstanding services, and achieve happiness and harmony in life". Our goal is to create high-quality buildings and foster neighborly communities, adhering to the proverb "A thousand gold for a house; ten thousand gold for a good neighbor". Friendly neighborhood interactions can establish a virtuous cycle. From online community management to in-person physical activities, we aim to transition residents from online familiarity to offline interaction, promoting the establishment of close-knit communities.

Sinyi Development uses the United Nations Sustainable Development Goals (SDGs) and ESG principles to promote community-building initiatives among the public and residents. Since 2019, the OUR-Space Community-Building Experience Center has engaged in various interesting and rich community interactions in Banqiao. In 2023, it was established in Xinzhuang and, along with the community-Sinyi Jiahe, Sinyi Jiaping, Jiaxue, and others, jointly developed living experiences that are rich in humanistic care and neighborhood well-being. This helps community members and neighbors understand how to apply sustainability principles in their home lives, concretely realizing the goal of neighbors jointly creating a better life!

### 1. Origin

The OUR-Space Community-Building Experience Center (referred to as "the Experience Center") was stationed in Banqiao from 2019 to early 2022. During this period, it actively promoted a variety of rich community-building experiences and knowledge-sharing. The center actively participated in local community-building matters, collaborating with Banqiao cultural and historical units and community organizations. It strived to convey the essence of community-building—cultivating civic awareness and problem-solving abilities—to the public. From March 2022, even without a physical space, the promotion of community-building continued beyond Banqiao, linking with other community spaces or units (e.g., Taipei's IMMA, Xinzhuang District Fushou Civic Activity Center). The center established its Facebook fan page as an online platform to promote the concept that community-building involves "enthusiastic service" and a willingness to "engage in public affairs". This attracted interested individuals to participate in activities and follow the center's updates. With the community-building center established in Xinzhuang in September 2023, early interactions and resource connections similar to those in Banqiao were formed. This initiative encourages more people to step into the enchanting world of community-building, experiencing a life of harmonious coexistence and generating a ripple effect of collective community effort.



## 2. Activity Overview

In response to the United Nations Sustainable Development Goal 11 (SDG 11): 'Make cities and human settlements inclusive, safe, resilient and sustainable', and its specific target 11.3: 'Enhance inclusive and sustainable urbanization and capacity for participatory, integrated, and sustainable human settlement planning and management', we are committed to taking the following actions:

- By organizing the OUR-Space "Continuous Community-Building Seminars," we aim to convey the central idea of community-building: encouraging residents to "take action," actively participate, and gradually improve, thereby collectively realizing the possibility of a better life for everyone.
- The content focuses on creating energy-efficient and low-carbon living environments, encouraging community neighbors or environmentally conscious citizens to reflect on methods for integrating environmental protection with residential comfort.



### General Public

- OUR-Space Continuous Community-Building Seminars on Apartment Complexes
  - ▶ Provide a channel of knowledge to break and improve issues related to apartment living. **Share ways of living that promote a low-carbon, sustainable home environment.**
  - ▶ Gather people who share concerns about apartment issues, inspiring and motivating them to personally initiate changes in their living conditions.
- OUR-Space Community-Building Experience Center Relocates to Xinzhuang to Expand Outreach
  - ▶ Before the relocation, community-building seminars were conducted in appropriate venues, both online and in-person.
  - ▶ With the relocation of the center, efforts were made to **reconnect with local units and residents**, encouraging them to visit the center so that they could learn more about the spirit and concept of community-building, and foster **a shared vision of creating a better future together in Xinzhuang.**



### Community Residents (Jiahe, Jiaping, Jiaxue): Residents progress from getting to know each other to community participation, gradually fostering a sense of community

- After moving in, residents attend activities out of interest and concern for certain topics, sparking opportunities for discussion and interaction (Jiahe)
- In-person interactions allow residents to get to know each other and get a preview of their future community life (Jiaping, Jiaxue)



### Residents Interested in Sustainability and Energy Efficiency Issues Influencing Community Culture

- Enthusiastic residents who are willing to participate in public affairs (Jiahe)
- Identifying residents who are keen to engage in public affairs (Jiaping, Jiaxue)

## 3. Description and Statistics of Community Building Activities

In the post-pandemic era of 2023, we gradually resumed offline physical activities. In response to the relocation of the community-building venue to Xinzhuang in September, we established deep connections with local community-building groups, creating diverse cooperation methods. Activities were focused on in the second half of the year, including three community-building exhibitions and eight exclusive resident activities, totaling eleven community-building experiences of various scales, with a total annual participation of 727 people. After the Xinzhuang venue opened, we continued to collaborate with local community-building units, such as the New Taipei Xinzhuang Cultural Association and Xinzhuang Community College. We brought community-building initiatives to life through workshops, static exhibitions, winter camps, and more. These interactive exchanges opened up the interface between the experience center and the people, deepening the spread of community-building within the same community. This effort made more people willing to get to know the Experience Center, indirectly showcasing Sinyi Development's care and dedication to community residents.



## 2023 Community-Building Activity Statistics

| Date                                 | Location                                       | Type                          | Contents  | Partners   | Number of Participants |
|--------------------------------------|--|-------------------------------|---|--|------------------------|
| 2023/08/11~8/19                      | Sinyi Jiahe                                    | Exclusive Event for Residents | Sinyi Jiahe "FUN Summer Series"   | Sinyi Jiahe Community                              | 187                    |
| 2023/09/16~11/12                     | OUR Space Community-Building Experience Center | Community-Building Exhibition | Getting to Know Xinzhuang x Community-Building Exhibition   | Xinzhuang Community Building Team                  | 199                    |
| 2023/09/23                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | Getting to Know Xinzhuang x Community-Building Exhibition Opening Reception   | Xinzhuang Community Building Team                  | 13                     |
| 2023/10/22                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | New Taipei City Taishan Public Market Vision Forum  | Xinzhuang Community College                        | 17                     |
| 2023/11/13~12/03                     | OUR Space Community-Building Experience Center | Community-Building Exhibition | Permanent Static Exhibition(Goddess of the Waterways: Zhonggang Drainage x Resilient Wetlands - Wenzaidi Wetland Park Exhibition) | Xinzhuang Community College Wetland Volunteer Team | 78                     |
| 2023/11/19                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | DIY Workshop – Plant Creations (Shrink Art)   | Xinzhuang Community College Wetland Volunteer Team | 21                     |
| 2023/11/25                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | DIY Workshop – Plant Creations (Cyanotype, Plant Bookmarks, Lucky Broom)  | Xinzhuang Community College Wetland Volunteer Team | 12                     |
| 2023/12/5~12/17                      | OUR Space Community-Building Experience Center | Community-Building Exhibition | Permanent Static Exhibition(Elderly Companions: Xinzhuang Cultural Co-hosting Project Exhibition)                                 | Xinzhuang Culture Association of New Taipei City   | 113                    |
| 2023/12/16                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | Jiahe Community Explores Bangqiao "Across the Crescent Bridge – Xinzhuang Old Street Tour"  | Sinyi Jiahe Community                              | 23                     |
| 2023/12/16                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | Getting to Know Xinzhuang Community-Building Market   | Home of Community                                  | 39                     |
| 2023/12/17                           | OUR Space Community-Building Experience Center | Exclusive Event for Residents | Christmas Window Grille Collage Workshop  | Youjin Studio                                      | 25                     |
| Total number of participants engaged |  |                               |   |  | 727                    |



## 4. Highlights and Summary of Community Building Activities



**Exclusive Community-Building for Residents:** Tailored community-building activities were arranged for three communities (Jiahe, Jiaping, and Jiaxue) based on their respective stages of residence, aiming to foster civic awareness and enhance interaction among residents.

Residents of the Jiahe community, who have already moved in, focus on engaging interest-based activities and organizing hobby groups. In the Jiaping community, activities are directed toward resident involvement in community decision-making and forming event planning committees. For Jiaxue community residents, who have just purchased their homes, various activities at the community center invite them to participate and get to know one another.



### Sustainable Community-Building Promotion

The community-building efforts incorporate the United Nations Sustainable Development Goals (SDGs) and ESG principles, planning activities such as the "Getting to Know Xinzhuang x Community-Building Exhibition". Although the Xinzhuang community center will close in 2024, ongoing interactions with local organizations will pave the way for future operations. Preparations are underway for the Xinzhuang community-building plan collaborating with Xinzhuang Community College, Xinzhuang Story Art Troupe, Xinzhuang Wetland Volunteer Team, and Owl Library.

Sinyi Group is dedicated to community-building due to the various divisions in society caused by gender and political views. Through the "Community as One" approach, the goal is to unite the community and create a shared living space. Unlike traditional community construction, Sinyi Development, as a developer, faces the unique challenge of shaping a community from scratch. This "experiment" involves a proactive intervention to create a harmonious and beautiful community before it fully forms. To achieve this, a series of community-building activities were initiated in newly constructed buildings, providing opportunities for residents who were initially strangers to become acquainted during the period from purchasing to moving in.

Sinyi Development aims to transform residents from strangers to acquaintances and eventually friends, ultimately forming a harmonious community. Additionally, the Company has made efforts to identify talents within the community, encouraging residents to share their skills and resources, thereby enhancing mutual assistance and cohesion among members. The ultimate goal is to create a community with not only high-quality housing but also excellent neighbors. Sinyi Development aims to inspire social change, expanding people's lives beyond individual spaces to encompass the entire community and even the broader area. We believe that this approach to community-building can contribute to the harmonious development of society.





# CHAPTER 07

## Corporate Governance

“

As a member of Sinyi Group, Sinyi Development upholds integrity and fairness as the core values of its corporate ethics. By dedicating resources and manpower to corporate governance, the Company ensures the implementation of these ethical principles.

