

Sinyi Development Inc. 2022 Corporate Sustainability Report



About This Report

This 2022 Sustainability Report is the second issue Sustainability Report published by Sinyi Development Inc. (“Sinyi Development”), to disclose matters in relation to Environment protection (E), Social responsibility (S) and Governance (G), management guidelines and achievements in material issues. This report describes the communication with stakeholders and the response to their expectations and identifies the ESG impact across the value chain.

Guidelines and Standards

This Report adheres to the GRI Standards (2021) and incorporates the accounting standards set by the Sustainability Accounting Standards Board (SASB). It provides disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Reporting Period and Frequency

The disclosure in this report covers the information and statistics from January 1 to December 31, 2022.

- The first issue of Sustainability Report was released in December 2022, 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 Aug 2023, in both Chinese and English versions and available for download on the official website (<https://www.xinyikf.com.tw/report>).

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Reporting Frontier and Quality

Category	Main disclosure	Differences in the scope of disclosure in the financial report	External assurance
ESG information	Sinyi Development	Nil	AA1000AS v3 Type 1 Sustainability Accounting Standards Board (SASB) TCFD Declaration of Conformity British Standards Institute (BSI)
Financial information	Sinyi Development	Nil	Financial report - accountants

Note 1: Accountants and British Standards Institution (BSI) have no equity or management relationship with Sinyi Development, and were only entrusted with 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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One. Message from the General Manager

ESG stands for Environmental, Social and Governance. It was initially proposed in 2004 by Kofi Atta Annan, the former Secretary-General of the United Nations, in the public report for the creation of the United Nations Global Compact. The hope was that the investment community and the financial market could play a crucial role in driving ESG practices across various industries.

Since its inception, Sinyi Development has consistently adhered to the guiding principles set by its founder and Sinyi Realty (“the parent company”) regarding the appropriate treatment of stakeholders. Sinyi Development’s primary stakeholders include customers, employees, shareholders, suppliers, the environment and society. However, the effective realization of ESG requires collective efforts from all stakeholders beyond the abovementioned six categories. More stakeholders (e.g., the government) need to get involved. After all, ESG covers a wide range of issues. For instance, environmental sustainability concerns the entire society and the planet Earth. Increasing temperatures and the irreversible melting of icebergs result in a rise in sea levels, more frequent occurrences of extreme weather events, the extinction of certain species and the potential collapse of the food chain. The whole world will be severely affected, and the survival of mankind will be in jeopardy. Even with the efforts of a few individuals, nobody in Sinyi Development will be able to escape the ultimate calamity due to environmental destruction if the majority of people cannot contribute to the control of globally rising temperatures. All people are part of the same community in this issue. Only with inclusive cooperation will we have a fighting chance of survival. This entails joint efforts by all for a shared goal. Collaboration is the only way to maintain civilization and progression.

Specifically, with recognition, support and oversight from more customers, more companies will supply more environmental-friendly products, greener the manufacturing process and lower carbon emissions in the process of consumption. This will further the circular economy with recycling, reusing or remanufacturing for a new lease of use and mitigation of exhaustion and destruction of the world’s resources. Assuming more suppliers are willing to get involved, cooperation and competition will foster technological advancements and enhance overall performance. In this context, our employees play a dual role as organizational members of the company by providing products and services and as consumers to exert pressure on suppliers of products and services. This process will not be straightforward and certain diseconomies are inevitable in the beginning. Sinyi Development can only give it a shot with support and supervision from shareholders. Creative destruction is essential at this crucial juncture of the paradigm shift.

Environmental sustainability requires concerted efforts from all stakeholders and Sinyi Development aspires to spearhead this endeavor. In 2022, we proudly pioneered the introduction of smart load management services and tools in development projects, setting a precedent in the industry. Digital current transformers and gateways were deployed in households for the collection of energy consumption data. Artificial intelligence and digitalization, along with related hardware and software, assist families in gradually transforming their behaviors in order to effectively manage electricity consumption and reduce greenhouse gas emissions. We assess and manage the deployment of temporary water and electricity supply facilities, ensure effective waste segregation, and enforce strict dust control measures on our construction sites, to minimize the hazards to local residents and the environment. We actively pursue suppliers who demonstrate commitment to sustainability by signing Supplier Sustainability Terms, and develop long-standing cooperation with shared values and vision of promoting sustainable development. Sinyi Development continues to create sustainable buildings that incorporate green, smart, high-specification, and low-carbon techniques and aims to demonstrate how

buildings can integrate with urban development. The same applies to social governance. To address the social conflicts caused by different values, Mr. Chun-Chi Chou, the founder of Sinyi Group, denoted and established “We Are ONE” foundation in 2004 to support community building throughout Taiwan to bridge the social divide and contribute to the recovery of social harmony. The establishment of the development business in 2011 was meant to introduce community building to off-plan projects so that Sinyi Development’s customers could forge connections, cultivate friendships, and become neighbors when the properties are handed over. This approach nurtures a warm and peaceful atmosphere for communities.

In 2022, Sinyi Development continued its commitment to providing high-specification projects and outstanding services to customers by offering properties of safety, comfort, legal compliance, and digitalization as well as customer care and warranty. A good and strong community requires collective efforts from all members within the company and the wider community.

Shareholder activism was once a popular approach to corporate governance. This is a great contrast to the shareholders of the early days who would express their opinions about TWSE/TPEX listed companies primarily through buying or selling shares. Activist shareholders are more involved in corporate strategy or operation. As mentioned previously, ESG was initially developed as a philosophy to promote ESG across various industries through investment and financing. With the support and oversight of shareholders, Sinyi Development can make strides on its ESG journey, elevating the level of corporate governance and operational performance. We endeavor to benefit all stakeholders and fulfill our corporate social responsibility.



General Manager of Sinyi Development

C. H. Chen

Sustainability Strategy

I. Organization for Sustainable Development

II. Analysis of Material Topics

1. Organizational contexts
2. Evaluation of actual and potential impacts
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Two. Sustainability Strategy

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. Whilst we actively pursue exceptional operational performance, we are also dedicated to driving sustainable development through our business offerings, products, activities and services. We seek to change the stereotyping of the real estate industry within society and among our stakeholders.

After publishing our first issue of Sustainability Report in 2021, we have firmly solidified our commitment to sustainable development and strengthened our ESG framework for environmental protection, social responsibility, and governance. For example, we continue to develop and advance environmental protection strategies across our inventory of products and services, incorporating low-carbon materials, techniques, and facilities. We create low-carbon buildings and advocate for a green environment in conjunction with community-building activities. We play our part in social responsibility and achieve zero emissions within communities, aiming to establish ourselves as a leading green brand that fills us with pride.

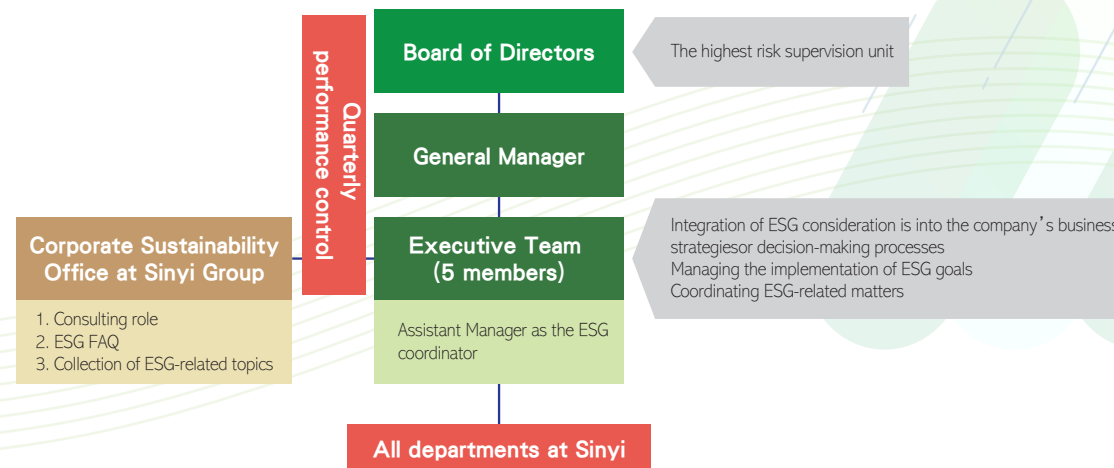
Moving forward, Sinyi Development will adopt a global perspective, communicate with all stakeholders on a timely basis and bring a good and happy life to all those around us.

I. Organization for Sustainable Development

The Board of Directors serves as the highest level of corporate governance and spearheads the corporate strategy by addressing issues related to environmental protection, social responsibility and governance on a regular basis. The Board of Directors has ultimate accountability for the impact of managing risks and capitalizing opportunities by overseeing management measures and evaluating performance.

Under the leadership and guidance of the Board of Directors, the General Manager and Executive Team formulate and execute strategic actions and risk management measures. They assess short-term, mid-term and long-term plans, oversee performance management and evaluate outcomes. Quarterly meetings are held to review progress, examine obstacles, and assess the performance, outcomes, business and strategies on a rolling basis.

Lastly, each responsible department and the cross-functional mechanism collaborate to discuss and implement strategic actions and risk management measures, draft short-term, mid-term and long-term plans and provide regular updates on performance and results.



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II. Analysis of Material Topics**1. Organizational contexts****2. Evaluation of actual and potential impacts****3. Assessment of impact significance****4. Reporting prioritization of the most significant impacts**

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II. Analysis of Material Topics

Sinyi Development analyzes the global situation and trends, internal and external business operations and activities, collects and itemizes relevant sustainable issues of concern. Sinyi Development maintains ongoing communication with stakeholders through various channels, such as interactions with competent authorities, third-party collaborations, community-building activities, supplier meetings and different internal company meetings. Experts and senior executives identify and assess the impact, followed by ranking based on materiality. The results form the basis for the company's strategies and measures for sustainable development.

1. Organizational contexts

(1) Identification of stakeholders:

According to the Sinyi Group strategy and in accordance with the five principles of the AA1000 SES-2015 Stakeholder Engagement Standard (SES), we identified and continued to communicate with a total of six categories of stakeholders, i.e., the environment, employees, customers, shareholders, the society (including media, government agencies, and competent authorities) and suppliers.

(2) Identification of issues of concern:

Sinyi Development conducted a comprehensive analysis of the global trends, internal and external business activities, and the characteristics of the real estate industry. Sinyi Development referred to various sources, including the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the definition of sustainable economic activities and international standards and guidelines (e.g., GRI, TCFD and SASB), in order to collect and categorize sustainability issues of concern. In total, 56 issues of concern were identified, taking into account Sinyi Group's net zero policy and the specific issues of concern highlighted in 2021.

2. Evaluation of actual and potential impacts

Sinyi Development communicated with stakeholders through various internal and external channels, such as interactions with competent authorities, third-party collaborations, community-building activities, supplier meetings, and different internal company meetings. The purpose was to address the identified sustainability issues of concern. Feedback regarding these issues was collected and analyzed accordingly to gain a comprehensive understanding of their significance.

3. Assessment of impact significance

Sinyi Development is committed to pursuing shared prosperity with all stakeholders. We thoroughly assessed the actual and potential impacts associated with the issues of concern, taking into account the opinions and feedback received through all communication channels. This served as important information for the General Manager and senior executives from different functions in determining and ranking the material issues for the current year.

4. Reporting prioritization of the most significant impacts

To summarize the key information, Sinyi Development distributed questionnaires to the General Manager and senior executives at different departments. These questionnaires were designed to follow the three aforementioned steps and incorporated insights from the material topics identified in 2021. We also sought

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input from experts and consultants. Each topic was carefully analyzed to assess its level of impact on environmental protection, social responsibility and governance, as well as the likelihood of occurrence. Based on the analysis, the topics with the most substantial impacts were ranked and selected as the material topics for reporting priority in this report for the year.

Based on the key information summarized by the General Manager and senior executives, considering the feedback from the stakeholders, the 2021 list of material topics and the opinions of experts and consultants, it was determined that the material topics for the year remained unchanged from 2021. This statement was made considering that there were no significant changes in organizational activities or business relationships.

As mentioned earlier, the levels of impact for each topic were ranked from the highest to the lowest. Based on the materiality threshold, which is determined by an aggregate score of 116 (the sum of the scores for “level of impact on environmental protection, social responsibility and governance” and “the likelihood of occurrence”), a total of 23 material topics were established.

In this report, Sinyi Development addresses each material topic with a positive approach. We will formulate action plans and implement management measures to express our emphasis on ESG issues, align the interests of stakeholders and promote sustainable operations.

2022 Ranking	Issues of Concern	Positive/Negative Impact	Actual/Potential Impact	Total	2022 Ranking	Issues of Concern	Positive/Negative Impact	Actual/Potential Impact	Total
		Level Of Impact On Environmental Protection, Social Responsibility And Governance	Likelihood of Occurrence				Level Of Impact On Environmental Protection, Social Responsibility And Governance	Likelihood of Occurrence	
1	Operating Performance	75	61	136	15	Remuneration and Benefits	67	56	123
2	Environmental Compliance	78	57	135	16	Raw Material Usage Management	68	54	122
3	Risk Control	74	61	135	17	Supplier Environmental Assessment	62	56	118
4	Organizational Identity and Retention	73	58	131	18	Community Building	66	52	118
5	Service Quality and Customer Rights	74	55	129	19	Audit Mechanisms	66	52	118
6	Land Use	77	50	127	20	Innovative Technology and Services	66	52	118
7	Climate Change Risks and Opportunities	73	54	127	21	Talent Cultivation	62	55	117
8	Energy-Saving Design	68	57	125	22	Continuity of Operations	72	45	117
9	Organizational Climate	67	58	115	23	Supplier Social Assessment	63	53	116
10	Legal Compliance	75	50	125	24	Supplier Corporate Governance Assessment	63	52	115
11	Corporate Image/ Brand Management	72	53	125	25	Digital Resilience	68	47	115
12	Ethics and Integrity	77	47	124	26	Fair Sourcing	62	53	115
13	Greenhouse Gas Emissions	71	53	124	27	Workplace Health and Safety	64	50	114
14	Green Procurement	68	55	123	28	Environmental Management	67	46	113

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

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Unit: Score

Unit: Score

2022 Ranking	Issues of Concern	Positive/Negative Impact	Actual/Potential Impact	Total	2022 Ranking	Issues of Concern	Positive/Negative Impact	Actual/Potential Impact	Total
		Level Of Impact On Environmental Protection, Social Responsibility And Governance	Likelihood of Occurrence				Level Of Impact On Environmental Protection, Social Responsibility And Governance	Likelihood of Occurrence	
29	Information Disclosure and Transparency	64	49	113	43	Employment	57	43	100
30	Governance Structure	67	46	113	44	Career Development	56	44	100
31	Social Engagement	65	46	111	45	Housing Justice	61	39	100
32	Work-Life Balance	58	52	110	46	Ecological Conservation	60	39	99
33	Financial Transparency	61	48	109	47	Anti-Competitive Behavior	57	41	98
34	Climate Change Adaptation	64	44	108	48	Employment Opportunities	49	45	94
35	Industrial Development and Policy Communication	60	47	107	49	Human Rights Assessment	51	38	89
36	Water Installation Design	58	48	106	50	Forced Labor	57	31	88
37	Energy Management	58	48	106	51	Women's Rights	49	33	82
38	Water Resource Management	55	49	104	52	Work Equality	51	31	82
39	Applications of Environmentally Friendly Technologies	62	42	104	53	Diversity	46	35	81
40	Labor Rights	60	44	104	54	Biodiversity	45	35	80
41	Social Philanthropy and Donations	57	46	103	55	Freedom of Association and Collective Bargaining	43	37	80
42	Circular Economy	56	46	102	56	Conservation of Marine Resources	36	26	62

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

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III. References to Material Topics

Based on the prioritization of the material topics, the corresponding GRI Standards, SASB Standards and TCFD guidelines are listed in the below table.

Material topics	Environmental	Social	Governance	Supplier
Material topics	Environmental Compliance Land Use Energy-Saving Design Raw Material Usage Management Greenhouse Gas Emissions	Organizational Identity and Retention Organizational Climate Remuneration and Benefits Talent Cultivation Service Quality and Customer Rights Community Building	Operating Performance Risk Control Climate Change Risks and Opportunities Legal Compliance Corporate Image/Brand Management Ethics and Integrity Audit Mechanisms Innovative Technology and Services Continuity of Operations	Green Procurement Supplier Environmental Assessment Supplier Social Assessment
GRI Standards	GRI 305 Emissions	GRI 401 Employment GRI 404 Training and Education GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling	GRI 201 Economic Performance	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment
Self-defined topics	Environmental Compliance Land Use Energy-Saving Design Raw Material Usage Management	Community Building Organizational Climate	Risk Control Legal Compliance Audit Mechanisms Ethics and Integrity Corporate Image/Brand Management Innovative Technology and Services Continuity of Operations	-
SASB Standards	Land use, Eco Influence and Eco impact Energy Efficiency Design	Employees' Health and Safety Impact of Newly Developed Communities	Impact of Climate Change	-
TCFD guidelines	-	-	Climate Change Risks and Opportunities	-

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IV. Stakeholder Engagement

Sinyi Development endeavors to set an example by providing outstanding services and contributing to happiness and harmony in people’s lives. We maintain open lines of communication and provide timely responses to all stakeholders. Action plans and management measures are formulated accordingly. The channels and methods of communication with stakeholders are outlined in the table below. Detailed responses to relevant material topics and corresponding action plans can be found in the respective chapters.

Environmental Protection			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
Dedication to R&D Promotion of energy efficiency and carbon reduction. Introduction of smart and green concepts to land development and project design. Achievements in net zero and sustainable development to contribute to tackling global climate change.	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official website [Timely] ■ Carbon management disclosures [Annually] ■ Neighborhood or village chief offices [Timely] ■ Community Building [Ad-hoc] 		<ul style="list-style-type: none"> ■ Raw Material Usage Management ■ Land Use ■ Energy-Saving Design ■ Greenhouse Gas Emissions ■ Environmental Compliance ■ Climate Change Risks and Opportunities ■ Innovative Technology and Services
	Results of Consensus	Response Methods and Results	Responsive Feedback
National policy in the environment and net zero encourages non-TWSE/TPEX listed companies to inspect greenhouse gas (GHG) inventory. This leads to an emphasis on land protection methods and introducing low-carbon and green building initiatives to combat climate change.	To address concerns of stakeholders and work towards achieving net zero: Continued enhancement of environmental management and commencement of GHG inventory inspection for development projects; Cooperation with third parties to collect information and establish a database regarding the low-carbon materials, techniques, and facilities; Identification of smart measures to enhance building energy efficiency and carbon reduction; Seeking certifications in low-carbon and green buildings.	<ul style="list-style-type: none"> ■ Risk assessment of land development ■ Regular GHG inventory inspections ■ Pursuit of net zero buildings ■ Climate change risk management ■ Legal compliance 	

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Employees			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
Talent is the cornerstone of sustainable development, and four major policies to support and cultivate talent have been established: (1) Shape a common vision and provide clear career development direction for employees. (2) Cultivate a leadership style and organizational culture that balances leniency and strictness. (3) Promote self-expectation as a driving force for personal growth. (4) Foster a relationship of mutual trust to establish a foundation for a management mechanism.	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official website [Timely] ■ Various internal meetings [Regularly] ■ Internal communication platform [Timely] ■ Employees' communication mailbox [Timely] ■ Departmental service hotline [Timely] ■ Labor-management meetings [Regularly] ■ EAP assistance program [Timely] ■ 1234 sexual harassment prevention hotline [Timely] ■ Course opinion surveys [Timely] ■ Internal questionnaires [Annually] 		<ul style="list-style-type: none"> ■ Talent Cultivation ■ Organizational Climate ■ Remuneration and Benefits ■ Organizational Identity and Retention
	Results of Consensus	Response Methods and Results	Responsive Feedback
Sinyi Development conducted an employee satisfaction survey. The feedback from the survey highlighted the key areas of growth needs, organizational innovation and continuous improvement.	Establishment of a comprehensive and robust communication channel to receive feedback from employees on a timely basis. Continuous improvements in human resource policies and corresponding regulations from time to time. Implement "Sinfu Coins" within the Sinyi Group with flexibility, allowing employees to choose from a range of benefits such as training opportunities and other offerings. This encourages employees at different levels to make good use of this program to enhance professional competences, foster innovative thinking and achieve a better work-life balance.	<ul style="list-style-type: none"> ■ Stability in communication and a harmonious relationship between employer and employees ■ A healthy organizational climate ■ Development of a diverse pool of talents with autonomy by offering competitive wages, incentives and a comprehensive benefit mechanism ■ A comprehensive retirement system ■ Workplace health and safety system ■ Work and life balance ■ More like-minded employees and a higher retention rate ■ Legal compliance 	

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Customers			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
Customers are a key driver for company operations. Creation of an ethical image and a green brand for the company by offering professional, energy-efficient, sustainable, safe, and compliant eco buildings as benchmarks.	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official website [Timely] ■ Social media [Timely] ■ Business activities [Ad-hoc] ■ Customer service hotline and mailbox [Timely] 		<ul style="list-style-type: none"> ■ Service Quality and Customer Rights ■ Legal Compliance ■ Ethics and Integrity ■ Corporate Image/Brand Management ■ Innovative Technology and Services
	Results of Consensus	Response Methods and Results	Responsive Feedback
	Collection of customer feedback and expectations through various channels, including customer mailboxes, dedicated phone lines, and community service engagements in order to stay informed about customer needs and preferences. At present, a significant portion of the feedback received is inquiries about development projects.	Utilization of digital innovation, such as BIM and information-sharing platforms to achieve design and space optimization, while avoiding construction errors and improving customer satisfaction. Prioritization of the 10 requirements of service quality to ensure that customer needs are met.	<ul style="list-style-type: none"> ■ Innovative technology and service ■ Continued improvements in service quality with consideration of customers' rights at all times ■ Full and comprehensive disclosure of product information ■ Legal compliance ■ Creation of an ethical corporate image and a green brand

Community			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
Real estate development goes beyond land and buildings, and it should benefit neighboring areas and communities, contribute to environmental protection, social responsibility and economic growth and drive the local development of sustainability.	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official Sinyi Website [Timely] ■ Social media [Timely] ■ Industry-academia-government conferences ■ Public hearings on regulations, policy symposiums [Ad-hoc] ■ Press releases, press conferences [Ad-hoc] ■ Community Building [Ad-hoc] 		<ul style="list-style-type: none"> ■ Community Building ■ Legal Compliance ■ Ethics and Integrity
	Results of Consensus	Response Methods and Results	Responsive Feedback
Through OUR-Space community-building experience center, community construction services for projects, and organizing various industry-government-academia-research seminars, we collect opinions from the public, confirm societal expectations, and formulate appropriate response strategies.	Sinyi Development organizes a diverse range of community-building activities to promote its business philosophy of creating green communities. This strengthens the close-knit connection between communities and neighborhoods and therefore continuously makes positive contributions to the growth and positive impacts.	<ul style="list-style-type: none"> ■ A diverse range of community-building activities ■ Legal compliance ■ Creation of an ethical corporate image and a green brand 	

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Shareholders			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
<p>A strong emphasis on gathering and valuing shareholders' opinions and feedback, and providing timely responses with relevant and transparent information.</p>	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official website [Timely] ■ Annual General Meeting [May of each year] ■ Total Ethical Management Committee [Monthly] ■ Annual targets, implementation/policy meetings and budgetary planning [Annual] ■ Performance review meetings [Quarterly] 		<ul style="list-style-type: none"> ■ Operating Performance ■ Risk Control ■ Audit Mechanisms ■ Ethics and Integrity ■ Legal Compliance ■ Continuity of Operations
	Results of Consensus	Response Methods and Results	Responsive Feedback
	<p>Sinyi Development, as a subsidiary fully owned by the parent company, occasionally requires bank loans. Therefore, we actively collect feedback from both the Sinyi Group and banks, in order to strengthen our corporate governance.</p>	<p>Sinyi Development actively participates in regular meetings convened by the Parent, to confirm corporate governance, operational performance and results. Simultaneously, we consistently communicate with banks on issues of environmental protection, social responsibility, and governance matters, aiming to enhance our sustainable development strategies.</p>	<ul style="list-style-type: none"> ■ Stable and profitable operation and performance ■ Enhancement of the Board structure, functioning and accountability ■ Comprehensive risk control and a robust audit mechanism ■ Legal compliance ■ Creation of an ethical corporate image and a green brand ■ Definite, feasible and continuously optimized strategy for sustainable development

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- V. Management Approach and Short-, Mid- and Long-term Plan

Suppliers			
Strategy	Engagement Means and Methods [Frequency]		Issues of Concern
Suppliers are important partners. Alignment of our business philosophies with their, fostering mutual support, cooperation, and encouragement to promote the creation of low-carbon and green buildings. By working together, we aim to achieve our net-zero goal and ensure sustainable operation.	<ul style="list-style-type: none"> ■ Sustainability Report [Annually] ■ Official website [Timely] ■ Supplier impact assessment and risk survey [Annually] ■ Suppliers' management assessment [Ad-hoc] ■ Supplier site inspection [Annually] ■ Supplier propaganda meetings [Ad-hoc] 		<ul style="list-style-type: none"> ■ Green Procurement ■ Supplier Environmental Assessment ■ Supplier Social Assessment
	Results of Consensus	Response Methods and Results	Responsive Feedback
Integration of sustainability, low-carbon and green philosophy into our vendor selection procedures, supplier assessment and management mechanism. This involves utilizing a supplier self-assessment form, conducting regular meetings and implementing an inspection mechanism. Through these processes, we collect feedback, communicate, and interact with suppliers, aiming to establish a common ground for sustainable development.	We actively seek and select suitable suppliers, who would consider integrating buildings into the environmental development and design conditions (wind, sunshine, water and green space); and sign the Supplier Sustainability Terms. In addition, we strengthen our supplier assessment and management, such as management of energy consumption at construction sites, regular meetings and inspections. We aim to create a gradual momentum, establish a common ground for green and sustainable development, deliver high-quality projects and ultimately achieve net zero emissions.	<ul style="list-style-type: none"> ■ Seeking of like-minded suppliers with green competences ■ Signing the Supplier Sustainability Terms by suppliers ■ Strengthening of the supplier assessment and management mechanism 	

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V. Management Approach and Short-, Mid- and Long-term Plan

Aspect	Strategy	Management Approach	Short-term (2025)	Mid-term (2030)	Long-term (2050)	Response to Material Topics	Counter Mechanism and Management
Environmental	Towards organizational net zero emissions	Sinyi Development is moving towards organizational net zero emissions, and it identifies, analyzes, and responds to actual and potential impacts accordingly.	<ul style="list-style-type: none"> ■ 40% reduction in carbon emissions (Scopes 1+2) from Sinyi Development Headquarters. ■ Planning green electricity strategies and resource preparation. 	<ul style="list-style-type: none"> ■ 90% reduction in carbon emissions (Scopes 1+2) from Sinyi Development Headquarters. ■ 50% green electricity consumption. 	<ul style="list-style-type: none"> ■ Net zero carbon emissions ■ 100% green electricity consumption. 	<ul style="list-style-type: none"> ■ Climate Change Risks and Opportunities ■ Greenhouse Gas Emissions 	Climate Change
	Casting sustainable buildings	Mission statement: creation of buildings for future generations. Information collection, development and application of low-carbon materials, and E&M (electrical and mechanical) techniques to create green, energy-efficient, environmental-friendly, compliant, safe, and comfortable buildings, as a sustainable development strategy. This serves to identify, analyze and respond to actual and potential impacts.	<ul style="list-style-type: none"> ■ Introduce green building design and planning. ■ Punishment for violation of land or building regulations: 0 case ■ Land acquisition disputes: 0 case 	<ul style="list-style-type: none"> ■ 100% green buildings certification. ■ 100% sales from green buildings for development projects. ■ Punishment for violation of land or building regulations: 0 case ■ Land acquisition disputes: 0 case 	<ul style="list-style-type: none"> ■ 100% net-zero buildings. ■ 100% sales from net-zero buildings. ■ Punishment for violation of land or building regulations: 0 case ■ Land acquisition disputes: 0 case 	<ul style="list-style-type: none"> ■ Raw Material Usage Management ■ Land Use ■ Energy-Saving Design ■ Environmental Compliance ■ Greenhouse Gas Emissions ■ Innovative Technology and Services 	Optimization and innovation of environmental protection technology

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Aspect	Strategy	Management Approach	Short-term (2025)	Mid-term (2030)	Long-term (2050)	Response to Material Topics	Counter Mechanism and Management
Social	Create a friendly workplace, attract excellent talent	Sinyi Development maintains a robust compensation and benefits system, accompanied by a flexible training mechanism. This approach fosters trust between the company and its employees. Employees are considered the cornerstone of sustainable development and a common vision is shaped to attract outstanding talent and create a friendly workplace environment. Sinyi Development uses this approach as the guiding direction to identify, analyze and respond to actual and potential impacts accordingly.	<ul style="list-style-type: none"> ■ Turnover rate < 25% ■ Employee satisfaction > 4 ■ Occupational injury rate 0% ■ Health check completion rate 100% ■ Employee complaints resolution rate 100% 	<ul style="list-style-type: none"> ■ Turnover rate < 23% ■ Employee satisfaction > 4.2 ■ Occupational injury rate 0% ■ Health check completion rate 100% ■ Employee complaints resolution rate 100% 	<ul style="list-style-type: none"> ■ Turnover rate < 20% ■ Employee satisfaction > 4.5 ■ Occupational injury rate 0% ■ Health check completion rate 100% ■ Employee complaints resolution rate 100% 	<ul style="list-style-type: none"> ■ Organizational Identity and Retention ■ Organizational Climate ■ Remuneration and Benefits ■ Talent Cultivation 	Social
	Pursuit of service excellence	Sinyi Development is customer-oriented, and it continuously improves the self-requirement of service quality and aims to set a benchmark for the industry. Sinyi Development pursues excellence in service delivery, therefore it identifies, analyzes and responds to actual and potential impacts accordingly.	<ul style="list-style-type: none"> ■ Customer satisfaction > 90% ■ Consumer disputes arising from property quality concerns: 0 case 	<ul style="list-style-type: none"> ■ Customer satisfaction > 90% ■ Consumer disputes arising from property quality concerns : 0 case 	<ul style="list-style-type: none"> ■ Customer satisfaction > 90% ■ Consumer disputes arising from property quality concerns : 0 case 	<ul style="list-style-type: none"> ■ Service Quality and Customer Rights ■ Corporate Image/Brand Management ■ Innovative Technology and Services ■ Ethics and Integrity ■ Legal Compliance 	Social/ Technology optimization and innovation
	Building communities with co-prosperity	Sinyi Development actively fosters community-building related activities, nurturing a spirit of community co-prosperity and goodwill within the local communities and creating a community building atmosphere with a strong sense of local culture to achieve the goal of sustainable development. This serves as the guiding direction, and helps Sinyi Development identify, analyze and respond to actual and potential impacts accordingly.	<ul style="list-style-type: none"> ■ Assist development projects in establishing community-building beneficial associations 	<ul style="list-style-type: none"> ■ Assist development projects in establishing community-building beneficial associations 	<ul style="list-style-type: none"> ■ Assist development projects in establishing community-building beneficial associations 	<ul style="list-style-type: none"> ■ Community building ■ Ethics and integrity ■ Legal compliance 	Social

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Aspect	Strategy	Management Approach	Short-term (2025)	Mid-term (2030)	Long-term (2050)	Response to Material Topics	Counter Mechanism and Management
Governance	Towards sustainable business operation	Grounded in corporate ethics and guided by its founding principles of promoting humanistic value through innovating, Sinyi Development aims to set an example of excellence in service delivery. The company strides towards sustainable business operations with a resolute and down-to-earth attitude. Sinyi Development uses this direction as a compass to identify, analyze and respond to actual and potential impact accordingly.	<ul style="list-style-type: none"> ■ Maintenance of a profitable status ■ Punishment for violation of laws and regulations: 0 case ■ Confirmed complaints regarding violation of corporate ethics or business integrity: 0 case 	<ul style="list-style-type: none"> ■ Maintenance of a profitable status ■ Punishment for violation of laws and regulations: 0 case ■ Confirmed complaints regarding violation of corporate ethics or business integrity: 0 case 	<ul style="list-style-type: none"> ■ Maintenance of a profitable status ■ Punishment for violation of laws and regulations: 0 case ■ Confirmed complaints regarding violation of corporate ethics or business integrity: 0 case 	<ul style="list-style-type: none"> ■ Operating Performance ■ Risk Control ■ Audit Mechanisms ■ Ethics and Integrity ■ Legal Compliance ■ Continuity of Operations 	Governance
Suppliers	Cooperation for sustainability	Sinyi Development collaborates with suppliers to ensure alignment of values and mutual support as well as the development of low-carbon and green buildings that meet customers' quality expectations. Ultimately, the aim is to achieve net-zero emissions while working together. This serves to identify, analyze and respond to actual and potential impacts.	<ul style="list-style-type: none"> ■ Contract breach by suppliers: zero ■ Suppliers signing the Supplier Sustainability Terms: 100% 	<ul style="list-style-type: none"> ■ Contract breach by suppliers: zero ■ Suppliers signing the Supplier Sustainability Terms: 100% 	<ul style="list-style-type: none"> ■ Contract breach by suppliers: zero ■ Suppliers signing the Supplier Sustainability Terms: 100% 	<ul style="list-style-type: none"> ■ Green Procurement ■ Supplier Environmental Assessment ■ Supplier Social Assessment 	Supplier

Three. Corporate Profile

Sinyi Development was established in 1998 (formerly known as Da-Chia Construction, later rebranded as Sinyi Development), which is a wholly-owned subsidiary of Sinyi Realty. The company's headquarter is located in Taipei, Taiwan.

“ Our core founding objective is “to create buildings cast with goodwill that will be handed down for generations; where humanistic values flourish through innovation; and service is deeply cultivated to set an example; ultimately leading to a happy and harmonious life for all”. ”

Our corporate vision is to uphold corporate ethics and become a pioneering leader in lifestyle transformation.

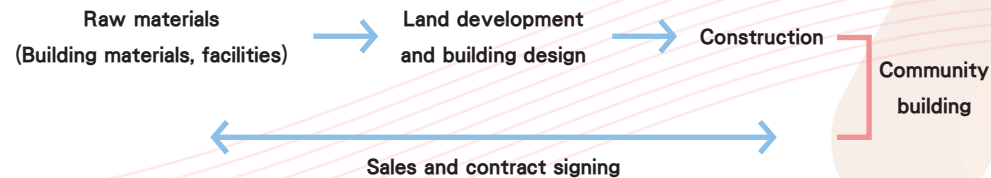
I. Business Model

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. The core businesses and activities in 2022 remained largely unchanged from 2021.

2. Value chain

Real estate development encompasses a comprehensive process, starting from sourcing raw materials such as building materials and facilities, to land development and building design, all the way through construction and project completion. On the customer side, the services that are offered during the sales and contract signing process, include providing traceability reports, conducting site visits, offering customer services, handling customer requests, performing inspections and providing warranty services. These services are complemented by unique community-building activities offered by Sinyi Development.



The value chain activities in 2022 remained largely consistent with those in 2021.