- Ensure compliance with legal requirements
- Establish risk management policies and methodologies to control risks
- Establish operational continuity mechanisms to address actual and potential impacts

”

|   | Item   | 2023 Target          | 2023 Performance     |
|---|--|----------------------|----------------------|
| 1 | Sustaining positive profitability in operations  | Positive profit      | Positive profit      |
| 2 | Cases of being fined/penalized for violation of laws and regulations   | Nil                  | Nil                  |
| 3 | Formulation and implementation of mitigation measures to address identified risk scenarios                   | 100% completion rate | 100% completion rate |
| 4 | Cases of confirmed violations of corporate ethics or business integrity                                      | Nil                  | Nil                  |
| 5 | Employees signing a Code of Conduct agreement every six months   | 100% signing rate    | 100% signing rate    |
| 6 | Completion of corrective and preventive measures to address issues identified from the internal audit system | 100% completion rate | 100% completion rate |
| 7 | Continual operational drills (e.g., fire drills)   | 1 session            | 1 session            |

### Material Topics:

|                            |  |
|----------------------------|--|
| <b>Self-defined Topics</b> | <ul style="list-style-type: none"> <li>➤ Risk Control</li> <li>Legal Compliance</li> <li>Audit Mechanism</li> <li>Ethics and Integrity</li> <li>Business Continuity</li> </ul> |
|----------------------------|--|

### Key Points:

|                      |    |
|----------------------|----|
| Legal Compliance     | 79 |
| Risk Control         | 79 |
| Ethics and Integrity | 82 |
| Audit Mechanism      | 83 |
| Business Continuity  | 84 |



## I. Legal Compliance

2-24 2-27

Sinyi Development allocates resources and manpower to consistently monitor legal development and regulatory requirements from competent authorities. This ensures our business activities in compliance with laws and regulations and serves as a basis to identify, analyze and respond to actual and potential impacts.

Sinyi Development adheres to the "Sinyi Group Compliance Principles" established by the Sinyi Group. The Company also utilizes resources from the Sinyi Group to conduct legal compliance assessments for cases related to its business scope in addition to internal audits conducted by various business departments. This approach ensures effective control and implementation of legal compliance in its operations. In addition, Sinyi Development strictly follows the "Sinyi Group Internal Data Protection and Personal Data Protection Law Compliance Guidelines", implementing specific measures for data protection and personal data compliance. This ensures that all company personnel are well-versed in relevant regulations and laws.

| Aspect                                | Applicable Regulation/Laws   | Reviewing Department  | Violations in 2022 |
|---------------------------------------|--|---|--------------------|
| Business operations and marketing     | Criminal Code, Fair Trade Act, Consumer Protection Act, Real Estate Broking Management Act, Trade Marks Act, Copyright Act | Sinyi Development's Business Department<br>Sinyi Group's Legal Compliance Department        | None               |
| Finance and organizational planning   | Company Act, Securities and Exchange Act (*), Money Laundering Control Act and related laws and regulations                | Sinyi Development's Sales Department<br>Sinyi Group's Legal Compliance Department           | None               |
| Internal and customer data protection | Trade Secrets Act and Personal Data Protection Act   | Sinyi Development's Business Department<br>Sinyi Group's Legal Compliance Department        | None               |
| Personnel policy and management       | Labor Standards Act and related laws and regulations   | Sinyi Development's Human Resources Department<br>Sinyi Group's Legal Compliance Department | None               |

Note: While Sinyi Development is not a publicly listed company, its parent company is publicly listed. Therefore, Sinyi Development still needs to adhere to certain regulations in the Securities and Exchange Act.

## II. Risk Control

2-12 2-23 2-24

Sinyi Development has established a risk management policy and methodology to assess regular and ad hoc risks associated with its businesses, operations, activities and systems. It promptly confirms and implements corresponding management measures to control the level of risk, aiming to identify, analyze, and respond to actual and potential impacts.

### 1. Risk Management

In addition to addressing climate-related risks in accordance with TCFD guidelines, Sinyi Development maintains sufficient risk control capabilities to handle risks arising from other internal and external factors. This is in response to global and local trends and risks, reduce the impact on the profitability and sustainability of the company, and be fully prepared to face various possible risks while seizing business opportunities.

### 2. Risk Management Policies

Sinyi Development strives for corporate governance and risk management capabilities and continuously optimizes risk management policies and processes. The Board of Directors identifies Material Risk items from a top-down approach and uses efficient resources to prioritize management. A systematic methodology is employed in line with annual plans to address various internal and external risks that may arise during operations to ensure effective practical implementation of risk management practices.

In the event of significant incidents, immediate actions will be taken to mitigate disasters and restore normal operations, following Sinyi Group's "Sinyi Group Crisis Management Operation Process".



### 3.Risk Management Organization

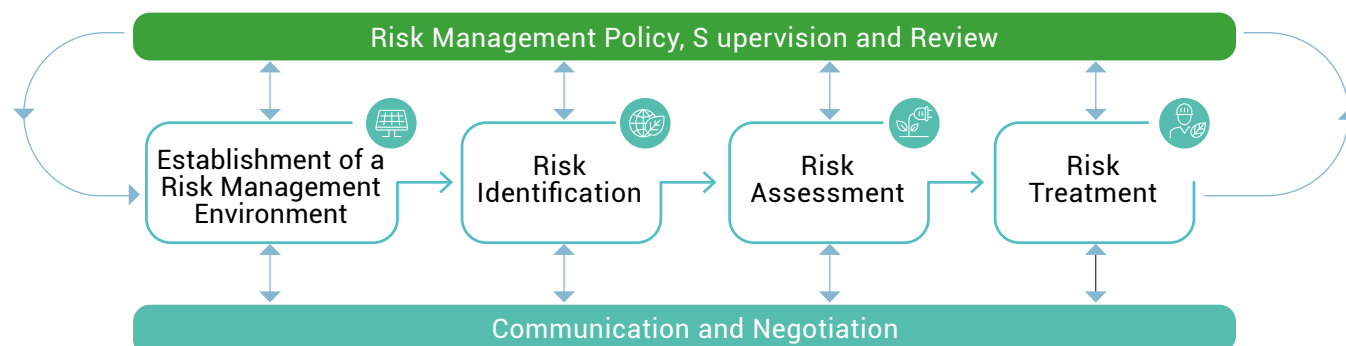
At the operational level, Sinyi Development has a structure that includes its parent company, the parent company's Total Ethical Management Committee, risk management department, risk execution department and risk audit department. Details regarding the roles and responsibilities of each are provided in the following table:

| Hierarchy   | Roles and Responsibilities  |
|---|---|
| <b>Parent Company<br/>Sinyi Group</b>             | (1) As the highest risk management department within the Sinyi Group, the Board of Directors of the parent company is responsible for reviewing Sinyi Group's annual risk management report, risk execution report and audit report to ensure the effective implementation of the risk management system.<br>(2) The deliberative department regularly and irregularly interacts and communicates with the Chiefs of various functional departments on ESG issues, and reviews the impact, strategic goals, performance achievements, improvement and preventive measures of ESG issues at the end of the year. |
| <b>Total Ethical<br/>Management Committee</b>     | Sinyi Development appoints senior executives to participate in Sinyi Group's decision-making on material risk, as well as relevant business promotion and action plans. This involves inventorying, risk assessment, analysis, risk management measures, risk treatment plans and implementation. They report regularly to the Board of Directors.  |
| <b>Sinyi Development's<br/>Board of Directors</b> | (1) As the highest risk management department within the company, the Board of Directors is responsible for reviewing the annual risk management report, risk execution report and audit report to ensure the effective implementation of the risk management system.<br>(2) The Executive Committee reports to the Board of Directors and reviews the impacts, strategic goals, performance achievements, improvement and preventive measures related to ESG issues through regular/ad hoc performance meetings.   |
| <b>Executive Committee</b>                        | The Executive Committee engages in regular/ad hoc meetings with the operation department to discuss ESG matters, the impact level, strategies and goals directed by the Board of Directors, and implementation plans for achieving targeted performance.  |
| <b>Operation Department</b>                       | (1) Identify risk issues and conduct cross-departmental discussions to plan strategies.<br>(2) Formulate risk management objectives and action plans.   |
| <b>Audit Office</b>                               | (1) Evaluate the effectiveness of the risk management system and mechanisms.<br>(2) Implement internal audits and regularly submit risk management results to the Audit Committee and the Board of Directors of the parent company as well as to Sinyi Development's Board of Directors.  |

### 4.Process of Risk Management




Sinyi Development has established a proactive risk management mechanism to enable operation departments to effectively respond to various internal and external risks through a risk management process, thereby reducing or avoiding impacts, and ensuring sustainable operations. The methodology involves establishing a risk management environment, risk identification, risk assessment, risk treatment, supervision and review, communication and negotiation processes, as well as formulating strategies and proposing action plans.

 **Risk Management Process Diagram**








## 5. Risk Control Execution for the Current Fiscal Year

| Indicators  | 2023 Target  | Outcomes   |
|---|--|--|
| <br><b>Energy saving and carbon reduction for construction</b> | <ol style="list-style-type: none"> <li>1. Establish a carbon emissions database classified into low-carbon building materials, low-carbon landscape materials, low-carbon interior renovation materials, and low-carbon mechanical and electrical building materials.</li> <li>2. Analyze and compare carbon emissions of different building materials based on the same work item systems.</li> </ol> | <ol style="list-style-type: none"> <li>(1) Collaborated with suppliers who have not yet disclosed carbon emission data to calculate carbon emissions and referred to the Ministry of the Interior's database on building materials to establish a carbon emission database for materials used in the Jiapin project.</li> <li>(2) Calculated the carbon emissions contained in building materials for the Jiapin project, integrated the necessary construction costs, conducted a comprehensive comparison of advantages and disadvantages, and provided individual project designs to reduce carbon emissions for each project or item.</li> </ol>   |
| <br><b>Project quality risks</b>                              | <ol style="list-style-type: none"> <li>1. Reduction in the number of disqualified items on the self-inspection checklist every quarter and without repeated items.</li> <li>2. The number of missing items in customer property inspection is less than 10 items per property.</li> <li>3. The total charge amount for each project is less than 1% of the total project cost.</li> </ol>              | <ol style="list-style-type: none"> <li>(1) Three-level quality control and inspection (including subcontractors' self-inspection, inspection of contractors, and inspection of on-site workstations) with 100% rectification of deficiencies.</li> <li>(2) Department of Engineering Management conducted inspections with 100% rectification of deficiencies.</li> <li>(3) Maintained the project construction quality by establishing design quality standards, drawing inspection criteria and collecting customer feedback. These serve as the basis for design inspection in new projects to reduce design omissions and minimize changes during the construction stage, which could otherwise lead to additional construction time and costs.</li> </ol> |
| <br><b>Personal safety risks</b>                             | Zero workplace incidents throughout the year.  | Relevant control measures were implemented to ensure the prevention of the workplace.  |

## 6. Risk Management Outlook for Future Events

| Indicators  | 2024 Target   | Outcomes  |
|---|---|---|
| <br><b>Energy saving and carbon reduction for construction</b> | <ol style="list-style-type: none"> <li>1. Green sustainable building design</li> <li>2. Carbon emissions calculation for building materials</li> <li>3. Collaboration with industries, government, academia and research institutions</li> </ol>  | <ol style="list-style-type: none"> <li>1. Promote green building design and improve energy efficiency and carbon reduction benefits.</li> <li>2. Utilize innovative green building materials to reduce energy consumption and carbon emissions during construction.</li> <li>3. Strengthen collaboration with government, industries and research institutions to collectively drive the development of green buildings.</li> <li>4. Advance in the carbon inventory inspections on building materials for projects.</li> </ol> |
| <br><b>Project quality risks</b>                              | <ol style="list-style-type: none"> <li>1. Reduction in the number of disqualified items on the self-inspection checklist every quarter and without repeated items.</li> <li>2. The number of missing items in customer property inspection is less than 10 items per property.</li> <li>3. The total charge amount for each project is less than 1% of the total project cost.</li> </ol> | <ol style="list-style-type: none"> <li>1. Enforce strict project quality control, in adherence to national and industry standards.</li> <li>2. Enhance project management to improve construction progress and quality monitoring.</li> <li>3. Establish a robust project risk alter system to promptly identify and address potential risks.</li> </ol>  |
| <br><b>Personal safety risks</b>                             | Zero workplace incidents throughout the year  | <ol style="list-style-type: none"> <li>1. Implement a safe production responsibility and enhance safety management.</li> <li>2. Enhance safety awareness among employees through regular safety training and drills.</li> <li>3. Improve emergency response plans to ensure rapid and effective handling of unexpected incidents.</li> </ol>  |



## III. Ethics and Integrity

2-11 2-15 2-25 2-26

As a part of the Sinyi Group, Sinyi Development upholds integrity and fairness as core values of corporate ethics. Guided by the principle of 'Sinyi begins with trust and ends with perfection', Sinyi Development practices ethical business in various aspects, promoting and strengthening ethical principles in our operations. This serves as a basis to identify, analyze and respond to actual and potential impacts.



To ensure the implementation of corporate ethics and integration in its operations, Sinyi Development adheres to the principles of sustainable development for the company. The Company regularly communicates its integrity management, corporate social responsibilities, and code of conduct as required by Sinyi Group. The Company follows the "Ethical Corporate Management Best Practice Principles" and "Sinyi Group Compliance Principles", providing a clear direction when interacting with customers, employees, shareholders, suppliers, society and the natural environment.

To prevent illegal or corrupt incidents, Sinyi Development has established a clear code of conduct for employees and a system of rewards and penalties. Cases of penalties are announced on the company's internal website to alert employees.

The Sinyi Group has established the "Regulations on Whistleblowing of Illegal and Unethical or Dishonest Conduct" providing clear channels and methods for reporting illegal, unethical or non-integrity behavior. Multiple reporting channels are in place to ensure no hiding of improper behavior and prompt responses to feedback from stakeholders.

Each reported and disclosed case is handled by dedicated personnel, with different processing procedures depending on the nature of the case. Cases are directed to relevant departments or review committees and timely responses are provided to the complainant or whistleblowers within specified timelines. In cases of significant importance, the cases are escalated to the Chairman. If senior executives are involved, the cases are reported to the Board of Directors. Throughout the process, the identity of the complainant or whistleblowers is kept confidential and restricted to the receiving departments.

Confidentiality is strictly maintained for complainants and whistleblowers. If a complainant or whistleblower is a company employee, they have the option to either disclose their identity voluntarily or keep it confidential. The case is managed and tracked by dedicated personnel after appropriate procedures and actions have been taken, ensuring protection against any form of retaliation due to reporting.

In 2023, Sinyi Development did not receive any feedback or complaints from stakeholders regarding negative impacts, circumstances or procedures.

To express opinions or report inappropriate behavior among employees, please use the internal founder's mailbox or contact the Audit Office.

Stakeholder email: XINYIKF@sinyi.com.tw

Sexual harassment prevention hotline: 12345



Especially concerning the members of the Board members and Executive Committee, there is a specific requirement that individuals must promptly recuse themselves in situations involving potential conflict of interest to prevent any undue benefits to themselves or their relatives due to their positions.



# Ethics and Integrity Management Policies and Measures

## 1.External requirements

For businesses that engage with Sinyi Development, a separate evaluation is conducted based on the parent company's 'Group Procurement Regulations'. The evaluation involves inquiries, price comparisons, negotiations, approvals, contracting, acceptance, invoicing and vendor management. A database of qualified suppliers is established based on the assessment results, to ensure compliance with integrity requirements for transaction partners.

## 2.Internal Requirements

In accordance with the requirements of the Sinyi Group, Sinyi Development follows the 'Sinyi Group Code of Conduct'. As part of this commitment, every six months, Sinyi Development requests its employees to sign an agreement reaffirming their adherence to the code of conduct. This serves as a reminder to uphold the integrity and prevent any occurrence of dishonest behavior. Sinyi Development appoints senior executives to participate in the Total Ethical Management Committee and collaboratively formulate integrity management policies and prevention measures as well as assess the effectiveness of these measures for the implementation of integrity management. In addition, Sinyi Development follows the code of conduct, disciplinary measures for violations measures, and complaint procedures to prevent unethical behavior, ensuring implementation across all units. Annual reviews are conducted to assess implementation and devise improvement plans.

# IV.Audit Mechanism

Sinyi Development utilizes an internal audit system to promptly identify risks, track them effectively and implement improvements, thereby avoiding significant impacts and damages. This serves as a basis to identify, analyze and respond to actual and potential impacts.

## 1.Internal Control System

In accordance with Sinyi Group's relevant internal control requirements, each department at Sinyi Development has established operational processes tailored to its industry characteristics and workflow needs. Internal control items are defined, reviewed and approved by departmental managers to mitigate potential operational risks and enhance the sound operation and management of the Company. Meanwhile, the Company conducts an annual internal control self-assessment to implement a self-monitoring mechanism. This facilitates prompt identification, review and rectification of any deficiencies, thereby maintaining the ongoing effectiveness of the internal control system.

To effectively manage risks, Sinyi Development has established the relevant cycles for internal control, including sales and collection, procurement and payment, engineering and construction, payroll, investment, financing, real estate and equipment, and management control operations cycles.






## 2.Internal Audit System

Sinyi Development leverages the internal audit system, operational standards and resources provided by Sinyi Group to develop an annual audit plan. The plan is diligently executed to oversee and manage operations according to the planned objectives. If internal control deficiencies or abnormal items are identified during audits, prompt corrective and preventive actions are initiated. Improvement measures are devised, and these deficiencies and abnormal items are incorporated into key performance indicators for each department's assessment. Audit personnel will regularly track and manage these issues.

## 3.Internal Audit Results

Through the internal audit system, Sinyi Development has effectively identified the following issues in 2023 and instructed relevant departments to set improvement deadlines, with a proactive approach to implementing corrective and preventive measures.



| Item No. | Aspect                            | Identified Issues  | Corrective and Preventive Measures   | Status   |
|----------|-----------------------------------|--|--|--|
| 1        | Project quality management        | Some development projects encountered instances where random quality inspections during construction did not meet the standard requirements.               | <ol style="list-style-type: none"> <li>Contractors were asked to take immediate action to rectify construction quality deviations. Another random inspections were conducted to ensure compliance with the standards.</li> <li>The project quality monitoring process was reinforced, fostering improved communication and collaboration with contractors to promptly address quality issues.</li> <li>The awareness of quality management among employees was enhanced through regular quality management training to improve professional skills.</li> </ol>             | <br>Completed   |
| 2        | Environment protection management | Some construction sites did not follow environmental regulations for waste disposal during the construction process.                                       | <ol style="list-style-type: none"> <li>The relevant construction sites were instructed to take immediate action to improve and properly manage waste in accordance with environmental regulations.</li> <li>Regular inspections were carried out on the environmental management of construction sites to ensure compliance with all regulations.</li> <li>Training in environmental management was enhanced to increase employees' awareness of the environmental policies and implement them at work.</li> </ol>   | <br>Completed   |
| 3        | Customer satisfaction management  | Some customers raised concerns about the long response time of after-sales service, which affected customer satisfaction.                                  | <ol style="list-style-type: none"> <li>The existing after-sales service process was reviewed to identify operational improvements aimed at enhancing response speed, including refining the service workflow.</li> <li>Regular training sessions were conducted for after-sales service personnel to improve service quality and efficiency.</li> <li>The customer satisfaction survey was strengthened with continuous improvements in after-sales service.</li> </ol>  | <br>Completed   |
| 4        | Human resource management         | Some departments encountered a high turnover rate, which affected the operational stability of Sinyi Development.  | <ol style="list-style-type: none"> <li>Following the Sinyi Development's talent policy, detailed implementation plans focusing on key areas were formulated, prioritizing gradual implementation. This approach enabled employees to be in roles that align with their talents, boosting their commitment to the organization and offering opportunities to stay and excel.</li> <li>Opportunities for cross-department learning and work rotation were offered to encourage employees to challenge themselves for further career development and achievements.</li> </ol> | <br>Completed |
| 5        | Financial risk management         | Some departments did not strictly adhere to financial regulations in budget management, which resulted in inefficient allocation and utilization of funds. | <ol style="list-style-type: none"> <li>Relevant departments were required to strictly adhere to financial regulations in budget management.</li> <li>Training in the financial system was enhanced to improve the awareness of and compliance with financial regulations among employees.</li> <li>Regular checks and assessments of the financial status of each department were conducted to promptly identify and address issues.</li> </ol>  | <br>Completed |

## V. Business Continuity

Sinyi Development establishes a business continuity mechanism to identify operational impacts on the company. Through scenario simulations, appropriate measures, and employees' familiarity, it aims to identify, analyze and respond to actual and potential impacts.

Recognizing the significance of the digital era, Sinyi Development places significant emphasis on the stability and security of its internal information system, which is integral to the company's operations. To ensure the company's ability to maintain critical operational functions and swiftly recover from any potential security incidents as well as minimize the impact on operations, Sinyi Development collaborated with its parent company in 2022 to establish a high availability architecture for its information systems based on their risk levels. This architecture ensures uninterrupted system platform services even in the event of an incident. Backup data is synchronized and stored at a different location. Regular emergency response drills are conducted to reduce the risks of information disruption or loss, ensure data integrity and security, align with the system recovery time objectives, and safeguard customer online services and data integrity.