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3. Company image and brand management

“ To establish a corporate ethical image and shape a green brand reputation. ”

Anchored on a humanity-centric philosophy, Sinyi Development is dedicated to fulfilling its corporate social responsibility and aiming to become a world-class service company. By 2030, we endeavor to become an industry leader with best-in-class ESG practices, fostering co-prosperity and inclusivity within society. Sinyi Development is engaged in the real estate development industry, which is a sector with significant consumption of natural resources. Therefore, it is essential to prioritize ESG (Environmental, Social and Governance) issues. We strive to address the issues by pursuing various initiatives, such as reducing environmental ecological damage, energy consumption and greenhouse gas emissions. We aim to adopt low-carbon materials, construction techniques and facilities, and gradually implement the brand strategy for green buildings, low-carbon buildings and smart buildings. In addition, we are committed to conducting greenhouse gas inventory inspections and stepsibling a comprehensive database for all development projects, ultimately achieving the goal of net-zero emissions. Meanwhile, Sinyi Development seeks to create an ethical corporate image with features of being green, low-carbon, safe, comfortable, honest, compliant, digitalized, stabile, offering warranties, respecting human rights and labor rights, engaging in community building and fostering collaborative growth with partners. In the real estate development market, Sinyi Development has successfully become a prominent player in recent years through both traditional offline channels and online communication channels, including referrals and recommendations by existing and new friends and satisfied customers.

4. Commitment to sustainability issues

Sinyi Development evaluates and analyzes global trends, internal and external businesses and activities, and communication with stakeholders to incorporate the following sustainability commitments and exert a positive influence. Whist we pursue economic growth, we seek to harmonize the rights of all stakeholders from a broader and global perspective- the ESG (Environment, Social and Governance) framework, promoting sustainable innovation throughout the Sinyi value chain and creating a better and happier new life for everyone around us.

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) Sinyi Development continuously organizes and further promotes community building-related activities to cultivate the concept of shared goodness and positive intentions within the community, to foster a strong sense of local culture and community, and ultimately achieve the goal of sustainable development.
- (7) 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.
- (8) 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.

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II. Operational Performance

Management Policy: 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.

Sinyi Development lists its operational performance for the year 2022, with reference to the GRI Standards as shown in the table below. Compared to 2021, Sinyi Jiahe had started handing over properties by the end of 2022 and all 144 units were delivered by the end of February 2023, resulting in revenue generation. The fully sold “Jiapiin” project is expected to complete its handover by early 2025. As a pioneering leader in comparable projects in Taiwan, “Jiahe” collaborates closely with the New Taipei City Government and the Institute for Information Industry to introduce digitalized hardware and software for energy-efficient homes.

The future development highlights include a residential project in Fuduxin, Xinzhuang District, New Taipei City, which has obtained the construction permit. Sustainability elements will be integrated into the building design and the project is scheduled for launch in 2024. 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.

in NT\$1,000

Retained Economic Value			
Item	2022	2021	2020
Direct economic value			
Operating revenue	1,026,768	-	192,498
Non-operating net income	141	307	455
Economic value distributed (A)+(B)+(C)+(D)			
Operating costs (A)	771,056	-	170,620
Operating expenses (B)	161,815	169,859	182,407
Employee salaries and benefits	49,164	65,603	40,725
Community investment	587	20	10
Payments to funders (C)	31,691	20,122	19,794
Government transactions (D)	56,351	-	-
Retained economic value (Direct economic value - distributed economic value)	5,996	(189,674)	(179,868)

Note 1: Sinyi Development adopts a strategy of excellence. For projects that were fully sold in 2020 and under construction in 2021, therefore, no operating revenue was recognized in 2021.

Note 2: Only business income tax is listed for government transactions, and Sinyi Development did not have any income tax expenses for the years 2020 and 2021.

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III. Board Governance

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: "putting people first, justice before profits 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.

Chairman	Chun-Chi Chou/ Male Tenure: 3 years
Influence capacity on Sinyi Development	
<ul style="list-style-type: none"> ■ Operation ■ Products and Services ■ Sustainability Issues 	
Operational Business and Sustainability Responsibilities	
<ul style="list-style-type: none"> ■ Execute significant resolutions of the Board of Directors, review corporate management performance, and provide guidance to managers at the executive level. ■ Engage in the formulation of critical strategic initiatives and key events at Sinyi Development. ■ Lead Sinyi Development towards achieving the 2050 net-zero emissions target. 	
Stakeholder Representative	
Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development.	

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Director Chin-Hong Chen/ Male Tenure: 3 years

Influence capacity on Sinyi Development

- Operation
- Products and Services

Operational Business and Sustainability Responsibilities

- Hold the position of General Manager at Sinyi Development.
- Responsible for leading and executing the overall operational planning of Sinyi Development; supervising and facilitating the business operations of each department.
- Continue 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.
- Plan 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.
- Focus 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.

Stakeholder Representative

Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development.

Director Chih-Huan Chen/ Male Tenure: 3 years

Influence capacity on Sinyi Development

- Finance

Operational Business and Sustainability Responsibilities

- Provide professional advice on financial matters.

Stakeholder Representative

Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development.

Supervisor Chiu-Chin Lin/ Female Tenure: 3 years

Influence capacity on Sinyi Development

- Supervision

Operational Business and Sustainability Responsibilities

- Supervise the operational status of Sinyi Development and issue the Supervisor's Report.

Stakeholder Representative

Appointed by Sinyi Realty, which owns 100% shares of Sinyi Development.

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3. Professional development for Directors

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.

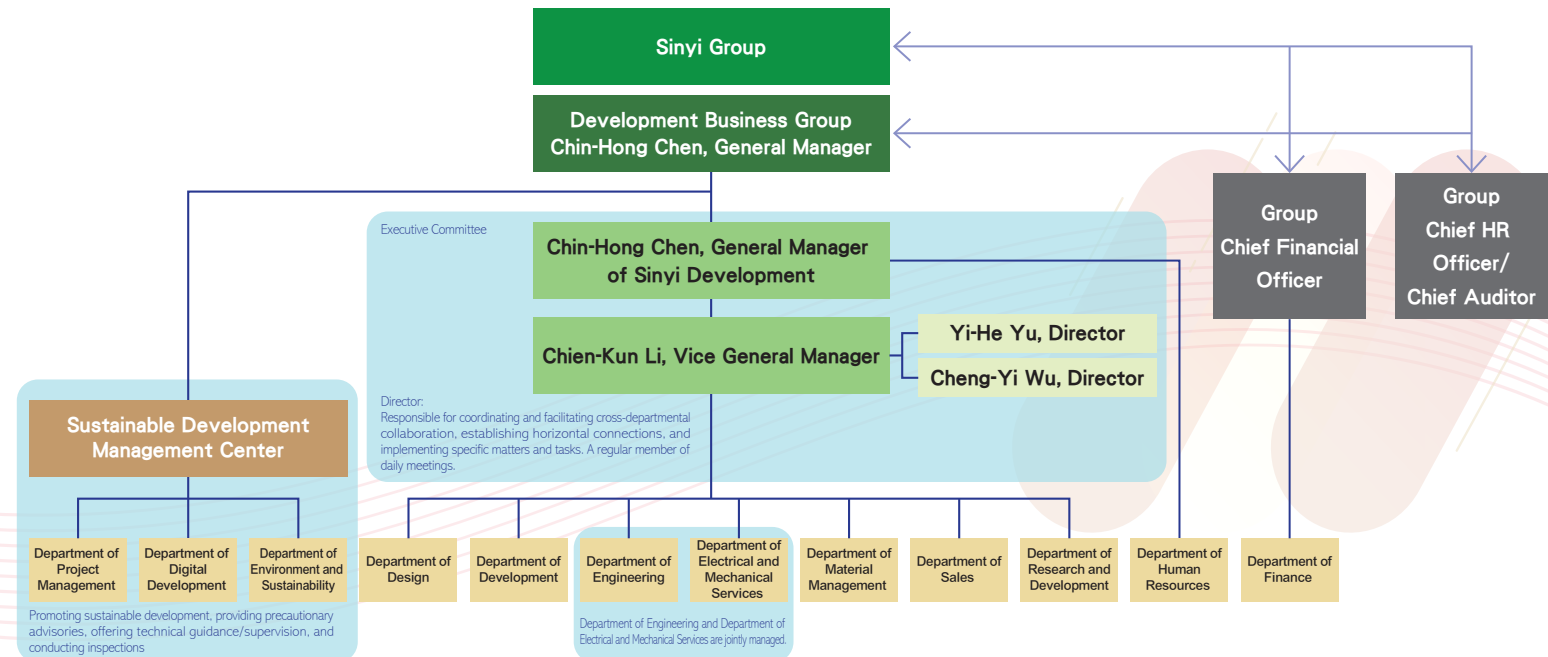
4. Mechanism of the Board's oversight of operational and sustainability issues

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.

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 (such as 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 Executive Team 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. Organizational Structure and Department Descriptions

" Sinyi Development's 2023 Organizational Chart "



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1. Executive Committee

The Executive Committee at Sinyi Development consists of the General Manager, one Vice General Manager, and two Directors. They are responsible for the business and supervision of various departments in accordance with Sinyi Development's internal operating practices. Sustainability-related issues are also gradually integrated with the company's operational business. Regular monthly meetings are held, where updates on operational status, progress of sustainability-related issues and performance results are reported to the Board of Directors in both written and oral forms.

In addition, periodic (quarterly/annual) review meetings are convened by Sinyi Group, where members of the Board of Directors at Sinyi Development are invited to attend. During these meetings, the Board members listen, evaluate, and confirm the Executive Committee's reports on operational status, progress of sustainability-related issues and performance results.

According to the Sinyi Group's remuneration policy and decision-making process, the operational status, progress of sustainability-related issues and performance results are linked to the Director and above levels and are further supplemented with annual individual performance bonuses. The roles and responsibilities of the Executive Committee members regarding operational business and sustainability-related issues are detailed in the table below.

Level	Roles and Responsibilities in Operational Business and Sustainable Development Issues
General Manager	(1) Responsible for the overall operational planning, leadership and execution of Sinyi Development, and supervising and driving the business operations of each department. (2) Promote "Sustainable Buildings" to foster environmental sustainability, and supervise the incorporation of appropriate green building and carbon footprint indicators in each project with considerations of land location, surrounding environment, area size, building design, construction materials and techniques. (3) Implement measures such as temporary water and electricity installations, waste sorting, dust control, and noise management to minimize the impact on the surrounding environment and residents, in line with ESG goals.
Vice General Manager	Responsible for supervising and coordinating the execution status of various departments to ensure the implementation of Sinyi Development's ESG goals, strategies and action plans. Regularly provide feedback to ensure that Sinyi Development effectively implements the planned initiatives according to the schedule.
Director	Two directors are responsible for the following: (1) Market research and investigation for the development projects, marketing planning, sales management, handover operations, customer service, overall planning of community building, promotion, and customer behavior analysis and research. (2) Drive energy-saving and carbon-reduction initiatives for the development projects, promoting demonstration cases of sustainable buildings, and integrating green building, carbon footprint and smart building concepts into building design and construction.

2. Role descriptions of each department

The descriptions of the operational business for each department at Sinyi Development can be found in the following table.

Department	Organizational Responsibilities
General Manager's Office	(1) Implement Sinyi Development's policies and action plans. (2) Supervise and coordinate the work of all departments, provide timely feedback and ensure the normal and smooth operation of all Sinyi Development's tasks.
Sustainable Development Management Center	(1) Belonging to Development Business Group. Implement Sinyi Development's sustainability policies and action plans. (2) Supervise, coordinate and inspect the Department of Environment and Sustainability, Department of Project Management and Department of Digital Development.

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Department	Organizational Responsibilities
Department of Environment and Sustainability	Lead the sustainable development of various departments within the company; supervise and encourage every department to integrate environmental sustainability into their operational activities; handle external relations and information disclosure related to sustainability issues.
Department of Project Management	<ol style="list-style-type: none"> (1) Facilitate communication on construction affairs and provide the necessary support for Department of Design, Department of Engineering, Department of Electrical and Mechanical Services and Department of Material Management. (2) Conduct regular site inspections and reviews. (3) Ensure and improve the project quality. (4) Conduct regular audits, track progress and report outcomes.
Department of Digital Development	<ol style="list-style-type: none"> (1) Integrate research and development, lead and implement digital operational models to reduce environmental impact and burden. <ol style="list-style-type: none"> (1) Produce BIM models. (2) Plan and develop technology application projects, collect and integrate new technology information
Department of Design	<ol style="list-style-type: none"> (1) Implement Sinyi Development's policies and action plans. (2) Supervise, coordinate, and inspect the implementation of the Department of Design and Department of Engineering. (3) Plan and design projects, review regulations, produce floor plans and area calculations. (4) Monitor the process of obtaining the building development permit from various government sectors. (5) Promote and review interior planning and design, integrate drawings and control operations.
Department of Engineering	<ol style="list-style-type: none"> (1) Supervise, manage, and coordinate the on-site construction and progress of general contractors and professional contractors. (2) Emphasize the supervision, spot checks and inspections of project quality. (3) Oversee and ensure on-site safety and hygiene.
Department of Electrical and Mechanical Services	<ol style="list-style-type: none"> (1) Supervise and promote the progress of on-site electrical and mechanical construction. (2) Manage mechanical and electrical equipment, check, and process pipeline drawings and change designs. (3) Emphasize the supervision, spot checks and inspections of the quality of electrical and mechanical services.
Department of Material Management	<ol style="list-style-type: none"> (1) Project procurement and contracting. (2) Budgeting, value engineering assessment, research and development. (3) Project quantity estimation and cost control.
Department of Development	<ol style="list-style-type: none"> (1) Feasibility assessment and analysis of development projects (urban renewal, joint ventures, buy-sell, or full service). (2) Investigation of land resources, real estate market demand, market prices and local market conditions.
Department of Sales	<ol style="list-style-type: none"> (1) Pre-project preparation, marketing planning, sales management, handover operations, customer service, and other related activities for development projects. (2) Overall planning and promotion of community development and community building activities.

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Department	Organizational Responsibilities
Department of Human Resources	(1) Planning and execution of human resources, general affairs, and administrative-related tasks. (2) Compile annual plans, budgets and weekly, monthly and quarterly reports (including meeting minutes).
Department of Research and Development	(1) Collect and analyze domestic and international real estate information, laws & regulations and industry trends. (2) Integrate and plan customer databases, customer behavior analysis and research.
Department of Finance	(1) Responsible for accounting and taxation matters. (2) Investment evaluation and management, budgeting, analysis, tracking, cost statistical analysis and operations management. (3) Responsible for fund management and financing planning.

The aforementioned departments of Sinyi Development carry out their respective business activities and operational processes in accordance with the guidelines of the internal operation procedures. They provide regular reports to the Board of Directors of Sinyi Development and participate in quarterly and annual review meetings convened by Sinyi Group to present progress and the performance results related to operational activities and sustainability issues. Environmental protection, social responsibility, and corporate governance-related issues have been gradually integrated with the company's operational activities. As a result, monthly regular meetings are held to present progress and performance to the Board of Directors through written and oral reports. An explanation of the main departments' operational activities and ESG-related responsibilities is listed below.

Executive Departments	Roles and Responsibilities in Operational Business and Sustainable Development Issues	Authorization Basis
Department of Finance	Responsible for finance and accounting matters, and negotiating with banks to sign sustainable linked loans.	Relevant regulations on financial management
Department of Engineering	(1) Occupational safety and health management. (2) Assist manufacturers in self-inspection and conducting inspections at construction sites. (3) Train and manage the safety habits and awareness of construction workers and engineers. (4) Strengthen inspections of potential safety risks at construction sites, such as fire prevention, preventing water accumulation to avoid electric shocks, clearing debris from external scaffolding to prevent falling objects, and controlling the consumption of alcoholic beverages.	Relevant regulations on construction management
Department of Project Management	(5) Manage and check on-site epidemic prevention measures. (6) Supervise project progress, conduct construction quality inspections and surveys to track and improve construction quality. (7) Develop temporary utility energy-saving plans.	
Department of Sales	(1) Handle customer-related services, organize construction site visits and briefings, and manage customer feedback, etc. (2) Organize community experience centers, community seminars or events, exclusive events for residents, and manage fan pages on social media.	Relevant regulations on business management
Department of Human Resources	(1) Recruitment and appointment of talent. (2) Employee care and welfare. (3) Arrange and organize educational training, including book clubs. (4) Conduct exit interviews to understand and analyze the reasons for leaving and implement preventive measures for improvement.	Relevant regulations on human resources

Four. Climate Change

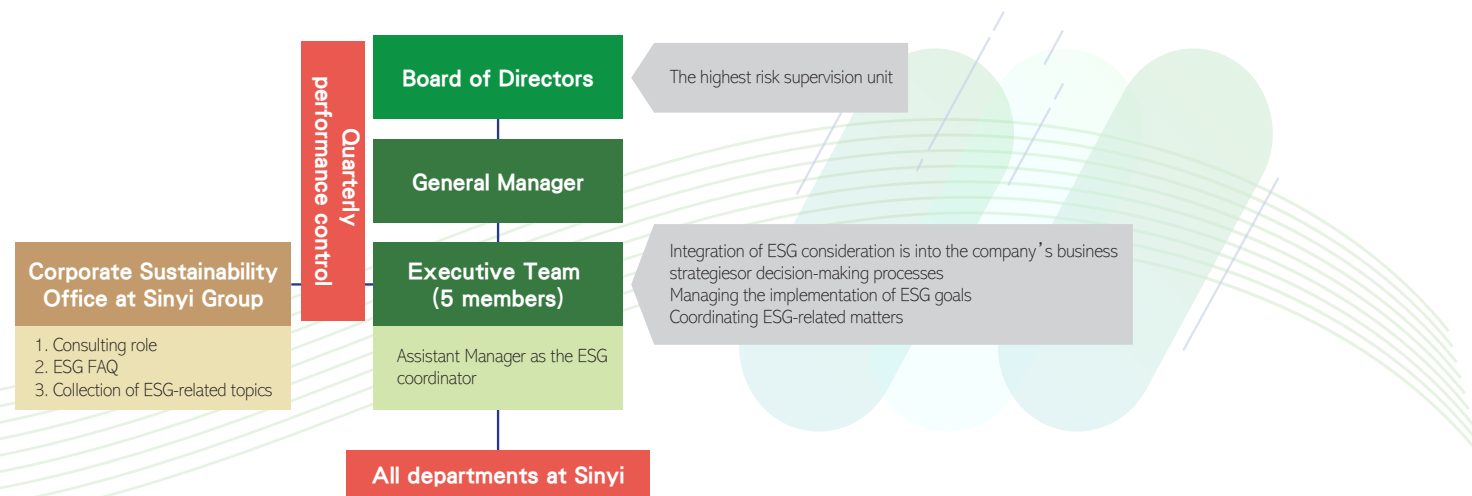
“
Sinyi Development is moving towards organizational net-zero emissions.
”
This involves identifying, analyzing, and responding to both actual and potential impacts.