For significant and unforeseen events, Sinyi Development follows the 'Sinyi Group Crisis Management Operation Process'. This process aims to promptly mitigate disasters and restore normal business operations as quickly as possible.



Detailed items and explanations are as follows:

1

### Information system

Sinyi Development actively invests in information security infrastructure by conducting information system risk assessments and formulating information security policies and control measures. A multi-tiered backup strategy is implemented for critical data, including backups at different locations and cloud backups. Meanwhile, regular information security audits and drills are carried out to ensure the smooth operation of information security.

2

### Infectious diseases

Sinyi Development establishes an infectious disease prevention and control plan. This includes emergency response measures, employee health monitoring, and dissemination of preventive knowledge. In the event of an outbreak, the Company will swiftly implement the plan, activate epidemic prevention measures and work with relevant departments to safeguard employees' health and company operations.

3

### Natural disasters

Sinyi Development establishes a natural disaster response mechanism, including contingency plans for meteorological events and earthquakes. In the event of a significant natural disaster, the Company will promptly activate the emergency response procedures to mitigate the impact of the disaster on company operations.

4

### Fires

Sinyi Development formulates fire protection plans to ensure that building facilities comply with fire safety regulations. Regular training on fire safety is provided for employees. In the event of a fire, the company will quickly implement evacuation plans and activate emergency response mechanisms to ensure personnel safety and minimize property damage.

5

### Construction site accidents

Sinyi Development enforces a construction site safety management system, enhancing awareness of onsite safety, and conducts regular construction site safety inspections. In the event of a construction site accident, the company will conduct immediate investigations, reviews and corrective actions to reduce the likelihood of similar incidents occurring.

6

### Emergency response drills

Sinyi Development conducts regular emergency response drills in various scenarios, including information security, infectious diseases, natural disasters, fires and construction site accidents. These drills enhance the Company's ability to respond to different emergency situations. During the drills, the effectiveness of existing response mechanisms is examined and necessary improvements are made. Meanwhile, these drills also enhance employees' familiarity with emergency response procedures, ensuring rapid and effective responses in real-life situations.

7

### Standard operating procedures/SOPs

Sinyi Development continuously develops standard operating procedures (SOPs) based on a variety of risk scenarios such as information security, infectious diseases, natural disasters, fires and construction site accidents. SOPs specify the responsibility and response protocols for each department, ensuring rapid and effective responses during emergency situations.

8

### Risk assessment and management

Sinyi Development conducts regular risk assessments and develops corresponding risk management strategies for various potential risks. Concurrently, the Company continuously monitors risk circumstances and periodically reviews the effectiveness of risk management efforts, to ensure the rationality and effectiveness of risk control measures.



In terms of business continuity, Sinyi Development has established a comprehensive risk management mechanism, encompassing preventive measures for various aspects, such as information systems, infectious diseases, natural disasters, fires and construction site accidents. Through regular drills, risk assessments and management as well as stringent SOPs, we are committed to mitigating operational risks and ensuring resilient and stable operations.



# CHAPTER 08

## Suppliers

“

Sinyi Development has established the “Vendor Evaluation Management Procedures” while progressively incorporating sustainability-related issues into supplier (including contractor) selection, procurement, construction, and completion management. These issues include:

- Environmental aspects: Environmental protection and safety measures, green procurement, carbon inventory, etc.
- Social aspects: Labor safety and health management, human rights, etc.
- Corporate governance aspects: Risk management, audit mechanisms, ethical business practices, and quality control plans

”

|   | Item  | 2023 Target        | 2023 Performance   |
|---|---|--------------------|--------------------|
| 1 | Cases of supplier contract violation                          | 0 cases            | 0 cases            |
| 2 | Signing of “Sustainability Commitment Agreement” by suppliers | Signing rate: 100% | Signing rate: 100% |

### Material Topics:

GRI ➤ 308  
403  
414



### Key Points:

|                                    |    |
|------------------------------------|----|
| Supplier Selection and Procurement | 87 |
| Management                         | 88 |
| Sustainable Supply Chain           | 89 |
| Annual Improvement Plan            | 90 |
| Supplier Charity Activities        | 90 |



# I. Supplier Selection and Procurement

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2-24

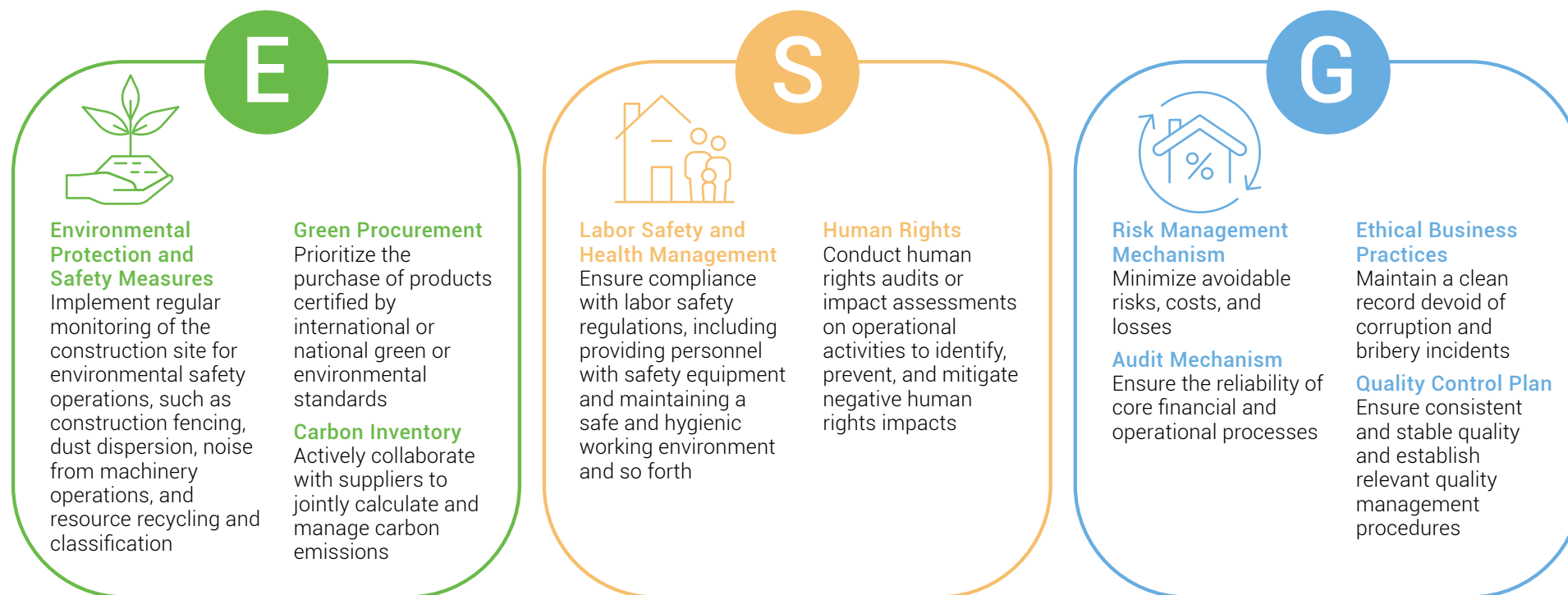
308-1

308-2

414-4

In the supplier selection process, Sinyi Development integrates ESG considerations into the bidding documents for construction projects. The Company evaluates the technical capabilities of construction contractors, including their ability to provide the low-carbon materials or construction methods, engagement with new materials or methods, and their track record of ethical business practices or other misconduct. Simultaneously, the Company employs BIM technology, necessitating close communication and coordination with construction contractors. Sinyi Development aims to collaborate with contractors who also embrace sustainable development principles, promoting sustainable building goals and fostering a green and sustainable supply chain. For general suppliers, the Company adheres to the principles of green procurement, prioritizing products that meet international or national green or environmental standards.

Suppliers are crucial partners in our operations and maintaining healthy and positive relationships with them helps mitigate operational risks and enhance the quality of our products and services. The Company also emphasizes the supplier's ESG performance, conducting regular audits of sustainable development projects and supporting suppliers in adopting sustainable management practices. To achieve these goals and establish a sustainable supply chain, the following environmental, social, and corporate governance issues are included as evaluation criteria for selecting new suppliers:





Upon completing the supplier selection stage, Sinyi Development not only signs contracts with suppliers but also cultivates a shared commitment to sustainable development. This is achieved by having suppliers sign the **"Supplier Sustainability Clause Commitment"** and the **"Sinyi Group Code of Conduct for Proper Business Practices."** These documents integrate sustainability issues into supplier management, ensuring that all suppliers including contractors, fully comply with the environmental protection, social responsibility, and corporate governance (ESG) evaluation criteria. If a supplier fails to uphold these commitments, Sinyi Development will promptly request improvement or consider terminating the contract. Currently, several sustainability-related issues have been incorporated to encourage suppliers to pursue sustainability goals together with Sinyi Development, such as:

- **Protection of Natural Ecology:** Ensuring the survival of species, maintaining biodiversity, and stabilizing natural ecosystems. Sinyi Development will carefully manage its operations to protect the environment.
- **Human Rights Commitment:** Upholding excellent labor conditions and occupational safety and health. Sinyi Development will strictly monitor workplace environments and implement comprehensive safety measures. Regular training and educational programs ensure the safety and health of all employees.
- **Emphasis on Service Quality:** As a core value, Sinyi Development is customer-centric and continues to improve service quality standards. Through ongoing quality enhancements and innovations, the Company strives to deliver superior and thoughtful services.
- **Regulatory Compliance:** Sinyi Development not only meets regulatory requirements but also adheres to the highest standards, ensuring full compliance with laws. The Company consistently enhances its compliance capabilities to maintain operational stability and prevent violations or penalties.
- **Integrity and Ethics:** Upholding integrity and ethics as core values, Sinyi Development promotes public order and good customs with a commitment to justice, honesty, and transparency.
- **Supplier Obligations:** Suppliers are required to undergo inspections and participate in educational sessions, aimed at implementing corrective and preventive measures. If they fail to comply or improve, Sinyi Development reserves the right to terminate or rescind the contract.