Climate change has become a global issue, particularly with the proactive changes in domestic regulations and market dynamics. It presents Sinyi Development with unavoidable systemic risks. In the face of significant impacts on ecosystems, the environment, society, and humanity, it is essential to develop effective strategies to address these challenges.

Sinyi Development is engaged in the business and products of real estate development, which undeniably belongs to an industry with high GHG emissions. Consequently, we are proactive in the identification, formulation, and implementation of actions to mitigate climate change internally. Meanwhile, we strive to leverage our own influence to promote collaboration within the value chain, in order to respond to the risks and opportunities of climate change and continuously enhance the overall organizational resilience.

In response to this, Sinyi Development follows the methodology developed by the “Task Force on Climate-related Financial Disclosures (TCFD)” for climate change mitigation actions. The Board of Directors and senior executives direct operational strategies to drive the initiatives addressing the identified climate change risks and opportunities. They also monitor and supervise regularly through established objectives. Simultaneously, Sinyi Development enhances information transparency and actively responds to and anticipates mutual exchanges with all stakeholders, promoting sustainable operations.

I. Sinyi Development's Climate Governance



1. Climate change has become a significant issue that affects Sinyi Development's sustainable development. In response to this, a governance structure has been established with careful consideration, consisting of three levels, each responsible for different roles. A top-down management approach is adopted to ensure leadership and supervision effectiveness, while from bottom to top, it ensures implementation, progress reporting and obstacle feedback. The purpose is to achieve a management cycle of continuous improvements.

01 The Board of Directors serves as the highest-level governance body, ensuring effective oversight and resource allocation by listening to climate change action strategies and risk management measures at least once a year. They review content reports, address implementation challenges, and assess performance outcomes to effectively monitor progress and resource allocation.

In the event of a major crisis, Crisis Management Procedures will be triggered under the leadership of the Board of Directors. This is to address the operational impacts caused by climate change and to ensure the continuity of company operations.

02 General Manager and Executive Team

The Executive Team serves as the coordinating body, gathering climate change risks and opportunities identified by each department. They develop and promote climate change action strategies and risk management measures, confirm short-term, mid-term and long-term plans, and evaluate performance results. Through a performance evaluation mechanism, the Executive Team reports the implementation progress, challenges, and performance outcomes to the General Manager on a monthly basis. They also discuss and plan for climate change impacts to serve as references for business strategies or decisions. Furthermore, the Corporate Sustainability Office at Sinyi Group acts as the ESG consulting advisory body, as well as provides support as a coordination window for Sinyi Development's Executive Team.

03 Executive Team provides guidance to various departments, including Department of Environment and Sustainability, Department of Development, Department of Design, Department of Material Management, Department of Engineering, Department of Electrical and Mechanical Services, Department of Research and Development, Department of Sales, Department of Human Resources, Department of Project Management, and Department of Digital Development. They discuss and implement climate change action strategies and risk management measures, formulate short-term, mid-term and long-term plans and regularly report on performance results.

2. As a vital member of the Sinyi Group, Sinyi Development actively participates in the Total Ethical Management Committee (TEM Committee) within the Group, with representatives from the Board of Directors and senior executives attending regular meetings. During these meetings, they discuss climate change issues and gain insights to bring back to adjust the Sinyi Development's internal climate change strategies, risk management, indicators and objectives on a rolling basis.

II. Sinyi Development's Climate Strategy

1. Sinyi Development considers the recommendations provided by the TCFD and industry-specific guidelines as well as advice from the World Business Council for Sustainable Development (WBCSD). Sinyi Development conducts a thorough assessment of climate change risks and opportunities across its value chain and employs a scenario analysis to propose strategies and corresponding measures in response to these challenges.

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2. Based on professional expertise and experience, as well as considering the Group's net zero strategy and industry characteristics and referencing the identification results of climate change risks and opportunities in 2021, the General Manager and Executive Team at Sinyi Development regularly assess the level of impact and likelihood of occurrence (as defined in the table below) of all issues. These include risks such as "Increasing GHG emission pricing" and "Flooding" and opportunities related to "Participation in carbon trading markets".
3. Regarding the impact and response of Sinyi Development in the areas of Products & Services, Value Chain, and Business Operations, an explanation of the Value Chain Impact is provided in the context of climate risk impact and scenario analysis. The corresponding action plans and implementation measures for "Investment in R&D" and "Adaption and Mitigation Activities" are presented in "Overall Response Strategy and Risk Management Measures" with an analysis of climate risk impact and scenarios. As for "Acquisitions or Disinvestments" and "Capital Sourcing", since Sinyi Development is 100% funded by Sinyi Group, the overall evaluation for these aspects is conducted by Sinyi Group. Therefore, Sinyi Development has not yet assessed these issues.

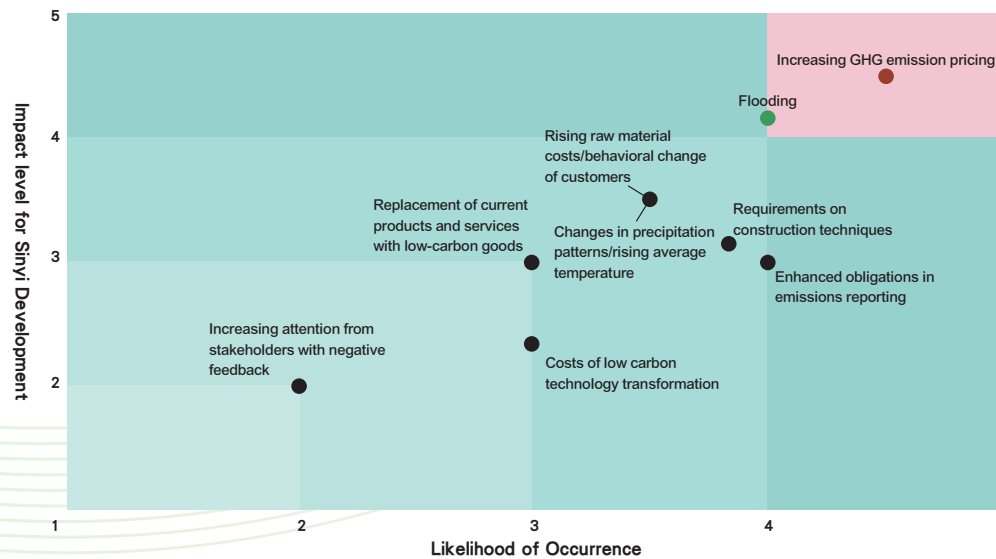
Sinyi Development Impact Level and Likelihood of Occurrence

Impact Level	Impact Level Description	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 <u>mandatory measures</u> by the government or <u>demands</u> from stakeholders (e.g., customers, investors, suppliers, and regulatory authorities). Examples:</p> <ol style="list-style-type: none"> 1. Risks: 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. 2. Opportunities: 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. 	<ol style="list-style-type: none"> 1. Sinyi Development's business operations frequently encounter a recurring issue or have become a common practice, with the occurrence of the issue exceeding ten times within a year. 2. The risk associated with the issue has not yet occurred, but the probability of the risk happening is over 80%.
High	<p>A climate-related issue has short-term impacts on Sinyi Development's operations due to legal requirements, regulations, or <u>mandatory measures (with a grace period)</u> by the government or <u>suggestions</u> from stakeholders (e.g., customers, investors, suppliers, and regulatory authorities). Examples:</p> <ol style="list-style-type: none"> 1. Risks: 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). 2. Opportunities: 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. 	<ol style="list-style-type: none"> 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) 2. The risk associated with the issue has not yet occurred, but the probability of the risk happening is 61%-80%.

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Medium	<p>A climate-related issue has long-term impacts on Sinyi Development's operations due to regulatory <u>guidance</u> or <u>government policies (non-mandatory)</u>, or <u>discussions</u> with stakeholders (e.g., customers, investors, suppliers, and competent authorities).</p> <p>Examples:</p> <ol style="list-style-type: none"> Risks: 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). Opportunities: 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. 	<ol style="list-style-type: none"> 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) The risk associated with the issue has not yet occurred, but the probability of the risk happening is 41%-60%.
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 deploy, and promote appropriate measures to address the climate-related issue does not cause significant impacts on Sinyi Development's business in terms of risks (e.g., economic losses) or opportunities (i.e., profitability).</p>	<ol style="list-style-type: none"> 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) The risk associated with the issue has not yet occurred, but the probability of the risk happening is 11%-40%.
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"> Sinyi Development's business operations barely encounter a recurring issue, with the occurrence of the issue 0 to 1 time within a year. The risk associated with the issue has not yet occurred, but the probability of the risk happening is below 10%.

Climate Risks Identification Results 1



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Climate Risk Impact & Scenario Analysis and Response Strategies 1

Increasing GHG Emission Pricing		
Scenario Analysis/Reference Scenario		<p>Carbon tariffs continue 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.</p> <p>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>
Value Chain Impacts	Raw Materials	<p>Short-term and mid-term risks: 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>Long-term risks: 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>
	Development & Design	<p>Short-term and mid-term risks: 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>Long-term risks: 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>
	Construction	<p>Short-term and mid-term risks: 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, the operating costs are also affected, leading to a rise in housing prices.</p> <p>Long-term risks: 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>
Impact Level (including financial) and Likelihood of Occurrence		<p>A. Impact level: Estimated to be around NT\$100 million.</p> <p>B. Likelihood of occurrence: High to very high.</p>

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Increasing GHG Emission Pricing	
Response Strategies and Risk Management Measures	<p>Short-term and mid-term response strategies:</p> <p>A. Sinyi Development continues to collaborate with Low Carbon Building Alliance, actively collect information on low-carbon materials, E&M and construction techniques and promote their use in development, design and construction.</p> <p>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.</p> <p>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.</p> <p>D. Sinyi Development continuously procures competitive renewable energy sources. We purchase carbon credits for unavoidable GHG emissions.</p> <p>E. Sinyi Development strives to align the value chain of raw materials, development & design and construction with low-carbon priorities in our decision-making and expenditure.</p> <p>F. Sinyi Development actively collects information on carbon offsets and selects high-quality sites to participate in carbon offset activities.</p> <p>Long-term responding strategies:</p> <p>A. Sinyi Development continuously optimizes the carbon tariffs, GHG emission quotas and carbon pricing analysis strategies across the value chain, as well as enhance GHG reduction plans.</p> <p>B. Sinyi Development continuously procures competitive renewable energy sources and purchases carbon credits for unavoidable GHG emissions.</p> <p>C. Sinyi Development selects a variety of low-carbon materials, E&M and construction techniques for green buildings and even net-zero buildings as part of Sinyi Development's brand strategy, to create market differentiation.</p> <p>D. Sinyi Development actively collects information on carbon offset and selects high-quality sites to participate in carbon offset activities.</p>

Climate Risk Impact & Scenario Analysis and Response Strategies 1

Flooding	
Scenario Analysis/Reference Scenario	<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: 24.95°C and 5.76 mm/day in 2030 and 24.84°C and 5.36mm/day in 2050 (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform)</p>

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Flooding		
Value Chain Impacts	Raw Materials	<p>The impact level varies significantly at different stages of the project, including the raw materials, development & design (e.g., drainage facilities and sales revenue) and during the construction process (work stoppage days and restoration costs due to flooding).</p> <p>Short-term and mid-term risks:</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 change, resulting in increased operating costs and damage compensation, which are still considered manageable:</p> <ul style="list-style-type: none"> ■ Delay in raw materials inventory or procurement ■ Increased variability in development & design and actual construction, changes in raw materials or construction techniques ■ Instability at the construction site or neighboring areas ■ Potential impact on labor safety during the construction process ■ Delay in the estimated construction timelines
	Development & Design	<p>Long-term risks:</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"> ■ 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. ■ 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.
	Construction	
Impact Level (including financial) and Likelihood of Occurrence		<p>A. Impact level:</p> <p>Estimated to be between NT\$10 million and NT\$100 million.</p> <p>B. Likelihood of occurrence:</p> <p>Moderate likelihood of flooding caused by typhoons or heavy rainfall.</p>
Response Strategies and Risk Management Measures		<p>Short-term and mid-term response strategies:</p> <p>A. Sinyi Development establishes emergency plans and insurance arrangements.</p> <p>B. Sinyi Development builds flexibility and resilience by diversifying the supplier portfolio.</p> <p>C. Sinyi Development closely monitors weather forecasts to ensure safety at construction sites and adequate preparation.</p> <p>D. Sinyi Development implements ongoing professional training programs for employees and suppliers.</p> <p>Long-term response strategies:</p> <p>A. Sinyi Development maintains insurance coverage and policy conditions at the same level.</p> <p>B. Sinyi Development installs waterproof barriers and improves drainage systems in certain areas to address flood risk effectively.</p> <p>In future site selection, Sinyi Development considers integrating climate science and long-term forecasts to enhance the project's adaptability to climate events.</p>

Climate Risk Impact & Scenario Analysis and Response Strategies 1

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Flooding		
Scenario Analysis/Reference Scenario	<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 RCP8.5, the estimated temperature and precipitation trends are: 23.57°C and 3.73 mm/day in 2030 and 25.54°C and 6.34 mm/day in 2050 (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform)</p>	
Value Chain Impacts	Raw Materials	<p>The impact level varies significantly at different stages of the project, including the raw materials, development & design (e.g., drainage facilities and sales revenue) and during the construction process (work stoppage days and restoration costs due to flooding).</p> <p>Short-term and mid-term risks:</p> <p>The simulated conditions for temperature and precipitation indicate minimal difference and there is no significant impact on the scenario.</p> <p>A. 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.</p> <p>B. 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.</p>
	Development & Design	<p>Long-term risks:</p> <p>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> <p>A. 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 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.</p> <p>B. 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.</p> <p>C. 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.</p>
	Construction	<p>Based on the above, there may be the following impact scenarios across the value chain:</p> <p>A. Delay in raw materials inventory or procurement</p> <p>B. Increased variability in development & design and actual construction, changes in raw materials or construction techniques</p> <p>C. Instability at the construction sites or neighboring areas</p> <p>D. Potential impact on labor safety during the construction process</p> <p>E. Delay in the estimated construction timelines</p> <p>F. Potential project cancellation when the construction location deteriorates significantly, making construction difficult</p>

Climate Change

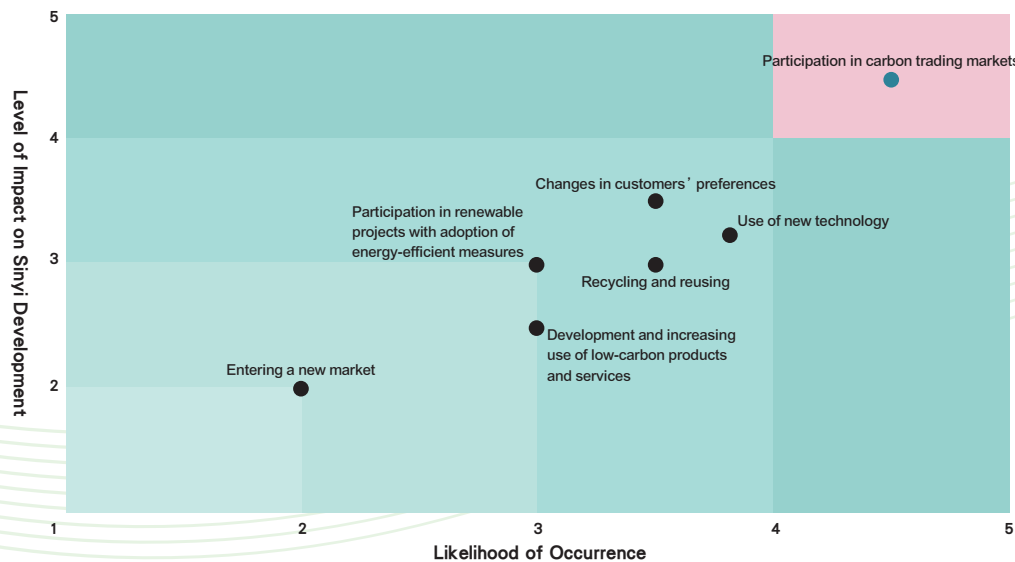
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Flooding	
Impact Level (including financial) and Likelihood of Occurrence	<p>A. Impact level: Estimated to be above NT\$100 million.</p> <p>B. Likelihood of occurrence: High likelihood of flooding caused by typhoons or heavy rainfall.</p>
Response Strategies and Risk Management Measures	<p>Short-term and mid-term response strategies:</p> <p>A. Sinyi Development collaborates with industry, government, academia and research institutions to share risk warnings, monitor intelligence and engage in communication.</p> <p>B. Sinyi Development installs waterproof barriers and improves drainage systems in certain areas to address flood risk effectively.</p> <p>C. Sinyi Development maintains insurance coverage and policy conditions at the same level.</p> <p>Long-term responding strategies</p> <p>A. Sinyi Development implements waterproof barriers and improves drainage systems throughout the area, and evaluates the possibility of elevating the base of the construction site.</p> <p>B. Sinyi Development collaborates with industry, government, academia, and research institutes to share risk warnings, monitor intelligence, and engage in communication.</p> <p>C. In future site selection, Sinyi Development considers integrating climate science and long-term forecasts to enhance the project's adaptability to climate events.</p> <p>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.</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.