## II. Management

2-6

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403-5

403-6

403-9

Sinyi Development is committed to mutual learning and growth with its suppliers, actively adopting low-carbon building materials, green construction methods, and innovative technologies. Through continuous communication and collaboration, the Company aims to meet the challenges of future industry trends. Given that the construction projects and their warranties span over time, supplier selection and procurement must adapt to evolving considerations such as climate change, environmental regulations, social responsibilities, and corporate governance. The long-term cooperation between Sinyi Development and suppliers on environmental protection, social responsibility, and corporate governance aspects underscores the importance of maintaining continuous and effective supplier management mechanisms.

Currently, Sinyi Development's primary suppliers are contractors, including construction contractors, electrical and plumbing contractors, and monitoring contractors. Below is a list of the key collaborating factories and contractors' work outputs for 2023.

| Supplier Type                                       | Name   |
|---|--|
| Contractors   |  |
| Construction  | Jeou Nien Construction Co., Ltd., Jioushun Construction Co., Ltd., Jauhing Engineering Consultant Co., Ltd.  |
| Electrical and Plumbing                             | Golden Rich Engineering Co., Ltd., Hong-Hai Environment Science Co., Ltd., Elec.-Long Co., Ltd., Mulan Engineering Co., Ltd., Chung Yuan Tai Co., Ltd.   |
| Monitoring  | China Asia Micro Technology Inc.   |
| Other (Equipment, Interior Renovation and so forth) | Champion Building Materials Co., Ltd., Taisky Company Limited (Fujisash Taisky), Benex Taiwan Co., Ltd. (Yek Hwa Hardware Co., Ltd.), Token Interior Design Co., Ltd., Yuan Heng Interior Design Ltd., Jun Jia Interior Design Co., Ltd., Conica Enterprises Co., Ltd., Yangsen Gardening Landscape Design, Hong Rong Environmental Tech. Co., Ltd., Kai Hsu Engineering Co., Sengoku Refrigeration Equipment Co., Ltd. and so forth |



| Analysis Table of Non-Employee Workers |                               |  |                           |
|--|-------------------------------|--|---------------------------|
| Category                               | Relationship with the Company | Work Item  | Total Work Done           |
| Contractors                            | Contractual Relationship      | Such as timber, stone, waterproofing, plastering, painting, plumbing, and other construction and plumbing work | 44,161 (No. of personnel) |

Note 1: The data is as of December 31, 2023.

Note 2: In 2022, the main structural construction of the Jiapin project was carried out, with interior decoration starting in 2023. The number of contracted workers increased, including those involved in carpentry, plumbing, and decoration, leading to an increase in the total number of non-employee workers.

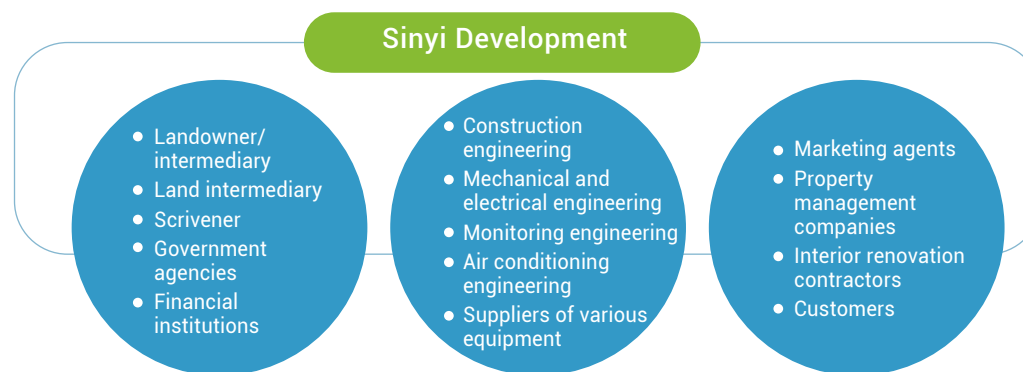
Sinyi Development has implemented strict and comprehensive evaluation mechanisms throughout both the construction and completion stages. Audit units and relevant department professionals internally form a professional and independent evaluation team to conduct two inspections and evaluations of construction sites annually. Evaluations take place before construction is completed and handed over. They involve thorough reviews of comprehensive opinions and assessment forms, assessing not only construction work but also sustainable development issues such as safety management, hygiene management, quality management, and raw material usage. Any identified deficiencies trigger the implementation of corrective and preventive measures, with subsequent monitoring of progress to ensure the rights of all parties and the achievement of sustainable development goals.

In 2023, Sinyi Development had no any occupational injury incidents involving contractors. Each construction site is equipped with on-site construction offices staffed by professional personnel who oversee and supervise contractors' various projects. Additionally, we provide training in occupational health and safety for contractors to ensure compliance with safety regulations and promote awareness of relevant health and safety practices. Furthermore, to maintain and promote the physical and mental health of contractors, we implemented measures such as temperature checks, hand sanitization, and alcohol inspections during access control. We also conduct regular joint site inspections, internal and external audits of site safety and hygiene, and comprehensive high-risk operation inspections to ensure the safety and well-being of all personnel.

## III. Sustainable Supply Chain

2-6

### Diagram of Sinyi Development's Sustainable Supply Chain



In our pursuit of low-carbon construction, cement and steel are primary sources of carbon emissions in building materials, regulated by the environmental authorities. In collaboration with suppliers, Sinyi Development has established partnerships with industry-leading manufacturers, such as well-known tile manufacturer, Champion Building Materials Co., Ltd. They have begun conducting their own greenhouse gas emissions inventories, demonstrating their dedication to environmental responsibility.

However, for other building materials like lightweight partitions, glass, doors, and windows, many suppliers in the market have yet to provide comprehensive carbon footprint data of their products. Therefore, Sinyi Development actively engages with suppliers to calculate carbon emissions, aiming to foster a green supply chain in the construction industry. In this process, we will lead suppliers to conduct more in-depth carbon inventories, thus achieving environmental protection and sustainable development goals together. For instance, in 2023, Sinyi Development collaborated with Professor Lee from National Cheng Kung University on the carbon inventory of "Jiapin." Beyond reinforcing bars and concrete, key suppliers of commonly used building materials, such as Champion Tiles, Yek Hwa Stainless Steel Pipes, and Fujisash Aluminum Windows, were invited to participate. They reviewed the carbon inventory data, visited the factories in person, communicated and jointly planned carbon reduction practices.



## IV. Annual Improvement Plan

In 2023, 100% of Sinyi Development's suppliers signed the Sustainability Clause Commitment, with no transactions were terminated due to audit results (details on impacts of suppliers on ESG aspects can be found in the Governance Audit Mechanism section). Moreover, the Sustainability Clause Commitment has been updated according to the 2030 supplier goals, enhancing efforts to reduce carbon emission.

However, in response to changes in the industry market in 2024, Sinyi Development has identified a new risk in its supply chain: "The lack of robust supplier resources leads to a shortage of quality supplier collaborations, limiting project execution and failing to meet customer commitments." To mitigate this risk, the Company aims to ensure there are at least three capable and qualified suppliers available for critical procurement items expected in the next quarter.

In the future, broader criteria will be integrated, including environmental protection, energy conservation, carbon reduction, ethical business practices, risk management, audit mechanisms, and product quality management. This comprehensive approach will enable the Company to deliver more refined buildings and products that align with sustainable construction concepts embraced by Sinyi Group through its ESG framework of environmental protection, social responsibility, and corporate governance. Ultimately, Sinyi Development will be able to harmonize various interests and drive sustainable innovation within the entire Sinyi value chain, bringing a new and happier life to everyone involved.

## V. Supplier Charity Activities

Sinyi Development shares a common vision of sustainability with its suppliers, who also actively engage in charity activities. In 2023, there were numerous accomplishments:

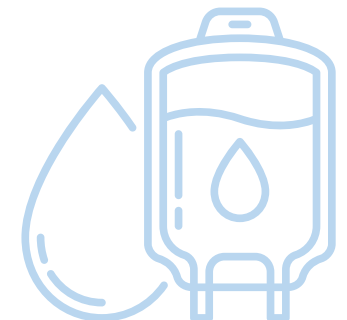
Jio Shun Construction executed several public welfare renovation projects in 2023, including work for the Neihu Social Welfare Center, North Coast Social Welfare Building, Mingxin Children's Development Center, New Taipei City Government's Social Welfare Department, Taiwan Fund for Children and Families, Keelung Branch, and Hsin-Yo Presbyterian Church in Taipei. These projects provided various groups and individuals with comfortable living spaces, addressing issues such as leaks, peeling ceilings and walls, unusable furniture, and structural hazards.

In addition, in order to help maintain a safe blood supply, Jio Shun Construction also collaborated with partners to organize a public blood donation drive. This initiative reflects the Company's philosophy that businesses should not only focus on commerce but also contribute positively to society, thus spreading positive energy and promoting the sustainability of their operations.



Jio Shun Construction's Public Blood Donation Campaign

Sinyi Development and its suppliers are committed to creating safe and secure residential environments and supporting the underprivileged in society. By actively engaging in public welfare activities, they exemplify Sinyi's core people-oriented philosophy and the Company's commitment to sustainable values.





# Appendix

## GRI Content Index

Sinyi Development has adhered to the GRI Standards, reporting information for the period of 2023 (January 1, 2023, to December 31, 2023) as cited in the GRI Content Index.

The following indicators have been externally verified, with verification results detailed in the Independent Assurance Statement.

| GRI guideline                                | Disclosure Items   | Section, Page No., or Content Summary                              |
|--|--|--|
| The organization and its reporting practices |  |  |
| 2-1  | Organizational details   | About this Report<br>II. Company Overview                          |
| 2-2  | Entities included in the organization's sustainability reporting | About this Report<br>II. Company Overview                          |
| 2-3  | Reporting period, frequency, and contact point                   | About this Report  |
| 2-4  | Restatements of information                                      | No restatements of information this year.                          |
| 2-5  | External assurance   | About this Report<br>Appendix, Verification Statement/ Certificate |
| Activities and workers                       |  |  |
| 2-6  | Activities, value chain and other business relationships         | II. Company Overview<br>VIII. Suppliers                            |
| 2-7  | Employees  | VI. Social Responsibility (Employees)                              |
| 2-8  | Workers who are not employees                                    | VI. Social Responsibility (Employees)<br>VIII. Suppliers           |
| Corporate Governance                         |  |  |
| 2-9  | Governance structure and composition                             | II. Company Overview<br>III. Sustainable Strategy                  |

### GRI 1: Foundation 2021 [GRI 1 does not include any disclosures]

### GRI 2: General Disclosures 2021

| GRI guideline        | Disclosure Items  | Section, Page No., or Content Summary   |
|----------------------|---|---|
| Corporate Governance |   |   |
| 2-10                 | Nomination and selection of the highest governance body                     | II. Company Overview 3. Board Governance  |
| 2-11                 | Chair of the highest governance body  | II. Company Overview 3. Board Governance<br>VII. Corporate Governance 3. Ethics and Integrity   |
| 2-12                 | Role of the highest governance body in overseeing the management of impacts | II. Company Overview 3. Board Governance<br>III. Sustainable Strategy<br>IV. Climate Change<br>VII. Corporate Governance                                |
| 2-13                 | Delegation of responsibility for managing impacts                           | II. Company Overview 3. Board Governance<br>II. Company Overview 4. Company Organizational Structure<br>III. Sustainable Strategy<br>IV. Climate Change |
| 2-14                 | Role of the highest governance body in sustainability reporting             | II. Company Overview 3. Board Governance<br>III. Sustainable Strategy<br>IV. Climate Change   |
| 2-15                 | Conflicts of interest   | VII. Corporate Governance 3. Ethics and Integrity   |
| 2-16                 | Communication of critical concerns  | II. Company Overview 3. Board Governance<br>III. Sustainable Strategy<br>IV. Climate Change   |



| GRI guideline                    | Disclosure Items   | Section, Page No., or Content Summary  |
|----------------------------------|--|--|
| Climate Change                   |  |  |
| 2-17                             | Collective knowledge of the highest governance body          | II. Company Overview 3. Board Governance   |
| 2-18                             | Evaluation of the performance of the highest governance body | II. Company Overview 3. Board Governance   |
| 2-19                             | Remuneration policies  | II. Company Overview 3. Board Governance<br>II. Company Overview 4. Company Organizational Structure   |
| 2-20                             | Process to determine remuneration                            | Governance<br>II. Company Overview 4. Company Organizational Structure<br>VI. Social Responsibility (Employees)  |
| 2-21                             | Annual Total Compensation Ratio                              | VI. Social Responsibility (Employees)  |
| Strategy, policies and practices |  |  |
| 2-22                             | Statement on sustainable development strategy                | I. Message from the Management   |
| 2-23                             | Policy commitments   | II. Company Overview 1. Business Model 4. Commitment to Sustainability Issues<br>III. Sustainable Strategy<br>IV. Climate Change<br>V. Environmental Protection<br>VI. Social Responsibility (Employees)<br>VI. Social Responsibility (Services and Customers)<br>VII. Corporate Governance<br>VIII. Suppliers |
| 2-24                             | Embedding policy commitments                                 | II. Company Overview 1. Business Model 4. Commitment to Sustainability Issues<br>III. Sustainable Strategy<br>IV. Climate Change<br>V. Environmental Protection<br>VI. Social Responsibility (Employees)<br>VI. Social Responsibility (Services and Customers)<br>VII. Corporate Governance<br>VIII. Suppliers |

| GRI guideline                    | Disclosure Items                                   | Section, Page No., or Content Summary  |
|----------------------------------|--|--|
| Strategy, policies and practices |  |  |
| 2-25                             | Processes to remediate negative impacts            | III. Sustainable Strategy<br>VI. Social Responsibility (Employees)<br>VII. Corporate Governance 3. Ethics and Integrity  |
| 2-26                             | Mechanisms for seeking advice and raising concerns | III. Sustainable Strategy<br>VI. Social Responsibility (Employees)<br>VII. Corporate Governance 3. Ethics and Integrity  |
| 2-27                             | Compliance with laws and regulations               | VII. Corporate Governance 1. Legal Compliance  |
| 2-28                             | Membership associations                            | Sinyi Development joined the Taipei Real Estate Development Association (in July 2001), the Low Carbon Building Alliance (in November 2021), and the BIM Promotion Alliance for Upgrading Taiwan's Construction Industry in (July 2018). |
| Stakeholder engagement           |  |  |
| 2-29                             | Approach to stakeholder engagement                 | III. Sustainable Strategy  |
| 2-30                             | Collective bargaining agreements                   | Although the Company has not established a union and does not have a collective agreement, it holds regular labor-management meetings every year and maintains transparent communication channels.                                       |

## Material Topics

| GRI guideline               | Disclosure Items                     | Section, Page No., or Content Summary             |
|-----------------------------|--------------------------------------|---|
| GRI 3: Material Topics 2021 |                                      |   |
| 3-1                         | Process to determine material topics | III. Sustainable Strategy                         |
| 3-2                         | List of material topics              | III. Sustainable Strategy                         |
| Economic Performance        |                                      |   |
| GRI 3: Material Topics 2021 |                                      |   |
| 3-3                         | Management of material topics        | II. Company Overview<br>III. Sustainable Strategy |



| GRI guideline                              | Disclosure Items   | Section, Page No., or Content Summary   |
|--|--|---|
| GRI 201: Economic Performance 2016         |  |   |
| 201-1                                      | Direct economic value generated and distributed                                | II. Company Overview 2. Operational Performance   |
| 201-2                                      | Financial implications and other risks and opportunities due to climate change | IV. Climate Change  |
| 201-3                                      | Defined benefit plan obligations and other retirement plans                    | VI. Social Responsibility (Employees)   |
| 201-4                                      | Financial assistance received from government                                  | The Company received no financial assistance from the government in 2023.   |
| Emissions                                  |  |   |
| GRI 3: Material Topics 2021                |  |   |
| 3-3  | Management of material topics  | III. Sustainable Strategy<br>IV. Climate Change   |
| GRI 305: Emissions 2016                    |  |   |
| 305-1                                      | Direct (Category 1) GHG emissions  | IV. Climate Change  |
| 305-2                                      | Direct (Category 2) GHG emissions  | IV. Climate Change  |
| 305-4                                      | GHG emissions intensity  | IV. Climate Change  |
| 305-5                                      | Reduction of GHG emissions   | IV. Climate Change<br>The baseline year for greenhouse gas emissions is 2021, and Sinyi Development plans to implement the following measures to reduce GHG emissions:<br>1. Increase the percentage of green electricity usage;<br>2. We are expecting to reduce Category 2 emissions by 40% between 2023–2025 compared to the baseline year, with an annual reduction of 10%. |
| Supplier Environmental Assessment          |  |   |
| GRI 3: Material Topics 2021                |  |   |
| 3-3  | Management of material topics  | III. Sustainable Strategy<br>VIII. Suppliers  |
| GRI 308: Supplier Environmental Assessment |  |   |
| 308-1                                      | New suppliers that were screened using environmental criteria                  | VIII. Suppliers   |
| 308-2                                      | Negative environmental impacts in the supply chain and actions taken           | VIII. Suppliers   |

| GRI guideline                            | Disclosure Items   | Section, Page No., or Content Summary   |
|--|--|---|
| Labor-Employer Relations                 |  |   |
| GRI 3: Material Topics 2021              |  |   |
| 3-3                                      | Management of material topics  | III. Sustainable Strategy<br>VI. Social Responsibility (Employees)              |
| GRI 401: Employment 2016                 |  |   |
| 401-1                                    | New employee hires and employee turnover   | VI. Social Responsibility (Employees)   |
| 401-2                                    | Benefits provided to full-time employees that are not provided to temporary or part-time employees | VI. Social Responsibility (Employees)   |
| 401-3                                    | Parental Leave   | VI. Social Responsibility (Employees)   |
| Training and Education                   |  |   |
| GRI 3: Material Topics 2021              |  |   |
| 3-3                                      | Management of material topics  | III. Sustainable Strategy<br>VI. Social Responsibility (Employees)              |
| GRI 404: Training and Education 2016     |  |   |
| 404-1                                    | Average hours of training per year per employee  | VI. Social Responsibility (Employees)   |
| 404-3                                    | Percentage of employees receiving regular performance and career development reviews               | VI. Social Responsibility (Employees)   |
| Supplier Social Assessment               |  |   |
| GRI 3: Material Topics 2022              |  |   |
| 3-3                                      | Management of material topics  | III. Sustainable Strategy<br>VIII. Suppliers                                    |
| GRI 414: Supplier Social Assessment 2016 |  |   |
| 414-1                                    | New suppliers that were screened using social criteria   | VIII. Suppliers   |
| 414-2                                    | Negative social impacts in the supply chain and actions taken                                      | VIII. Suppliers   |
| Customer Health and Safety               |  |   |
| GRI 3: Material Topics 2021              |  |   |
| 3-3                                      | Management of material topics  | III. Sustainable Strategy<br>VI. Social Responsibility (Services and Customers) |
| GRI 416: Customer Health and Safety 2016 |  |   |
| 416-1                                    | Assessment of the health and safety impacts of product and service categories                      | VI. Social Responsibility (Services and Customers)                              |
| 416-2                                    | Incidents of non-compliance concerning the health and safety impacts of products and services      | No such incidents this year.  |



| GRI guideline                               | Disclosure Items  | Section, Page No., or Content Summary                         |
|---|---|---|
| <b>Marketing and Labeling</b>               |   |   |
| <b>GRI 3: Material Topics 2021</b>          |   |   |
| 3-3   | Management of material topics   | III. Sustainable Strategy<br>VI. Social Responsibility        |
| <b>GRI 417: Marketing and Labeling 2016</b> |   |   |
| 417-1                                       | Requirements for product and service information and labeling                       | VI. Social Responsibility (Services and Customers)            |
| 417-2                                       | Incidents of non-compliance concerning product and service information and labeling | No such incidents this year.                                  |
| 417-3                                       | Incidents of non-compliance concerning marketing communications                     | No such incidents this year.                                  |
| <b>Other disclosures</b>                    |   |   |
| 403-5                                       | Worker training on occupational health and safety                                   | VI. Social Responsibility (Employees)<br>VIII. Suppliers      |
| 403-6                                       | Promotion of worker health  | VI. Social Responsibility (Employees)<br>VIII. Suppliers      |
| 403-9                                       | Occupational Injury   | VI. Social Responsibility (Employees)<br>VIII. Suppliers      |
| 405-1                                       | Diversity of governance bodies and employees  | II. Company Overview<br>VI. Social Responsibility (Employees) |