Climate Opportunities Identification Results 2



Climate Risk Impact & Scenario Analysis and Response Strategies 2

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Participation In Carbon Trading Markets		
Scenario Analysis/Reference Scenario	<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 the “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>	
Value Chain Impacts	Raw Materials	<p>Short-term opportunities: Active use of low-carbon materials and participation in international carbon trading markets.</p> <p>Mid-term and long-term opportunities: Active involvement in carbon offset activities, increasing market share in carbon credit and striving for access to carbon trading markets.</p>
	Development & Design	<p>Mid-term and long-term opportunities:</p> <p>A. Proactive positioning for increasing market share in carbon credit, such as active involvement in carbon offset activities; acquisition of GHG emission quotas, to enhance the flexibility in project development and design.</p> <p>B. Seeing policy incentives in project development & design to obtain GHG emission quotas net-zero emission allowances.</p>
	Construction	<p>Mid-term and long-term opportunities:</p> <p>A. Proactive positioning for increasing market share in carbon credit, such as active involvement in carbon offset activities; acquisition of GHG emission quotas, to enhance the flexibility in project development and design.</p> <p>B. Focusing on green buildings or net-zero emission buildings as Sinyi Development's flagship branding strategy.</p>
Impact Level (including financial) and Likelihood of Occurrence	<p>A. Impact level: Each project is estimated to have an impact of above NT\$100 million or even a significant opportunity for business growth (continuous profit).</p> <p>B. Likelihood of occurrence: High to very high.</p>	
Response Strategies and Risk Management Measures	<p>Overall response strategies:</p> <p>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.</p> <p>B. Sinyi Development continues to collaborate with Low Carbon Building Alliance, actively collect information on low-carbon materials, E&M and construction techniques and promote their use in development, design and construction.</p> <p>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.

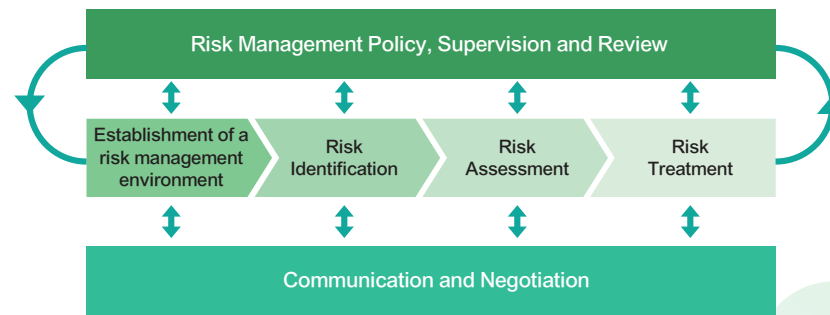
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III. Sinyi Development's Climate Risk Management

1. 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.
2. 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



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.

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IV. Sinyi Development's Climate Indicators and Goals


Unwavering Commitment Towards Net-Zero by 2050


**Adoption of green buildings and low-carbon buildings as the business strategy,
 Promotion of energy-saving and carbon reduction measures,
 For continuous responses to climate change.**

01 In response to climate change, Sinyi Development seizes transformative opportunities in the construction market, by proactively creating green, energy-efficient, environmentally friendly, compliant, safe and comfortable buildings. We also collaborate closely with other organizations to collect information on low-carbon materials, E&M and construction techniques and promote their applications in development, design and construction, mitigating the impacts of climate change. Additionally, we have initiated the carbon footprint inspection for our projects and continuously accumulated practical experience with specialized tools to refine our carbon inventory inspection approaches for development projects.

02 With meetings and assessments, the General Manager and Executive Team have incorporated climate change risks and opportunities into the regular reviews of climate change action strategies and risk management measures, as well as into the optimization of short-term, mid-term and long-term plans. They report the performance results to the Board of Directors, ensuring the implementation of climate change and sustainable development goals throughout the entire company.

03 The GHG emissions for Scope 1 and Scope 2 in 2022 for Sinyi Development are shown in the table below. Scope 1 emissions were reduced to zero in 2022 because the takeover development project for the headquarters building was completed in 2021, resulting in no GHG emissions from septic tanks in 2022. Scope 2 emissions decreased in 2022, mainly due to the remote work during the Covid-19 pandemic, resulting in a reduction in electricity consumption at the headquarters building and consequently less GHG emissions.

04 Highlight of green building and low-carbon building products:

(1) In alignment with the goal of implementing 100% green buildings for new development projects in 2023, starting from 2022, the Xinzhuang Fuduxin project has been planned to acquire labels and certificates for Green Building, Smart Building and Low-Carbon Building. Some building materials are used, which are certified as green labels and from suppliers that meet green standards. This is to further enhance our advantage in designing low-carbon products.

(2) The Xinzhuang Fuduxin project will apply for Green Building Labels in the second half of 2023, including the Diamond Label for Green Building, Diamond Label for Low-Carbon Building and Gold Label for Smart Building. The project will aim to meet standards in various aspects, such as location, transportation, site sustainability, water efficiency, energy and atmosphere, materials and resources, and indoor environment quality, and reduce the negative environmental impacts of building construction and operations.

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GHG Emissions			
Item	2021	2022	Unit
Scope 1	2.87	0	tCO ₂ e
Scope 2	34.23	27.52	tCO ₂ e
GHG Intensity	0.07	0.05	tCO ₂ e/floor area
Total	37.1	27.52	tCO ₂ e
Year-on-year change (increase or decrease)	-	25.8% (decrease)	-

Note 1: GHG emissions are calculated as:

$$\text{GHG Emissions} = \text{Energy Consumption} \times \text{Emission Factor} \times \text{GWP value.}$$

Note 2: Emission factors are based on the Table of GHG Emission Factors (Version 6.0.4) issued by the Environmental Protection Administration 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 0.509 kgCO₂e/kWh, based on the 2021 announcement by the Bureau of Energy, Ministry of Economic Affairs.

Note 5: GHG intensity (tCO₂e/floor area) is calculated to two decimal places as:

$$\text{GHG Intensity} = (\text{Scope 1 (direct) emissions} + \text{Scope 2 (indirect) emissions}) / \text{Total building floor area (including dedicated and common areas) of 500.64 m}^2.$$

Climate Risks and Opportunities Metrics and Goals

Climate risks		Increasing GHG emission pricing	Increasing GHG emission pricing
Climate opportunities		Participation in carbon trading markets	Participation in carbon trading markets
Goal	Disclosure	Transition risks Climate-related opportunities	GHG emissions Transition risks Climate-related opportunities
	Strategy	Use of renewable energy	GHG emissions management (Base year: 2021)
2022~2025 (short-term)		Planning green electricity strategies and resource preparation	40% reduction in GHG emissions (Scope 1 + Scope 2) at the Sinyi Group headquarters
2022 performance		Please refer to Section 2 "Towards Net-Zero Buildings" in Chapter V. Environmental Protection	25.8% reduction in GHG emissions (Scope 1 + Scope 2) at the Sinyi Group headquarters in 2022
2030 (mid-term)		100% green electricity consumption	90% reduction in GHG emissions (Scope 1 + Scope 2) at the Sinyi Group headquarters
2050 (long-term)		100% green electricity consumption	Net-zero emissions
Management measures		A. Continue to procure competitive renewable energy and purchase carbon credits for the remaining unavoidable GHG emissions. B. 40% reduction in GHG emissions (Scope 1 + Scope 2) at the Sinyi Group headquarters, due to remote work and online meetings, leading to a decrease in electricity consumption. C. 90% reduction in GHG emissions (Scope 1 + Scope 2) at the Sinyi Group headquarters, with 50% of electricity sourced from green energy, and remote work practices. D. Continues to support GHG inventory inspections and third-party verification for the Sinyi Group headquarters. E. Promote carbon footprint inspection for projects, accumulate practical experience, introduce specialized tools to enhance the methodology of carbon footprint inspection for development projects. F. Collect information on carbon offset, and select high-quality sites for participating in carbon offset activities. G. Please refer to Section 2 "Towards Net Zero Buildings" in Chapter V. Environmental Protection, for implementation details of GHG management and renewable energy.	

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Climate Risks and Opportunities Metrics and Goals

Climate risks		Increasing GHG emission pricing	Increasing GHG emission pricing and Flooding
Climate opportunities		Participation in carbon trading markets	Participation in carbon trading markets
Goal	Disclosure	Transition risks Climate-related opportunities	Transition risks Physical risks Climate-related opportunities
	Strategy	Low-carbon products and sales revenue	Green buildings
2022~2025 (short-term)		Preparation and planning for a low-carbon product portfolio	Incorporation of green building design & planning for all projects
2022 performance		In 2022, the Xinzhuang Fuduxin project has been selected for applying Green Building Label, including Diamond labels for Green Building and Low-Carbon Building and Gold Label for Smart Building. The certifications are expected for completion by 2023.	In 2022, the Xinzhuang Fuduxin project has been selected for applying Green Building Label, including Diamond labels for Green Building and Low-Carbon Building and Gold Label for Smart Building. The certifications are expected for completion by 2023.
2030 (mid-term)		100% sales revenue from green buildings	100% buildings certified as green buildings
2050 (long-term)		100% sales revenue from net-zero buildings	100% net-zero emission buildings
Management measures		A. Adopt a branding strategy on green buildings or even net-zero buildings in the construction market. The short-term goal is to prepare and plan for branding and project strategies. The mid-term goal is to promote green buildings in the construction market. The long-term goal is to create net-zero emission buildings. B. Continue to collaborate with Low Carbon Building Alliance; collect information on low-carbon materials, E&M and construction techniques and promote their use in development, design and construction. C. Prioritize selecting suppliers (e.g., contractors) that share common goals in sustainability and capabilities. D. Please refer to Chapter 2 "Towards Net-Zero Buildings" in Chapter V. Environmental Protection for implementation details of green buildings and low-carbon products.	

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1. Land ethics strategy

- 2. Land development risk assessment
- 3. Land Maintenance : Greenification and Water Retention

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- 1. Building raw materials, development and design
- 2. Fostering of green awareness
- 3. GHG inventory inspections
- 4. Green building construction techniques
- 5. Human-centric green approach

III. Promotion and achievements of green development

Five. Environmental Protection



Casting sustainable buildings



Aiming to create enduring buildings, actively collecting, developing and adopting low-carbon materials, E&M and construction techniques, Creating green, energy-efficient, environmental-friendly, compliant, safe and comfortable buildings as the strategy for sustainable development, which serves as the basis for identification, analysis and response to actual and potential impacts.

No.	Item	2021 Annual Goal	2021 Annual Performance
1	No. of cases penalized for violating land laws and regulations	0 case	0 case
2	No. of cases penalized for violating building laws and regulations	0 case	0 case
3	No. of land purchase disputes	0 case	0 case
4	GHG inventory inspection for development projects	1 case	1 case
5	Promoting energy-saving services for development projects independently or in cooperation	1 case	1 case

I. Land ethics based on symbiosis and inclusion

Sinyi Development values the relationship between the land and its surrounding environment in site selection. Real estate development is rooted in the land, carrying people’s lives. Our relationship with the land is so closely knitted and interdependent, particularly in Taiwan’s densely populated environment. This means the impact of development projects with their sites on the surrounding environment is intimate. Climate change and land environment protection issues such as flooding, heavy rainfall and environmental carrying capacity are critical to the safety of people and properties. Hence, we strive for symbiosis and inclusion between people and the land in our business strategy, working together towards sustainable development.

1. Land ethics strategy

Starting from the foundation of “land ethics”, we extend the ethical concepts to the “relationship between people and the land”, maintaining a humble spirit in land development and respecting an equitable attitude towards the surrounding environment. This approach involves a commitment to safety assessments, moving towards symbiosis and inclusion, and ultimately achieving the goal of sustainable development.

● Safety assessment

Sinyi Development conducts comprehensive investigations, evaluations and analysis for the development site selection. This involves various aspects, including soil condition, geology, the surrounding environment and regulatory requirements. The purpose is to lay a solid foundation for our projects, ensuring a high level of safety in the selection of raw materials, development, design and construction processes.

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● **Symbiosis and inclusion**

Land development goes beyond just the building construction site itself. It is a holistic concept where the site and its surrounding environment are closely interconnected and mutually influenced. Consequently, from development/design to the selection of raw materials and the construction process, we cover not only the building site but also its surrounding environment. Rigorous and comprehensive assessments are conducted, in terms of the environmental carrying capacity and the level of impact. By doing so, Sinyi Development aims to foster a symbiotic and inclusive relationship between the land, people, and ecosystems, and mutually constructive societal interactions.

● **Sustainable development**

The concept of land and its surrounding environment is not limited to the flat plane, it extends to three-dimensional space and even incorporates the dimension of time. In particular, climate change has become a material issue for the continued existence of companies, as it impacts both the present and future land conditions. Events, such as frequent flooding caused by typhoons and heavy rainfall, and the rising sea levels leading to the expansion of flood-prone areas, all pose great challenges to the land existence and intensify the competition in the real estate market. In response to these challenges, Sinyi Development upholds the principles of integrity and ethics in business practices. Recognizing that land development is not a one-time event, Sinyi Development takes responsibility for people, ecology, land and the surrounding environment. Sinyi Development considers sustainable development measures for site optimization, increasing green spaces, enhancing water retention and drainage, maintaining the surrounding environment, promoting community building and advocating for environmental protection and conserving the ecosystem. We disclose information transparently to customers, ensuring they are informed about the land they live on and the impact on the surrounding environment. The assessment of future risks and opportunities ensures moving together towards the goal of sustainable land development.

2. Land development risk assessment

The Department of Development at Sinyi Development gathers information related to the potential development sites, formulates land and development project development plans and conducts a thorough assessment of the current situation, including climate, soils, geology, surrounding environment and regulatory requirements. Once information is screened and consolidated, the department incorporates the historical and future timelines to access climate change, environmental carrying capacity and impact levels. The information along with the content of the cost-benefit analysis is then submitted for discussion and presentation to the management meetings and the General Manager. Subsequently, it is presented to the Board of Directors at Sinyi Development and the parent company's Board of Directors for review and decision-making.

Meanwhile, we adhere to land ethics and carry out regular inspections and risk assessments of the land and the surrounding environment during the procurement of raw materials, development, design and construction processes. Sinyi Development also reports on these activities at corporate performance meetings and implements risk adjustments to prevent negative impacts on the land and the surrounding environment. Sinyi Development takes on the responsibility of the sustainable development of the land and its surrounding environment, fulfilling its uncompressing commitment to environmental protection.



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3. Land Maintenance : Greenification and Water Retention

In order to maintain the land functions, Sinyi Development prevents the use of highly destructive or irreversible construction techniques. Hence, we adhere to two measures for construction sites: (1) site greening; and (2) water retention. This is to create the most ideal connections among the land, people, ecosystems and mutually constructive societal interactions.

● Site greening

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

Increasing the amount of greenery on the land greening not only contributes to improving the quality of life and also becomes a focal point for sustainable development. In particular, environmental issues such as urban heat island effects, air pollution, and biodiversity have gained prominence in recent years. In addition, proactive actions to address climate change risks have become imperative. These are the reasons and objectives for Sinyi Development to consistently incorporate site greening into its land development.

● Site water retention

In past projects, construction site development neglected the importance of natural soil layers for the sake of aesthetics or ease of maintenance. This resulted in the loss of the land's capability in water retention, significantly reducing its capability to support site greening and the latent heat capacity of evaporating water. As a result, the land cannot naturally regulate temperatures, aggravating the urban heat island effect. Additionally, in the previous rainwater drainage design, the focus was generally on swiftly directing rain water away from the site or channeling it into the public sewage system. However, the increasing impact of climate change has become more evident, events like typhoons or heavy rainfall have posed additional strain on the essential infrastructure (e.g., sewers systems and roadways), leading to frequent occurrences of flooding.

Sinyi Development starts with itself by emphasizing and promoting land symbiosis and inclusion throughout the process of introducing raw materials, land development and design and construction. This approach involves incorporating permeable design into the building site to maintain the land's water circulation capability. This supports site greening and helps regulate the ambient temperature of the surroundings, fulfilling the responsibility to contribute to the mitigation of urban heat island effects.

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II. Pursuit of net zero buildings

Sinyi Development seeks to create net zero buildings with a comprehensive four-pronged approach: building raw materials, development and design; accumulation of green awareness; GHG inventory inspections; building operation and maintenance with stakeholders. Through these aspects, Sinyi Development internalizes green concepts and integrates them with environment projects, aiming to create net-zero emissions buildings.

1. Building raw materials, development and design

Sinyi Development has joined the Low Carbon Building Alliance (LCBA) and actively collects information on low-carbon building materials, E&M, low-carbon construction techniques and environmentally protective landscapes. Meanwhile, we continue to accumulate practical experience and feedback to optimize the project development and design, aligning with the global low-carbon trend and ultimately achieving net-zero emissions goals.

Considering this, Sinyi Development has established five key principles of raw materials, development and design:

- 01 Utilize low-carbon or recyclable materials for project raw materials.
- 02 Incorporate native local tree species for site greening, and maintain biodiversity.
- 03 Prioritize locally sourced raw materials to reduce GHG emissions during transportation.
- 04 Seek collaboration with appropriate individuals and institutions to integrate building design with environment factors (e.g., wind, sunlight, water, and green spaces).
- 05 Ensure development designs for symbiosis and inclusion with the environment, going beyond the pursuit of green building certifications and genuinely integrating environmental characteristics.

2. Fostering of green awareness

The construction stage contributes to a significant amount of GHG emissions. In addition to integrating low-carbon construction techniques into development and design, Sinyi Development strives to initiate improvements in the details of daily construction activities, and consequently, green awareness is fostered. Sinyi Development believes that true progress starts with people willingly embracing green concepts and adopting changes of habit. Only by doing so can GHG emissions be effectively managed and ultimately sustainable development goals be achieved.