## Customized material topics

| GRI guideline                      | Disclosure Items              | Section, Page No., or Content Summary                    |
|------------------------------------|-------------------------------|--|
| <b>Environmental Protection</b>    |                               |  |
| <b>GRI 3: Material Topics 2021</b> |                               |  |
| 3-3                                | Management of material topics | III. Sustainable Strategy<br>V. Environmental Protection |

| GRI guideline                      | Disclosure Items                          | Section, Page No., or Content Summary  |
|------------------------------------|---|--|
| <b>Customized Topics</b>           |   |  |
| Customized                         | Compliance with Environmental Regulations | V. Environmental Protection  |
| Customized                         | Land Use                                  | V. Environmental Protection  |
| Customized                         | Energy-saving Design                      | V. Environmental Protection  |
| Customized                         | Raw Material Use Management               | V. Environmental Protection  |
| <b>Social Responsibility</b>       |   |  |
| <b>GRI 3: Material Topics 2021</b> |   |  |
| 3-3                                | Management of material topics             | III. Sustainable Strategy<br>VI. Social Responsibility (Employees)<br>VI. Social Responsibility (Services and Customers) |
| <b>Customized Topics</b>           |   |  |
| Customized                         | Organizational Climate                    | VI. Social Responsibility (Employees)  |
| Customized                         | Community Development                     | VI. Social Responsibility (Services and Customers)   |
| <b>Corporate Governance</b>        |   |  |
| <b>GRI 3: Material Topics 2021</b> |   |  |
| 3-3                                | Management of material topics             | II. Company Overview<br>III. Sustainable Strategy<br>IV. Climate Change<br>VII. Corporate Governance                     |
| <b>Customized Topics</b>           |   |  |
| Customized                         | Risk Control                              | VII. Corporate Governance 2. Risk Control  |
| Customized                         | Climate Change Risks and Opportunities    | IV. Climate Change   |
| Customized                         | Legal Compliance                          | VII. Corporate Governance 1. Legal Compliance  |
| Customized                         | Audit Mechanism                           | VII. Corporate Governance 4. Audit Mechanism   |
| Customized                         | Ethics and Integrity                      | VII. Corporate Governance 3. Ethics and Integrity  |
| Customized                         | Corporate Image/Brand Management          | II. Company Overview 1. Business Model   |
| Customized                         | Innovative Technologies and Services      | VI. Social Responsibility (Services and Customers)<br>3. Technical Optimization and Innovation                           |
| Customized                         | Business Continuity                       | VII. Corporate Governance V. Business Continuity   |



## Sustainability Account Standards Board, (SASB) Reference Table

- Sector Category: Infrastructure
- Industry Category: Home Builders

| Metric code                    | Accounting metric  | Disclosure contents for 2023   |
|--------------------------------|--|--|
| Land Use & Ecological Impacts  |  |  |
| IF-HB-160a.1                   | Number of the following delivered on redevelopment sites:<br>(1) lots;<br>(2) building(/homes).  | Jiahe started the property handover at the end of 2022 and completed all handovers by the end of February 2023, totaling 144 units. Jiapin is scheduled for handover in the second quarter of 2025.  |
| IF-HB-160a.2                   | Number of the following delivered in regions with high or extremely high baseline water stress:<br>(1) lots;<br>(2) building(/homes).    | The completed Jiahe and under-construction Jiapin, both finished their handovers in February 2023, are located in the Jiangzicui area of New Taipei City. Additionally, Jiaxue, which commenced sales in 2023, is situated in the Sub-City Center, Xinzhuang District, and not in areas with extremely high or high baseline water stress.   |
| IF-HB-160a.3                   | Total amount of monetary losses as a result of legal proceedings associated with environmental regulations.                              | Sinyi Development has not been involved in any environment-related legal disputes during this year.  |
| IF-HB-160a.4                   | Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction. | Please refer to V. Environmental Protection.<br>Land development primarily focuses on areas with relatively complete living functions and transportation facilities to avoid the need for soil and water conservation plans. Sensitive geological areas such as slopes and ecological reserves that are prone to ecological impacts are typically avoided for development.   |
| Workforce Health and Safety    |  |  |
| IF-HB-320a.1                   | The following ratios for direct employees and contract employees:<br>(1) Total recordable incident rate (TRIR)<br>(2) Fatality rate      | (1)For 2023, Sinyi Development followed legal regulations to grant occupational injury and sick leave based on the actual circumstances for employees injured on the job. The Company would also assist employees in applying for labor insurance and occupational injury compensation. The Labor Insurance Bureau recognized one case of occupational injury in 2023, totaling 13 days., which occurred while the employee was commuting to the work location and was rear-ended by another vehicle. TRIR : $(1 \times 200,000) / (252 \text{ days} \times 8 \text{ hours} \times 26 \text{ employees}) = 3.82$ .<br>(2)Sinyi Development had no such incident this year. |
| Design for Resource Efficiency |  |  |
| IF-HB-410a.1                   | (1) Number of homes that obtained a certified HERS Index Score and; (2) average score.   | Sinyi Development has obtained 0 certifications at present. Nevertheless, our Jiaxue project is progressing toward this goal and is being implemented in accordance with Taiwan certification standards.   |
| IF-HB-410a.2                   | Percentage of installed water fixtures certified to WaterSense® specifications   | Sinyi Development's projects have obtained certification for the Taiwan Ministry of Economic Affairs' Water Resources Agency's Water Conservation Label, achieving 100% compliance.  |



| Metric code                           | Accounting metric  | Disclosure contents for 2023   |
|---------------------------------------|--|--|
| IF-HB-410a.3                          | Number of homes delivered certified to a third-party multi-attribute green building standard.  | Sinyi Development has obtained 0 certifications at present.<br>The Jiaxue project aims to obtain Green Building certification. It has already received a Green Building candidate certificate (obtained on January 25, 2024) and a Low Carbon Building candidate certificate (obtained on March 29, 2024.) We have implemented environmental protection measures throughout the Jiapin project's entire process, including raw materials, development design, construction methods, equipment, and building stages.  |
| IF-HB-410a.4                          | Description of risks and opportunities related to incorporating resource efficiency into building/(home) design, and how benefits are communicated (or conveyed) to customers. | Please refer to V. Environmental Protection and VI. Social Responsibility (Services and Customers).  |
| Community Impacts of New Developments |  |  |
| IF-HB-410b.1                          | Description of how proximity and access to infrastructure, services and economic centers affect site selection and development decisions.                                      | Please refer to V. Environmental Protection.<br>1. Considering the convenience provided to residents by proximity to amenities and transportation facilities (such as metro stations and bus stops), the site selection principles are based on these criteria.<br>2. The development strategy aims to create a well-rounded living environment, both inside and out. Therefore, if the land is located adjacent to parks or schools, with ample spacing between buildings and expansive views, these factors become key considerations in the development.  |
| IF-HB-410b.2                          | Number of the following delivered on infill sites:<br>(1) lots;<br>(2) building/(homes).   | The completed Jiahe and under-construction Jiapin, both finished their handovers in February 2023, are located in the Jiangzicui area of New Taipei City. Additionally, Jiaxue, which commenced sales in 2023, is situated in the Sub-City Center, Xinzhuang District, not in infill sites.  |
| IF-HB-410b.3                          | Buildings/(homes) delivered in compact developments:<br>(1) Number;<br>(2) average density.  | Due to the highly urbanized environment of the Greater Taipei area in Taiwan, it is indeed an area of compact development.<br>Jiahe was fully handed over by the end of February 2023, totaling 144 units. The site covers a total area of 0.3042 hectares meters, with an average density of 473.37 units per hectare.  |
| Climate Change Adaptation             |  |  |
| IF-HB-420a.1                          | Number of lots located in 100-year flood zones.  | Sinyi Development reviewed the Climate Central database and found that under the 1.5°C scenario for 2050, the two lots it owned in 2022 fell into different flood risk categories. The Jiahe project, completed and handed over in February 2023, and the Jiapin project, currently under construction, both located in the Jiangzicui area of New Taipei City, are classified as high flood risk areas (the detailed response strategies please refer to IV. Climate Change 2. Sinyi Development's Climate Strategy.) Conversely, the Jiaxue project, which started sales in 2023 and construction in 2024, is not located in a high flood risk area. |
| IF-HB-420a.2                          | Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks.   | Please refer to IV. Climate Change.  |
| Activity Metrics                      |  |  |
| IF-HB-000.A                           | Number of controlled lots.   | In 2023, the Company owned 3 land.   |
| IF-HB-000.B                           | Number of buildings/(homes) delivered.   | Currently, a total of 165 units have been delivered, including 21 units of Sinyi Qianshi in Shilin District, and 144 units of Jiahe in Banqiao District.   |
| IF-HB-000.C                           | Number of active selling communities.  | We have sold a total of 4 communities, including Sinyi Qianshi in Shilin District, Jiahe and Jiapin in Banqiao District, and Jiaxue in Xinzhuang District.   |



## TCFD Indicator Reference Table









| Level               | General Industry Indicator   | Reference Section/Page No.  |
|---------------------|--|---|
| Governance          | a. Describe the board's oversight of climate-related risks and opportunities.  | IV. Climate Change 1. Sinyi Development's Climate Governance  |
|                     | b. Describe management's role in assessing and managing climate-related risks and opportunities.   | IV. Climate Change 1. Sinyi Development's Climate Governance  |
| Strategy            | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.   | IV. Climate Change 2. Sinyi Development's Climate Strategy  |
|                     | b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.  | IV. Climate Change 2. Sinyi Development's Climate Strategy  |
|                     | c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.   | IV. Climate Change 2. Sinyi Development's Climate Strategy  |
| Risk Management     | a. Describe the organization's processes for identifying and assessing climate-related risks.  | IV. Climate Change 3. Sinyi Development's Climate Risk Management   |
|                     | b. Describe the organization's processes for managing climate-related risks.   | IV. Climate Change 3. Sinyi Development's Climate Risk Management   |
|                     | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.   | IV. Climate Change 3. Sinyi Development's Climate Risk Management   |
| Metrics and Targets | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.  | IV. Climate Change 4. Sinyi Development's Climate Indicators and Targets  |
|                     | b. Disclose Category 1, Category 2 and, if appropriate, Category 3-6 greenhouse gas (GHG) emissions and the related risks.   | IV. Climate Change 4. Sinyi Development's Climate Indicators and Targets GHG Emissions Table  |
|                     | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.  | IV. Climate Change 4. Sinyi Development's Climate Indicators and Targets Climate Risk and Opportunity Indicators and Goals  |
| Level               | Supplemental Metrics for Non-Financial Groups  | Reference Section/Page No.  |
| Strategy            | b. The organization should assess how climate-related risks and opportunities are incorporated into (1) current decision-making and (2) strategy formulation, including planning assumptions and objectives around mitigation, adaptation to climate change, or its opportunities, such as: <ul style="list-style-type: none"> <li>- Research and Development (R&amp;D) and adoption of new technologies.</li> <li>- Existing and future planned activities, such as investments in assets, restructuring, write-downs, or impairments.</li> <li>- Significant planning assumptions around traditional assets, such as strategies for reducing carbon, energy, and/or water-intensive operations.</li> <li>- How greenhouse gas emissions, energy, water, and other physical risks (if applicable) are considered in capital planning and allocation; this may include discussions on significant acquisitions and divestitures, joint ventures, and investments in technology, innovation, and new business areas based on climate change-related risks and opportunities.</li> <li>- The organization should demonstrate flexibility in positioning or repositioning capital to address emerging climate-related risks and opportunities.</li> </ul> | IV. Climate Change 2. Sinyi Development's Climate Strategy<br>Climate Risk Impact, Scenario Analysis and Response Strategies<br>Climate Opportunity Impact, Scenario Analysis and Response Strategies |



| Level               | Supplemental Metrics for Non-Financial Groups   | Reference Section/Page No.  |
|---------------------|---|---|
| Strategy            | <p>c. For organizations with annual revenues exceeding 1 billion USD equivalent (USDE), it is advisable to conduct more robust scenario analysis to assess the adaptability of company strategies to a range of climate-related scenarios, including scenarios of 2°C or lower, and scenarios consistent with increased physical risks under the organization's circumstances.</p> <p>Organizations should consider discussing the impacts of different policy assumptions, macroeconomic trends, energy pathways, and technological assumptions used in publicly available climate-related scenarios to evaluate the adaptability of their strategies.</p> <p>Regarding the climate-related scenarios used, organizations should assess and provide information on the following aspects to enable investors and others to understand the conclusions drawn from scenario analysis:</p> <ul style="list-style-type: none"> <li>- Key input parameters, assumptions, and analysis choices used in climate-related scenarios, especially critical parameters related to policy assumptions, energy deployment pathways, technology pathways, and relevant timing assumptions.</li> <li>- Potential qualitative or quantitative financial impacts of climate-related scenarios, if applicable.</li> </ul> | <p>IV. Climate Change 2. Sinyi Development's Climate Strategy Climate Risk Impact, Scenario Analysis and Response Strategies</p> <p>Climate Opportunity Impact, Scenario Analysis and Response Strategies</p>   |
| Metrics and Targets | <p>a. For all relevant indicators, organizations should assess and provide historical trends and forward-looking forecasts (by relevant countries and/or jurisdictions, business types, or asset types).</p> <p>Organizations should also assess disclosure corresponding to their scenario analysis and strategic planning processes, and use it to monitor indicators of the organization's business environment from a strategic and risk management perspective.</p> <p>Organizations should evaluate providing key indicators related to greenhouse gas emissions, energy, water, and other physical risks, land use, and climate adaptation and mitigation investments (if relevant) to address potential financial aspects of changing demands, expenditures, asset valuations, and financing costs.</p>   | <p>IV. Climate Change 2. Sinyi Development's Climate Strategy Climate Risk Impact, Scenario Analysis and Response Strategies</p> <p>Climate Opportunity Impact, Scenario Analysis and Response Strategies</p> <p>IV. Climate Change 4. Sinyi Development's Climate Indicators and Targets Climate Risk and Opportunity Indicators and Goals</p> <p>SABS Reference Table</p> |



## United Nations Sustainable Development Goals (SDGs) Reference Table

| Sustainable Development Goals   |  | Description   | Corresponding Section                              |
|---|--|---|--|
|    | Ensure healthy lives and promote well-being for all at all ages  | Sinyi Development has established its "Wellness and Health Management Center," staffed with dedicated health management professionals. This center systematically ensures the physical and mental well-being of employees through various services, including physical health check-ups, psychological assessments, and emergency training. These measures aim to enhance workplace safety, health education, and achieve the goal of a "healthy and happy workplace with zero occupational injuries."  | VI. Social Responsibility (Employees)              |
|    | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all                 | Sinyi Development believes that lifelong learning is a voluntary form of education that fosters personal achievement and emphasizes individual development. It is a manifestation of professional learning and the pursuit of personal interests, enhancing self-sustainability and competitiveness. Therefore, following the strategy of the Sinyi Group, Sinyi Development implements the "Sinyi Coins" mechanism and provides learning subsidies to cultivate more abilities among colleagues, enabling them to adapt to changes in the times. | VI. Social Responsibility (Employees)              |
|    | Achieve gender equality and empower all women and girls  | Sinyi Group prioritizes integrity and ethics and thus provides diverse and effective communication channels and grievance mechanisms. These include hotlines for sexual harassment, channels for discrimination issues (race, gender, religion, marriage, nationality), and labor-management meetings, all aimed at establishing a healthy and ethical work environment.  | VI. Social Responsibility (Employees)              |
|    | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | We embrace the spirit of equality and integrity and strive to conduct talent recruitment through open and diverse channels, ensuring a fair selection process regardless of race, gender, beliefs, marital status, nationality, or disabilities. Our aim is to establish a healthy and ethical work environment where everyone is treated equally.  | VI. Social Responsibility (Employees)              |
|  | Make cities and human settlements inclusive, safe, resilient and sustainable   | We focus our operations around the concept of community harmony, consistently deepening community-building activities while integrating the principles of harmony and goodwill into the community and fostering a rich local culture.   | VI. Social Responsibility (Services and Customers) |
|  | Ensure sustainable consumption and production patterns   | Actively collaborate with suppliers to calculate carbon emissions so as to promote a sustainable supply chain in the construction industry. In this process, we will be leading suppliers to conduct more in-depth carbon inventories.  | VIII. Suppliers                                    |
|  | Take urgent action to combat climate change and its impacts  | Move toward organizational net-zero emissions as our guiding direction, utilizing it to identify, analyze, and respond to both actual and potential impacts.  | IV. Climate Change                                 |
|  | Strengthen the means of implementation and revitalize the global partnership for sustainable development             | In addition to collaborating with suppliers to promote sustainable supply chains in the construction industry, Sinyi Development has also joined industry associations and become a member of the Low Carbon Building Alliance and the BIM Promotion Alliance for the Upgrade of Taiwan's Construction Industry.  | VIII. Suppliers                                    |



## Verification Statement/Certificate



### Sinyi Development 2023 Sustainability Report

The British Standards Institution is independent to Sinyi Development Inc. (hereafter referred to as Sinyi Development Inc. in this statement) and has no financial interest in the operation of Sinyi Development Inc. other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Sinyi Development Inc. only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Sinyi Development Inc. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Sinyi Development Inc. only.

#### Scope

The scope of engagement agreed upon with Sinyi Development Inc. includes the followings:

1. The assurance scope is consistent with the description of Sinyi Development 2023 Sustainability Report.
  2. The evaluation of the nature and extent of the Sinyi Development Inc.'s adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
  3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.
- This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Sinyi Development 2023 Sustainability Report provides a fair view of the Sinyi Development Inc. sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Sinyi Development Inc. and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Sinyi Development Inc.'s efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Sinyi Development Inc.'s description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Sinyi Development Inc.'s policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 5 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

#### Inclusivity

This report has reflected a fact that Sinyi Development Inc. has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Sinyi Development Inc.'s inclusivity issues.

#### Materiality

Sinyi Development Inc. publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Sinyi Development Inc. and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Sinyi Development Inc.'s management and performance. In our professional opinion the report covers the Sinyi Development Inc.'s material issues.

#### Responsiveness

Sinyi Development Inc. has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Sinyi Development Inc. is developed and continually provides the opportunity to further enhance Sinyi Development Inc.'s responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Sinyi Development Inc.'s responsiveness issues.

#### Impact

Sinyi Development Inc. has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Sinyi Development Inc. has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Sinyi Development Inc.'s impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

Sinyi Development Inc. provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Sinyi Development Inc.'s sustainability topics.

#### SASB Standards

Sinyi Development Inc. provided us with their self-declaration of in accordance with SASB Standard(s) (Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Sustainability Accounting Standard, version 2023-12) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

#### Responsibility

The sustainability report is the responsibility of the Sinyi Development Inc.'s chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



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Statement No: SRA-TW-807171 For and on behalf of BSI:  
2024-06-20

*Peter Pu*  
Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.





# Conformity Statement

## Climate related Financial Disclosure

This is to conform that  
Sinyi Development Inc.  
No. 100, Sec. 5, Sinyi Rd.  
Sinyi District  
Taipei City  
110022  
Taiwan  
信義開發股份有限公司  
臺灣  
台北市  
信義區  
信義路5段100號  
110022

Holds Statement Number CFD 806668

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- Sinyi Development Inc. follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Guidance to disclose climate-related financial information which is clear, comparable and consistent against its organizational risks and opportunities as well as its financial impacts. The disclosure covers the four core elements of the TCFD and is prepared based on the seven guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures is **Level-5+: Excellence** grade.
- 與氣候相關的財務揭露的成熟度模型為【第五級+：優秀】等級。

For and on behalf of BSI

Managing Director BSI Taiwan, Peter Pu

Latest issue: 2024-06-25 Expiry date: 2025-06-24

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Statement number: CFD 806668

## Location:

Sinyi Development Inc.  
No. 100, Sec. 5, Sinyi Rd.  
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信義開發股份有限公司  
臺灣  
台北市  
信義區  
信義路5段100號  
110022

## Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures is **Level-5+: Excellence** grade.

與氣候相關的財務揭露的成熟度模型為【第五級+：優秀】等級。

Latest issue: 2024-06-25

Expiry date: 2025-06-24

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# 2023 Sinyi Development Inc. Sustainability Report