- 01 Management mechanism for energy consumption at construction sites: implement measures to manage equipment and tools such as low-energy equipment types or control of daytime usage hours.
- 02 Use of renewable energy or low-energy equipment/tools: Initiate the use of green electricity and low-energy equipment/tools at construction sites (such as LED lighting and variable-frequency water pumps, etc.)
- 03 Recycle and reuse equipment, tools or resources: recycle temporary electricity boards, and recycle waste materials; depending on the construction site conditions install rainwater harvesting systems for use in the construction site, such as toilet flushing, greenery irrigation, or dust suppression. In addition, promote a plan for the recycling of temporary water and electrical facilities, like proper maintenance and storage of equipment from the completed projects for use in new projects.

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3. GHG inventory inspections

Sinyi Development takes solid steps in developing low-carbon buildings by enhancing datasets and techniques. We have progressively initiated GHG inventory inspections for development projects. This involves calculating GHG emissions at various stages of the construction processes, collecting practical experiences and challenges from each project and continuously optimizing GHG inventory inspection methods and constructing a comprehensive database. Furthermore, Sinyi Development provides feedback on GHG control measures and reduction schemes, which consequently influences the application of low-carbon materials, E&M and construction techniques.

In 2022, Sinyi Development initiated a carbon footprint inspection program in order to achieve net-zero emissions in buildings in the future. Specific development projects were selected as the testing sites, we collect, compile, and construct a database of carbon footprint values for raw materials and waste. We aim to obtain LCBA dual certifications in green buildings and low-carbon buildings for future projects, establishing a market brand and societal commitment that Sinyi Development can proudly showcase.

4. Green building construction techniques

Sinyi Development has taken proactive steps in building development and design by initiating both independently and collaborating with third parties. It integrates green principles from the outset, starting with households to promote energy saving and carbon reduction. This not only assists end users in saving expenses and ensuring electricity safety considering the potential future rising electricity prices but also begins with the building development design itself and lays the foundation to ultimately achieve the goal of net-zero emissions buildings.

● Building green structures

- 01** Implementing lightweight structural solutions, for instance, the dry lightweight partition system not only reduces the usage of construction materials but also minimizes energy consumption and GHG emissions in the production process. Compared to brick-built structures, it also contributes to land protection and household safety, by significantly reducing the impact on the load-bearing capacity of the foundation and the impact of natural disasters (such as earthquakes), therefore decreasing potential harm to occupants.
- 02** Employing a well-balanced and symmetric design for the building layout, facade and cross-section through a rational and economical structural design. This contributes to reducing unnecessary weights from ornamental structural elements and effectively minimizing the usage of construction materials.
- 03** Maintenance needs are inevitable over the lifespan of a building. Therefore, Sinyi Development adopts strategies like visible exposed conduits for indoor electrical lines, water supply and drainage pipelines. This approach reduces energy consumption associated with maintenance activities, waste production and GHG emissions associated with the dismantling process.

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● **Smart green digitalization**

Sinyi Development spares no effort in innovating green construction techniques to align with the low-carbon trend. In 2022, a milestone was achieved through public-private cooperation with the New Taipei City Government and the Institute for Information Industry in promoting net zero buildings. We introduced a proactive smart control system within projects, incorporating active intelligent load decision-making tools with Artificial Intelligence technology. Through digitalized energy-saving software and hardware, households are equipped with smart CT and power sensors to collect energy consumption data from major home appliances (such as TV sets, air conditioners and washing machines). The data is transmitted to the backend for real-time energy consumption analysis. Occupants can access information anytime through an app, providing insights into energy consumption patterns, the condition of the appliances and even personalized electricity consumption prediction. Regular analysis reports and improvement suggestions are sent, helping residents to gradually modify their electricity usage behavior, hence controlling energy consumption and greenhouse gas emissions.

Moreover, smart meters are installed in the community's essential electricity systems and facilities. These smart meters collect and analyze energy consumption data and calculate the community's Energy Use Intensity (EUI), i.e., electricity consumption per square meter. This data is regularly provided to households and the community management committee for reference. Energy visualization reveals energy consumption patterns, accomplishing not only energy saving but also real-time anomaly detection. This encourages and actively assists the communities in adopting energy-efficiency practices. Meanwhile, it is critical to protect household data security when using smart and digital technologies and development in the IoT (Internet of Things) era. In particular, the public awareness of personal data protection grows, and information security becomes paramount. Therefore, any technology employed, including hardware, software, backend systems, apps and even network data transmission will be rooted in obtaining household consent and complying with regulatory requirements. The purpose is to ensure personal data protection and information security issues are addressed properly, safeguarding the rights and interests of households.

● **Greening of water consumption**

The assessment of building water consumption is a significant challenge, particularly in evaluating rainwater recycling and reusing, and actively implementing water-saving equipment to enhance the water-saving rate. Sinyi Development adopts two green measures as follows in project designs:

01 Design of water-saving equipment:

A national survey on residential tap water usage indicates that toilet and bathroom usage accounts for 50% of the total household water consumption. Sinyi Development considers the evaluation of water-saving benefits in order to achieve daily water conservation goals.

02 Deployment of greywater systems and rainwater harvesting facilities:

Collecting domestic wastewater and treating it to achieve a certain standard appropriate for purposes like toilet flushing, and landscape irrigation and maintenance. Meanwhile, with the installation of rainwater harvesting systems within the community, rainwater is captured and stored and after basic purification and treatment, the water can be used for public amenities and gardening maintenance. This approach reduces water regional and overall building water consumption, achieving water conservation at its source.

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● **Green energy efficiency**

Given the building’s intended lifespan of at least 50 years, the cumulative energy consumption from electrical appliances contributes to a significant portion of the overall energy consumption. Therefore, Sinyi Development employs green energy efficiency measures to reduce energy consumption including:

- 01** Low-E glass for west-facing façade
- 02** LED lighting equipment
- 03** Energy recovery system for elevators
- 04** Water-saving devices
- 05** Variable-Frequency Drive motors for electrical appliances
- 06** Building automation (BA) sensors for lighting control in public areas

Moreover, a comprehensive system is in place to monitor and adjust the electricity consumption in common areas, allowing the community to self-regulate their power usage behavior. Aspects such as the operating hours of parking garage and ventilation systems as well as the timing of electricity usage in common facilities are subject to optimization. All these measures aim to ensure that over the extended lifespan of the building, small energy-saving adjustments collectively contribute to a significant reduction in GHG emissions.

5. Human-centric green approach

Sinyi Development starts with ethics, believing that a true transformation in environmental protection can only be achieved by putting people at the center and embracing the green concept willingly and wholeheartedly in our daily lives. This fundamental change in our society’s perspective is critical to achieving our net-zero emissions goal.

● **Customers:**

We showcase the full extent of our green concept from various aspects, starting from the choice of raw materials, development design, and construction techniques. We align with low-carbon approach, including building structures, smart digitalization, water resource management, energy conservation and even future building maintenance.

● **Community building:**

We strive to embed the concepts and practices of energy saving and the net-zero goal deeply in the hearts of the communities, fostering their growth and support and together we move towards the goals of sustainable development.

● **Suppliers:**

We aim to guide our collaborating partners towards the goals of low-carbon buildings and achieving net-zero emissions with a win-win partnership, through the process of supplier selection, construction process, training and education, site visits and regular inspections and assessments.

● **Employees:**

We foster a sense of environmental awareness through continuous advocacy and promotion of environmental protection in daily work. We integrate green concepts into our business activities and operating procedures to seek alignment among employees and extend beyond mere external behavior to internal commitment, ultimately fostering a sustainable mindset that becomes an integral part of our daily routines and habits.

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III. Promotion and achievements of green development

Sinyi Jiapin strives to reduce GHG emissions not only by using low-carbon raw materials but also by implementing green construction techniques in terms of building structures, water resource management and energy saving. It takes a pioneering role in the market by incorporating smart and digital solutions directly into the project, achieving impressive results with efficient efforts.

Moreover, Sinyi Development is featured with “Building Information Modelling (BIM)”, “community building activities” and “project progress portfolio”, and other technologies and initiatives. BIM involves digital construction of the building in advance, effectively reducing energy and resource waste during the stages such as material selection, development, design to construction. Community building involves hosting community events and activities during the presale phase, raising awareness of energy conservation and net zero emissions, and gaining customer recognition and active participation. The project progress portfolio is to transparently disclose information to customers in a full and transparent manner covering all aspects of construction, including raw materials, construction techniques, site conditions and construction process. This demonstrates our core values of “putting people first, justice before profits and positive thinking” and our unwavering commitment to green construction techniques, energy saving and low carbon.

Sinyi Development will continue to lead the market with its subsequent development projects, aiming to set an example and introduce energy-efficient and low-carbon building concepts into new development nationwide. Among them, the ongoing Xinzhuang Fuduxin project is currently in the development and design phase and aims to achieve the dual Diamond certification of Green Building and Low Carbon by LCBA.



Project name: Sinyi Jiapin

Site name:

Yiwen 1st Street, Bancheng Road, Yiwen Street, Banqiao District.

Sales status:

A total of 114 units

Water resource area:

Not located in areas with extremely high or high water resource pressure

Digital innovation:

BIM (building information modeling); project progress portfolio

Site protection:

- Site greening
- Water conservation

Green construction techniques

- Building green structures
- Smart green digitalization
- Water resource conservation
- Energy-saving techniques
- A people-first green approach

Number of suppliers:

Nine



Project rendering

Note: The number of contractors changes according to project stages and construction timelines. Therefore, the calculation is based directly on the number of contractors considering the industry characteristics.



Social Responsibility - Employees

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Six. Social Responsibility - Employees

Create a friendly workplace, attract excellent talents:

“ Sinyi Development offers a comprehensive salary, reward and benefits system, accompanied by a flexible training mechanism. ”

This approach fosters mutual trust between the company and its employees. Employees are considered the cornerstone of sustainable development and a shared vision is shaped to attract outstanding talents and create a friendly workplace environment.

Sinyi Development uses this approach as the guiding direction to identify, analyze and respond to actual and potential impacts accordingly.

No.	Item	2022 Annual Goal	2022 Annual Performance
1	Employee Turnover Rate	20%	24.24%
2	Employee Satisfaction Rate	4	3.32
3	Injury Rate	0%	0%
4	Health Check Completion Rate	100%	84.2%
5	Employee Complaint Resolution Rate	100%	100%

Note 1: No. 1, shortfall is primarily due to the employees' career planning and a modified company strategy.

Note 2: No. 2, please refer to the Employee Satisfaction section for details.

Note 3: Please refer to the Occupational Safety and Health Management section for details on No. 3's Injury Rate.

Note 4: No. 4 Health Check Completion Rate is primarily determined by employees' self-assessment of their needs and willingness to schedule the check-ups, despite reminders and follow-ups.

I. The Cornerstone of Sustainable Development - Employees

The four major aspects of Sinyi Development's talent development policy:

- 01 Shape a shared vision and guide employees in their career development direction.**

Collaboratively shaping a clear vision and objectives, incorporating employees' goals into the company's vision, guiding their future career development direction, clarifying work values, establishing future goals and making continuous efforts.
- 02 Establish a leadership style and organizational culture that balances leniency and strictness.**

Managers set an example by constantly reflecting and improving themselves, fostering a mutual relationship of leniency and strictness, creating a friendly and interactive environment, and upholding a spirit of continuous improvement in pursuit of an excellent organizational culture.
- 03 Promote self-expectations as a driving force for personal growth.**

With our philosophy of "Only a diamond can cut another diamond", we expect managers to set a higher standard as a benchmark for the company. We encourage our employees to follow the principle of "choosing the path with great resistance" as a behavior guideline, continuously striving to surpass oneself, and inspiring employees to demonstrate a spirit of business responsibility in their work.
- 04 Build mutual trust and establish the foundation of management mechanisms.**

Sinyi Development has implemented various management mechanisms, aiming for information transparency, effective communication and demonstrating a spirit of fairness and consistency. This is accomplished within the two major frameworks of both human rights policies and legal compliance. A robust platform for communication and collaboration has been established; in order to create a win-win scenario for the organizational atmosphere, where "managers trust and empower their colleagues through guidance and authorization, and colleagues trust and respect their managers as leaders".

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1. Diversity of Employees

● Gender and Age Structure

Item	Senior Executives (Vice Presidents and Higher)		Managers (Departmental Managers)		Employees		Total	Item	Female	Male	Total
	Female	Male	Female	Male	Female	Male		Number of temporary employees	7	25	32
30 years old and below	0	0	0	0	3	5	8	Number of permanent employees	0	1	1
Percentage	0%	0%	0%	0%	50.00%	27.78%	24.24%	Number of full-time employees	7	26	33
31-50 years old (incl.)	0	0	0	3	3	13	19	Number of part-time employees	0	0	0
Percentage	0%	0%	0%	50.00%	50.00%	72.22%	57.58%	Note: These calculations were made on December 31, 2022. Note: There was no significant change in the total number of employees during the reporting period. Note: No employees with the non-working-hour guarantee.			
51 years old and above	0	2	1	3	0	0	6				
Percentage	0%	100%	100%	50.00%	0%	0%	18.18%				
Total number of people	0	2	1	6	6	18	33				

Note: These calculations were made on December 31, 2022.

Note: There was no significant change in the total number of employees during the reporting period.

● Education Level Structure

Based on the industry characteristics, approximately 50% of the employees at Sinyi Development are engineering-related professionals, and the education level structure is shown in the table below.

Item	2020		2021		2022	
	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Total headcount	38	100%	33	100%	33	100%
Below Bachelor's Degree	17	44.74%	7	21.21%	7	21.21%
Bachelor's Degree	8	21.05%	16	48.48%	18	54.55%
Master's Degree	12	31.58%	10	30.30%	8	24.24%
Ph.D. Degree	1	2.63%	0	0%	0	0%

Note 1: These calculations were made on December 31, 2022

Note 2: Below Bachelor's degree includes high school and vocational school degrees. Bachelor's Degree includes graduates from two-year (post-Associate's) and four-year programs.

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2. New Employee Hires and Employee Turnover

New hires are primarily male under 30 years old and the turnover rate is similar to the employee structure. Please refer to following table for new employee hires and employee turnover in 2022:

Item		New Employee Hires		Employee Turnover	
		Number of Employees	Percentage	Number of Employees	Percentage
Gender	Male	8	24.24%	8	24.24%
	Female	1	3.03%	0	0.00%
Age	30 and below	5	15.15%	1	3.03%
	31-50 (incl.)	3	9.09%	5	15.15%
	51 and above	1	3.03%	2	6.06%
Total Number		9	27.27%	8	24.24%
Total Number of Employees		33	n/a	33	n/a

Note: These calculations were made on December 31, 2022.

For new employees, in addition to the care program of the Department of Human Resources, the department managers will provide one-on-one assistance to help new employees integrate into the company's operations, and offer support and guidance to help them adapt to the workplace environment. Regarding departing employees, the company will ask the manager of the relevant hiring department, or the manager of the Department of Human Resources to conduct individual interviews with the departing employees to better understand the reasons for their departure. This information will be analyzed for statistical purposes, and appropriate improvement measures will be implemented based on the identified reasons for departure.

3. Talent Training

● Education and Training Planning

Sinyi Development values talent development and actively promotes a talent training plan. Based on the company's key strategic directions (e.g., ESG, green building initiatives, etc.), we organize annual training courses tailored to different job positions (managers, employees and new hires). We gather feedback through course satisfaction surveys and opinions to ensure that the training content meets the needs of our employees. The training curriculums include:

01 New Employee Orientation Program:

Prioritizing the development of new employees, we offer mandatory courses to help them become familiar with the company's environment, policies and systems. Our Department of Human Resources and department managers are actively engaged, providing continuous support, consultation and responses. Additionally, we arrange interactions with the General Manager to convey the company's core values.

- General introduction course (including company environment, policies, systems, etc.): 3 hours.
- Legal compliance courses (e.g., the Personal Data Protection Act and Trade Secrets Act): 3 hours.
- General Manager's management philosophy sharing: 1 hour.

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Corporate Governance

Suppliers

Appendix

02 Employees' General Introduction and Professional Courses:

- Company-wide business philosophy seminar: 2 hours
- Colleague professional courses: The professional courses of each department are determined and planned by the department managers based on the current business development directions (e.g., on-site instructions according to different project phases) and individualized learning and growth plan (e.g., site manager's occupational safety and health courses and other relevant professional courses).

03 Managerial Courses:

Managers play an important role in transmitting our core values. We provide a platform for ongoing learning and interaction for different managerial levels, through book clubs, discussion meetings and similar activities. The Corporate Ethics Office leads discussions involving managers at all levels based on the talent development policies of Sinyi Development to establish corresponding action plans for continuous and deepened talent development. Through these courses, we cultivate managerial skills and encourage mutual support among managers on colleague-related matters, ensuring a comprehensive care approach toward our employees.

- Book club for senior executives: 14 hours.
- General knowledge and exchange seminar for all managers: 6 hours.

The average training hours in 2022				
	Item	Group Size (A)	Total group training hours (B)	Average group hours (B/A)
Job Level	Employees (including new employees)	24	919	38.29
	Managers (Department Managers)	7	141	20.14
	Senior Executives (Vice General Manager and above)	2	21	10.5
Gender	Male	26	1,010	38.85
	Female	7	71	10.14
Total		33	1,081	32.76

Note: These statistics are based on the in-person/online courses as centrally planned by the company, excluding other arrangements made by department managers according to departmental plans and employees' personal learning and growth plans.

Sustainable Development Courses

In response to the implementation of GRI 2021 guidelines and in-depth research to TCFD to address the impacts of climate change, a total of six hours of courses were conducted for all managers in 2022, with each session lasting three hours. The sessions were also recorded and made available on the online course platform for all employees to access and review at any time.

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● Subsidy for Diverse Learning

Sinyi Development encourages employees to participate in external training and diverse learning activities. External training is eligible for a subsidy of up to 50% of the course fee per person per session. Statistics of the number of users for the other training resources are shown in the following table:

Item	2022	
	NT\$	Number of Users
Diverse Learning	71,145	56
External Training	43,850	5
Total	114,995	61

● Lifelong Learning

As for lifelong learning, Sinyi Development believes that lifelong learning is a voluntary and self-directed form of education, that promotes personal achievement and focuses on individual growth. It demonstrates the pursuit of professional learning and personal interests, enhancing self-sustainability and competitiveness. Therefore, in line with the strategy of Sinyi Group, Sinyi Development implements the “Sinfu Coin” mechanism and provides further education subsidies to cultivate more skills among employees, enabling them to adapt to the changes of the time.

4. Smooth Communication Channels

Sinyi Development values the opinions and sentiments of our employees regarding organizational development and various operations. In particular, Sinyi Group prioritizes integrity and ethics. To achieve this, we provide clear and diverse communication channels, and complaint mechanisms, such as dedicated hotlines for issues like sexual harassment, channels for addressing unequal treatment or discrimination (based on race, gender, belief, marital status, and nationality), and labor-management meetings. This framework establishes a healthy and ethical work environment. At the same time, we continuously promote an encouraging attitude to ensure that employees fully understand and are willing to use these communication channels and complaint mechanisms. This helps employees resolve issues related to their personal rights and interests, as well as unfair treatment in their work, enabling prompt handling of opinions and fostering a workplace with smooth communications.

Communication Channels

In addition to regular interview and conversation mechanisms to gather feedback from employees, we have also established a mailbox for the General Manager as a communication channel for employees. This serves as a means to contribute to Sinyi Development’s policies and management, offering reference and improvement directions. It enhances the cohesion among all employees. With an encouraging approach, we welcome employees to express suggestions, seek clarifications on operational uncertainties, or rectify improper behaviors.

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Complaint Mechanisms

Implementation guidelines for Mr. Chou's Mailbox.

Sinyi Group has set up the "Mr. Chou's (founder) Mailbox" and a communication platform to provides employees with an excellent communication channel. This facilitates two-way communication between employees and the management team, as well as the Board of Directors.

Labor-Management Meetings

- Although Sinyi Development does not have a labor union or collective agreement, we have established labor-management meetings. These meetings are held regularly each year to provide a platform for representatives from both labor and management to fully discuss and communicate matters related to employees' rights and interests, working environment, compensation, rewards and benefits.
- Two representatives from both the labor and management sides are designated. In 2022, the second term of the labour-employment meeting representatives was elected, and a meeting was held in December 2022. The discussed topics included flexible employees' benefits, construction site welfare, and departmental networking events. Theses meetings serve as a full and transparent means of communication, allowing a clear understanding of suggestions and opinions from employees. This information will be used as a reference for the company's future management decisions.

5. Employee Satisfaction Survey

Sinyi Development highly values feedback from employees regarding the company. This process greatly influences how Sinyi Development optimizes its talent policies and related regulation. Among the most critical measures taken is the annual employee satisfaction survey. This survey covers in total eleven aspects, including Value Recognition, Work Values, Behavioral Recognition, Work Enthusiasm, Work-Life Balance, Organizational Innovation, Business Strategy, Departmental Collaboration, Internal Communication, Incentive Mechanisms and Growth Needs. Participants rate each aspect on a scale of 0 to 5. The questionnaire response rate was 73% and the effective response rate was 67% in 2022. The overall assessment average score was 3.32. By conducting this comprehensive and complete survey, Sinyi Development quantifies scores and gathers qualitative feedback from employees. This approach helps Sinyi Development embody a spirit of continuous improvement, promptly incorporating employees' suggestions as it responds adequately to ensure sustainable development. This process ensures that employees can indeed feel they are growing alongside the company.

6. Compensation, Rewards, Performance and Promotion

● Compensation and Rewards System

As a wholly-owned subsidiary of Sinyi Realty Inc., Sinyi Development follows the compensation and rewards principles set forth by the Sinyi Group. Although there is no separate independent director or a compensation committee in place, nor external consultants for assessing the company's compensation and rewards system, Sinyi Development's compensation and rewards system is guided by three key principles. , These principles establish a clear management mechanism that managers and employees can follow and implement.

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01 Fair compensation and transparent promotion pathways

Sinyi Development has established the “Job Title and Salary Management Procedures”, which clearly outlines the procedures for employee compensation and promotion, as well as the competency requirements for various job levels. The company conducts a comprehensive internal salary review and adjustment in April each year.

Sinyi Development highly values the accumulation of professional experience and the company’s sustainable development. Through transparent promotion pathways and opportunities, we embrace the spirit of “no double yellow lines, always ready to overtake”. Sinyi Development thoroughly assesses the performance and potential of employees comprehensively, taking into account their professional abilities, educational backgrounds, daily performance, disciplinary records and market standards. Based on this assessment, we recommend and approve employees' job categories and levels, determining their salary rewards.

Moreover, we adhere to domestic laws, and international human rights policies, and do not discriminate based on race, gender, belief, marital status, or nationality. We ensure that every employee receives fair compensation that corresponds to their contributions to the company.

02 Sharing of business achievements

Through a case-by-case performance bonus system, Sinyi Development promotes the sharing of business achievements with employees, allowing employees to participate in and benefit from the company’s success. This approach not only motivates employees to contribute to the company’s growth but also enhances the cohesion of the company and reduces employee turnover rate. It serves as a means to attract more outstanding talented individuals to join our team.

Sinyi Development provides an annual bonus to all employees based on the business achievements of the respective year. This embodies the spirit of sharing company profits with employees.

● Performance Management

To ensure continuous growth among employees, Sinyi Development has implemented a comprehensive performance management system that goes beyond the training and lifelong learning mechanisms. This performance management system is designed to identify the abilities of our employees, assess their performance and match them with suitable roles, hence, facilitating ongoing breakthroughs and growth for the company. Sinyi Development has established a regular performance management system, where all employees participate in fair and consistent reviews and evaluations. Managers engage in regular performance goal-setting discussions with colleagues, collaboratively reviewing, reflecting on and improving performance. The annual performance results serve as crucial factors for employee promotions, salary adjustments, and bonuses.

Nevertheless, having a performance management system in place is not enough. Sinyi Development also allows managers at all levels to undergo comprehensive performance interviews and relevant assessment training. This ensures that managers can provide professional, logical and appropriate guidance to colleagues, offering work-related direction, encouragement, support, and career consultation. This approach assists employees in continuous self-improvement and personal growth.

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7. Benefits System

● Family Care Support

01 Parental Leave

Sinyi Development strictly adheres to relevant legal regulations concerning employees' applications and resumptions of unpaid parental leave. Up until December 2022, there has been one colleague who applied for an unpaid parental leave of four months and this colleague resumed work in December 2022.

Unpaid Parental Leave and Job Return to Work								
Category	Number of eligible colleagues for unpaid parental leave in the current year	Number of colleagues applied for unpaid parental leave in the current year	Number of colleagues expected to return to work in the current year (A)	Number of colleagues actually returned to work (B)	Return to work rate (B)/(A)	Number of colleagues returning to work after parental leave for over 12 months (C)	Number of colleagues actually returned to work after parental leave in the previous year (D)	Retention ratio (C)/(D)
Female	-	-	-	-	-	-	-	-
Male	2	1	1	1	100%	-	-	-

02 Incentives for Second Child Birth

In response to the government's policy promoting childbirth, Sinyi Development has implemented the "Incentives for Second Child Birth" program. Employees who have completed one year of employment and give birth to their second child or more are eligible for a reward of \$120,000 per child. Up until December 2022, a total of 2 employees have benefited from this incentive program.

● Employee Benefits

For all employees at Sinyi Development, in addition to the foundational insurance and leave benefits provided by the labor laws, such as labor insurance, national health insurance and various types of leave (personal, sick, maternity, prenatal checkup, paternity, menstrual, family care, quarantine/care leave, marriage, bereavement, work-related injury, special, and unpaid parental leave), Sinyi Development proactively provide and encourage employees to use the following additional benefit measures:

01 Provide professional massage therapists to employee stress-relief massages.

02 Group insurance: provide coverage up to \$5 million (\$10.5 million for on-site personnel), including Term Life Insurance, Accidental Injury Insurance, Accidental Medical Insurance, Hospitalization Medical Insurance, Burns and Scalds Insurance, Cancer Medical Insurance, and Occupational Accident Insurance; employee's family members are also eligible to participate at discounted rates on a voluntary basis.

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- 03** Assistance for employee marriage, bereavement, childbirth, hospitalization and emergency.
- 04** Association & Club subsidies.
- 05** Flexible benefits: Sinyi Development implements a flexible benefits system for all employees, aiming to enhance employee care through flexible planning and operation. This initiative is designed to promote a positive organizational atmosphere, enhance company identification and increase overall satisfaction among employees. It involves the issuance of a virtual currency called “Sinfu Coin”, with each employee receiving 10,000 coins annually. Additionally, various benefit categories are then divided into dimensions such as Learning and Growth, Health Maintenance, Family Care and Environmental Protection. Each Category has a weighted value (up to 1.5 times) so that employees can enjoy benefits based on their individual needs and annual plans.
- 06** Other benefits and subsidies, such as gym/sports centers, self-paid health checkup subsidy, childcare /long-term care, vaccine/epidemic prevention subsidies, health checkup subsidy for family members, festival gifts (vouchers) and birthday vouchers, etc., are summarized in the table below:

Gym/Sports Centers	NT\$ 63,046 Number of Users 33	Childcare/ Long-term Care	NT\$ 36,929 Number of Users 7	Dragon Boat Festival Gifts (Vouchers)	NT\$ 12,000 Number of Users 24
Self-Paid Health Checkup Subsidy	NT\$ 30,601 Number of Users 7	Self-Paid Group Insurance Add-on	NT\$ 1,440 Number of Users 1	Birthday Vouchers	NT\$ 11,000 Number of Users 11
Vaccine / Epidemic Prevention Subsidy	NT\$ 44,842 Number of Users 24	Uniform Subsidy	NT\$ 4,400 Number of Users 1	Total	NT\$ 254,458 Number of Users 132
Full-face Safety Helmet	NT\$ 37,400 Number of Users 8	Mid-Autumn Festival Gifts (Vouchers)	NT\$ 12,800 Number of Users 16		

Work-Life Balance

Sinyi Development has implemented the “Employee Assistance Program” (EAP). Through a dedicated hotline, employees can schedule individual counseling sessions with external professional consultants. The EPA offers assistance in addressing various issues, such as career, family, relationships, physical and mental stress, financial matters, and legal concerns. It aims to help employees navigate challenges and obstacles outside of work, ensuring their mental and emotional health, and promoting a balanced work-life environment. In addition, this benefit extends to employees’ family members, reflecting our commitment to taking care of their families and enabling employees to focus on their career development with peace of mind.

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● Improving Work Hours for Working Happily

01 Overtime management mechanism

Sinyi Development has established clear rules and regulations (attendance and leave management regulations and business travel management practices) for the scheduling and attendance of our employees. Our policies for attendance, leave and overtime are all in compliance with the relevant legal requirements. The overtime situation for employees complies with the relevant legal regulations. If extending working hours is necessary due to work requirements, the manager must obtain the consent of the employees involved and monthly overtime should not exceed 46 hours. Moreover, we coordinate with the results of annual health checkups to identify employees at high health risks. We provide health care and notify relevant managers to understand their work conditions, review their workload distribution and adjust the work tasks as needed.

02 Optimization of leave system

Each employee is entitled to one day of paid volunteer leave per year. We encourage employees to step out of their routines and engage in volunteer activities, experience the gratification of contributing to others and foster a cycle of kindness. Concerning special leave, we not only require managers to provide assistance to employees taking such leave but also address situations where special leave cannot be fully utilized. In such cases, the company offers employees three options, including “settlement of unused leave pay”, “carry over to the next year”, or “partial settlement and partial carry over”.

03 Flexible working hours system

■ Flexible working hours

In order to create a friendly workplace and assist employees in balancing their ongoing employment with family responsibilities, Sinyi Development has implemented a flexible working hours system for its employees. This provides employees the flexibility to adjust their commuting times within a certain time frame.

■ Shortened working hours

Due to special circumstances (e.g., for childcare, caring for family members, lifestyle changes, etc.), employees may apply for a shortened working hours arrangement based on their individual needs (including delayed start or early end of the daily working hours) to enable employees to achieve a better work-life balance.

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8. Retirement System

Employees who meet the statutory requirements for voluntary or mandatory retirement are eligible to apply for retirement at any time. The disbursement of retirement benefits follows the standards set forth in accordance with the Labor Standards Act of Taiwan and the Labor Pension Act. Sinyi Development established a Supervisory Committee for the Labor Pension Fund, in accordance with the Labor Standards Act, to effectively manage the allocation and disbursement of pension funds, and to make monthly retirement pension contributions to employees, in accordance with the Labor Pension Act.

● Retirement System under Labor Standards Act:

Sinyi Development allocates monthly retirement reserves based on the total salary of employees. These funds are fully reserved and stored in a dedicated “Company Retirement Fund Account” established with the Bank of Taiwan.

● Labor Pension Act:

The company deducts 6% of each employee’s monthly salary and contributes it to an individual retirement pension account set up by the Bureau of Labor Insurance. For those employees who voluntarily contribute to the retirement pension, the deduction is made according to their chosen contribution rate from their monthly salary and the funds are directly to their individual retirement pension account with the Bureau of Labor Insurance.

9. Occupational Safety and Health

Sinyi Development has established the following measures to provide comprehensive protection and care for employees in the aspect of occupational safety and health.

● Occupational Safety and Health Management

In order to enhance our occupational safety and health management system, Sinyi Development not only provides employee education and training but also offers accident and hospitalization medical insurance coverage. In order to alleviate potential liabilities from third-party injuries caused by our employees using motor vehicles for business purposes, we have also secured third-party liability insurance coverage for our employees. In addition, to encourage employees to wear full-face safety helmets, we have introduced a subsidy program to support their purchase since 2021.

To enhance the awareness of fire safety among employees reduce the occurrence of fires and minimize accidents caused by panic, we have established a self-defense firefighting team that conducts regular fire drills. However, due to the pandemic restrictions in the first half of 2022, only one fire drill was conducted in 2022 at the headquarters building.

In case of work-related injuries for employees, Sinyi Development provides statutory and actual condition-based work injury sick leave and assists in applying for compensation through labor insurance for occupational accidents. In 2022, there were no cases of occupational injuries or occupational diseases recognized by the Bureau of Labor Insurance.

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Number of Work-Related Injuries and Occupational Diseases in 2022		
Item	Work-Related Injuries	Occupational Diseases
Case	0 case	0 case
Number of Lost Work Days	0 days	0 days

Work Injury Rate for 2022		
Gender	Male	Female
Work Injury Rate	0%	0%

Note 1: Sinyi Development has a total number of 33 employees. Following the company's scale, 200,000 working hours are adopted, which differs from Sinyi Group's practice of using one million working hours.

Note 2: Calculations are based on the monthly reported number of occupational injuries and the number of lost work days to the Bureau of Labor Insurance.

2022 Lost Work Days Rate		
Year	2022	
Gender	Male	Female
Lost Days Ratio	0%	0%

Note 1: Lost days of work, as approved by the Bureau of Labor Insurance (i.e., from the 4th day of work injury to recovery)

Note 2: Lost Days Ratio (LDR, rounded to the nearest whole number) = (Number of lost days / total work hours) x 200,000

Note 3: Calculations are based on the monthly reported number of occupational injuries and the number of lost work days to the Bureau of Labor Insurance.

Health Management

Sinyi Development has established a “Wellness Health Management Center” and hired dedicated professional health management professionals to systematically care for the physical and mental health of our employees. This center provides immediate attention to employees’ physical and mental health. The services provided by the center include physical health checkups, psychological health assessments, and first aid training. The center also aims to strengthen workplace safety and health education, so as to reduce occupational hazards and achieve the goal of “zero occupational hazards in a healthy and happy workplace”. The main focus of the Wellness Health Management Center in 2022 was to take care of employees’ health and related matters during the COVID-19 pandemic. Health information was provided on the online platform and physical seminars were temporarily suspended.

Physical Health Checkup

- Free health checkups are offered for new employees upon entry.
- Employees are entitled to one free health checkup every two years. Employees aged 40 and above can have a free health checkup every year.
- Employees’ family members are eligible for discounts on the health checkup items covered by the company.

Mental Health Assessment

Through our health management system, Sinyi Development provides online health assessments for all employees at any time, and the results can then be shared with our health management professionals who provide relevant counseling information and appropriate assistance.

The completion rate of health checkups was **84.2%** in 2022, as some employees could not complete their health checkups in time due to the impact of the COVID-19 pandemic. We kindly ask all employees to prioritize completing their health checkups in 2023 to ensure the protection of their health rights and wellbeing.

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Six. Social Responsibility - Services and Customers



Pursuit of service excellence:



Sinyi Development places customers at the core and continuously improves its self-imposed standard for service quality.

We aim to set an industry benchmark by pursuing service excellence.

This pursuit guides our approach to identify, analyze and respond to actual and potential impacts accordingly.

Building communities with co-prosperity:

Sinyi Development actively fosters community-building related activities, nurturing a spirit of community co-prosperity and goodwill within the local communities and creating a community building atmosphere with strong sense of local culture to achieve the goal of sustainable development.

This serves as the guiding direction, and helps Sinyi Development identify, analyze and respond to actual and potential impacts accordingly.

No.	Item	2022 Annual Goal	2022 Annual Performance
1	Customer Satisfaction Rate	4.5	Goal attained
2	Consumer disputes related to property quality concerns	Nil	Nil
3	Community-building activities	10	21

I. Commitment to Service Quality

1. Project Progress Portfolio

Based on our founding philosophy, Sinyi Development adopts a comprehensive approach throughout the entire process of management and control of our services and products, which goes beyond what residents can visibly observe. Thus, Sinyi Development has introduced a distinctive Project Progress Portfolio, which is unique to the industry. The system ensures transparent disclosure of information regarding the building construction process, achieving a sense of security and trust among residents.

Material Traceability Management

Sinyi Development implements material and source traceability management with certificates of origin for building materials such as steel reinforcement materials, couplers, concrete (sand, stone, cement and other additives), aluminum windows, glass materials (with certificates of origin, and wind and rain test reports for glass and silicone), soundproofing materials (material traceability and onsite soundproofing inspection reports), fire doors, entrance doors, lightweight partition materials (including green building labels), ceiling materials (including green building labels), paint materials (including green building labels), waterproof materials used for water tanks (including toxic-free certificates), kitchen materials and bathroom vanity materials. Additionally, relevant quality inspection results are obtained based on the specific requirements of each material usage needs. Sinyi Development is dedicated to traceability management of building materials from their production sites to the factory and construction sites, ensuring that the quality of building materials meets the design requirements and standards.

Transparent Construction Inspection

Sinyi Development provides unit-based quality inspection reports for each household focusing on quality checks for building renovation. Such quality inspections include checks such as inspecting the filling of soundproofing cotton in lightweight partitions, conducting water leakage tests for bathroom waterproofing and for aluminum windows, inspecting waterproofing of construction joints and verifying the installation of soundproof pads. For the inspection of E&M works includes conducting water flow tests for indoor drainage pipes; water flow and pressure tests for water supply pipes; inspecting spaces with lightweight partitions for their pipework, indoor water supply and drainage systems; and strong and weak electrical systems. Sinyi Development provides inspection record photos for the abovementioned inspection items, and in some cases, supplemented with self-inspection forms. To meet customer expectations, we spare no efforts to excel in areas not visible to customers.

Online Monitoring System

Sinyi Development strives to provide customers with more transparent and convenient services. To achieve this, we have developed an online monitoring system, offering customers real-time monitoring features for showcasing our services. (<https://www.xinyikf.com.tw/service/supervise>)



The system has the following features:

01 Real-time monitoring:

Customers can access the real-time construction status of the construction site through the online monitoring system at any time. Even if they are unable to visit the site in person, they can stay updated on the latest progress of the construction work.

02 Image archiving:

The online monitoring system will automatically archive the onsite images so that customers can review the progress of the project at any time. This helps to ensure construction quality.

03 Transparency:

The entire construction process is open to the public, allowing customers to clearly understand the construction progress and quality. This demonstrates Sinyi Development’s commitment to ethics and integrity.

04 Online communication:

Customers can communicate with the construction team through the online monitoring system by raising questions or suggestions, fostering a good interactive and collaborative relationship between both parties.

05 Safety monitoring:

The online monitoring system enhances site safety by enabling real-time monitoring, which allows for the timely identification of potential safety hazards and prompt actions to prevent them.

Sinyi Development’s online monitoring system aims to provide customers with more effective and convenient services. This allows customers to access construction progress anytime, anywhere, ensuring construction quality and showcasing Sinyi Development’s integrity and professionalism.

● Structural Inspection

Sinyi Development also provides production traceability and relevant test reports for both building structural engineering and E&M structural engineering. The former includes inspection records of columns, walls, beams, and reinforcing steel, SGS deformed steel bars, concrete cylinder specimens and reinforcing steel bar couplers. The latter includes inspection of floor and wall piping, electrical engineering, plumbing and drainage works, and fire safety works.

Combining the project site construction status with graphic and textual information, inspection reports, and verification records allows residents to have a clear and thorough understanding of quality control and a complete structural safety certification framework.

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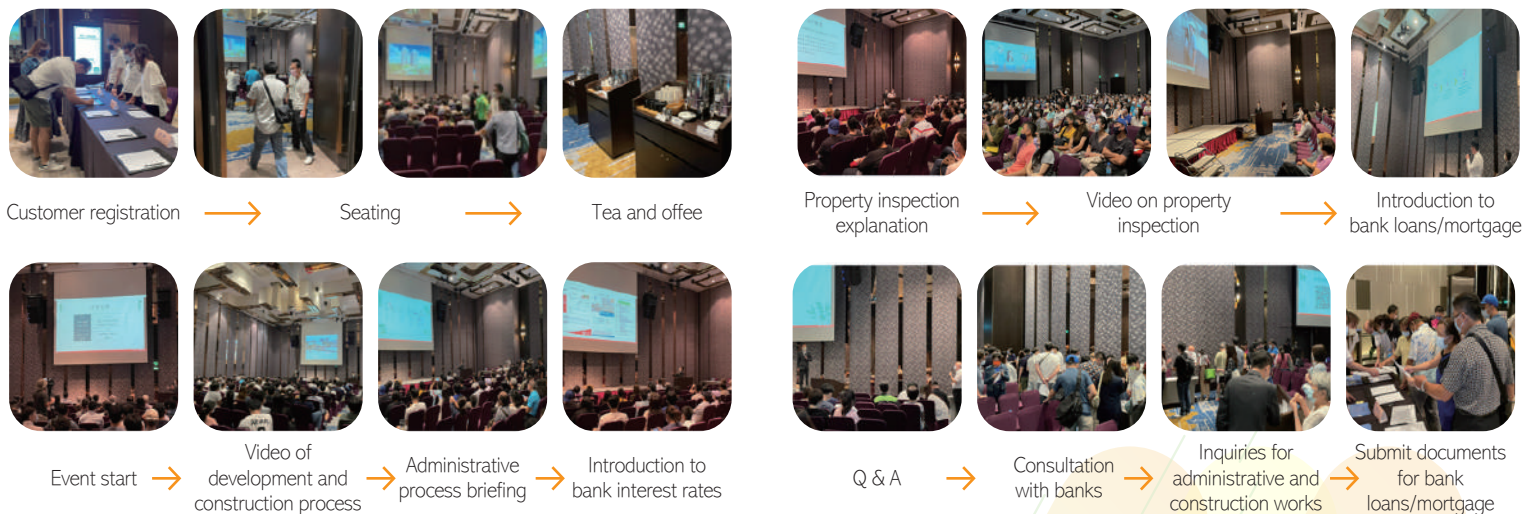
2. Customer Services

Sinyi Development offers 10 aspects of customer service to ensure service quality and a comprehensive, high-quality customer service experience before, during and after construction. In particular, we rigorously manage response timelines to each customer's inquiries and feedback and ensure the completeness and accuracy of the content, to avoid the occurrence of customer complaints.

● Full Communication

Depending on the progress status of each construction project, Sinyi Development will hold various informational meetings including a construction commencement briefing, a structural completion briefing, and a handover meeting. These meetings aim to fully and accurately communicate the progress of the construction project to customers and address any inquiries or concerns they may have.

Photos from Handover Meeting



● Site Visits

Sinyi Development emphasizes interaction and communication with customers. To ensure that customers better understand the construction quality and progress of the project, Sinyi Development invites customers to the site for key milestone events. The activities and purposes of these on-site visits are as follows:

- 01** Completion of tying of steel reinforcements for the ground floor slab: Customers can witness the building foundation structure during this stage and understand the quality of tied reinforcements. Meanwhile, Sinyi Development's professional team will be present to provide on-site explanations so that customers fully understand the structural safety and robustness of the building.

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- 02** Completion of beam raising: The completion of beam raising marks an important stage in the building's structure. Customers are invited to visit the site at this stage so that they can experience the height and the space of the building. Moreover, customers can inspect in person the quality of beams and columns, to ensure the durability and safety of the building while also monitoring the project progress.
- 03** Showroom: The showroom serves as a miniature representation of the buildings to allow customers to have a preview of their future living environment. Through on-site visits to the showroom, customers can personally experience the quality of building materials, interior design, and layout. They can also provide feedback and suggestions to Sinyi Development based on their preferences and needs.

Site visits not only allow customers to personally witness the construction process of the building but also enhance their trust and confidence in the construction quality. Furthermore, the valuable feedback from customers helps Sinyi Development to continuously improve and enhance the quality of construction works and ensure the satisfaction of customers.



Digitalized services

Sinyi Development recognizes the importance of digital technology and the internet in today's society. We strive for the development of digital services by offering customers convenient and efficient online information inquiries and services. In addition, this also enhances internal management efficiency, reduces labor costs and creates a win-win situation. Through digitalizing services, such as the online monitoring system, customers can monitor the construction progress anytime and anywhere, fulfilling their demands for real-time access to information access and service quality.

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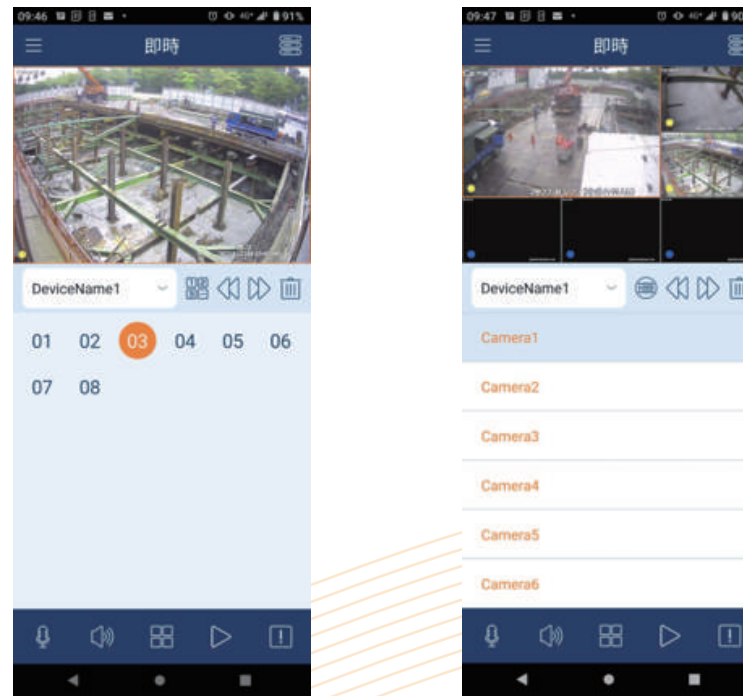
Through our digital service platform, Sinyi Development maintains close communication with customers and provides online customer service to address their inquiries. The implementation of digital services not only enhances customers' satisfaction but also effectively boosts Sinyi Development's business competitiveness. Customers can access the information they need at any time, which is shared in a real-time and transparent manner. Moreover, digital services reduce labor costs and improve internal management efficiency within the company.

Customers can easily access the information they need through the Sinyi Development official website or mobile app. This process is simple and intuitive and customers just need to navigate the corresponding function page to retrieve the desired information. Sinyi Development endeavors to optimize website interfaces and operational workflows to ensure customers can easily obtain the required information.

In order to further adapt to the digital era and to implement our digital services, Sinyi Development offers three measures to facilitate online customer services at any time:

01 Online Monitoring System

Sinyi Development provides customers with a 24-hour online monitoring system so that customers can access the system through the Sinyi Development official website or mobile APP at any time. This enables customers to monitor the personnel, quality, and progress of the development project in real time.



02 Online Document Viewing

Within 30 days after signing of the contract and upon the completion of the customer modification process, Sinyi Development will scan the contract and customer modification documents and upload them to the designated section on the Sinyi Development official website. Customers can access and review the contract details and customer modification information online through the website at any time.

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03 Online Inquiry of Payment Information

In collaboration with Taishin Bank, Sinyi Development updates the payment records within one month after customers make their installment payments. This allows customers to conveniently access the Taishin Bank's Trust Enquiry System for Pre-sale Home to verify whether their payments have been successfully transferred to the trust account, providing them with real-time confirmation of their payment status and empowering them with a sense of security and trust in their payment transactions.

Customer Modification Process

Sinyi Development collaborates with related construction and E&M suppliers to assist customers with engineering design changes, materials and color selection and other aspects through a profession service team. To provide better customer modification services, Sinyi Development continuously optimizes its operational processes and seeks innovations.

The following measures have been adopted to continuously improve customer modification services and enhance customer satisfaction:

- 01** Strengthen communication with customers to understand their needs in advance and provide professional advice during the design stage.
- 02** Offer a diverse range of material and color options to meet individualized customer requirements.
- 03** Optimize the customer modification process to shorten the lead time for completion and minimize the impact on construction progress.

In terms of the performance for the year 2022, the following achievements have been accomplished:

- 01** Improved customer satisfaction, with customers generally giving positive feedback on customer modification services.
- 02** Greater efficiency in the customer modification process, leading to a reduction in the average completion time and ensuring no disruption to construction progress.
- 03** Through a selection range of materials and colors, customers are better able to create living environments that align with their personal tastes and requirements.

Sinyi Development has made significant improvements with notable outcomes in the area of customer modification services. Moving forward, we will continue to refine the customer modification process to provide more professional and customer-oriented services.



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Dedicated customer service

Sinyi Development adheres to the principle that “a transaction is not only the starting point of service but also an opportunity to provide customers with a wholehearted experience”. To achieve this, a dedicated customer service email (XINYIKE@sinyi.com.tw) has been established to address customer inquiries and feedback, aiming to optimize the quality of service.

Recognizing the era of smartphones, Sinyi Development introduced digital extensions to its phone system in 2022. This digital transformation allows employees to use the company’s APP to turn their smartphones into functional extensions, ensuring that customer calls are not missed.

Strict timeframes are in place regarding the handling principle of customer service. Direct responses to customer inquiries or feedback are expected within 24 hours, while responses involving cross-departmental coordination or external partners are aimed to be provided within 72 hours.



Technological Inspection

Sinyi Development’s “Mobile Inspection” service aims to utilize modern technologies to provide customers with a more convenient, efficient and professional home inspection experience. Below is further information about the “Mobile Inspection” service:

01 Purpose and philosophy:

The primary purpose is to offer customers a convenient, fast and professional inspection tool that allows them to save time and effort during the property acceptance process and ensure the quality of the property. Through the assistance of our professional team and the use of digital software, customers can confidently complete the inspection process.

02 Procedure:

The procedure is simple and straightforward. Customers only need to use the dedicated mobile APP. The professional team will conduct a detailed onsite inspection of the properties, digitally documenting the results with photos. Customers can review the inspection results at any time and communicate with the professional team in real-time. Any necessary improvements will be documents with photos through the APP, and a record of improvements will be provided to customers for on-site comparison during the property handover.

03 Effectiveness:

The “Mobile Inspection” service not only improves the efficiency of the property inspection process but also enhances the satisfaction of customers. Customers are able to complete the inspection process in a short time while ensuring the quality of the properties with the assistance of a professional team.

04 Customer perspective:

From the customers’ perspective, the “Mobile Inspection” service provides a convenient way to conduct property inspections., which allows customers to easily complete the process and ensure the accuracy of relevant feedback and records. In addition, the prompt responses and feedback from the professional team instill confidence in customers during the inspection process, ensuring that the property quality meets their satisfaction.

Sinyi Development’s Mobile Inspection service provides customers with a more convenient, efficient and professional home inspection experience. By integrating with modern technologies, mobile inspection not only improves the efficiency of the inspection process but also enhances customer confidence during the process. Moreover, this service brings the following benefits:

01 Time savings: Completing inspection records through mobile devices significantly saves time costs.

02 Professional guidance: Customers receive support from a professional team and expert advice during the inspection process to ensure that property quality meets expectations.

03 On-demand viewing: Customers can access the inspection results and records at any time through mobile devices, staying informed about the property’s conditions to ensure the handover meets satisfaction standards.

04 Information transparency: The information of the inspection process is completely disclosed, allowing customers to have a clear understanding of the quality of the properties and boosting their confidence among customers.

05 Environmental sustainability: Reduces the use of paper for printing.

Sinyi Development’s “Mobile Inspection” service as a convenient, efficient and professional way to inspect properties, enhancing the home-buying experience for customers. Moving forward, we will continue to enhance and provide more value-added service.

● Property Checkups

Upon one year after the property handover, Sinyi Development offers property indoor checkups for various aspects, including structural beams and columns, fire safety, plumbing, electrical systems, air conditioning, water supply and drainage testing, leakage assessments, doors, windows and other hardware, etc.

01 Safety enhancement: By identifying potential safety hazards in advance, the checkups reduce the risk of accidents.

02 Improved living quality: Maintaining indoor facilities ensures that the living quality is not compromised.

03 Cost savings on maintenance and repairs: Regular checkups help to identify problems in advance, and thereby reduce future maintenance and repair costs.

04 Increased customer trust: Proactively offering property checkups to customers demonstrates Sinyi Development’s commitment to quality and fosters trust from customers.

● Community Facilities Checkups

Upon one year after the establishment of community facilities, Sinyi Development proactively conducts a community safety inspection for various aspects, such as building exteriors, rooftop drainage, public structures, public fire safety systems, emergency exits and underground parking, etc.

01 Community safety: Ensuring the safety of public facilities enhances overall community safety.

02 Maintenance of public facilities: Timely maintenance of public facilities prolongs their lifespan and reduces maintenance and repair costs.

03 A better community image: Keeping the community clean and well-maintained improves its image and the quality of the living environment.

04 Strengthening community relations: Responsively addressing residents' needs fosters interaction and trust within the community.

● Warranty Service

Sinyi Development has great confidence in the construction quality and offers a two-year waterproof warranty to every customer.

01 Quality assurance: Demonstrating confidence in the construction quality by providing a warranty period, offering customers peace of mind.

02 Timely maintenance and repairs: During the warranty period, Sinyi Development promptly provides maintenance and repair services if customers encounter any relevant issues.

03 Easing customer burden: Customers do not need to pay for repair and maintenance during the warranty period. This reduces the financial burden on customers.

04 Enhancing customer satisfaction: Providing warranty services increases the trust and satisfaction of customers in Sinyi Development.

● Sustainable Services

Sinyi Development upholds the brand spirit of the Sinyi Group, which has accumulated **40 years** of experience. With a commitment to sustainable services, rigorous quality control, such as Project Progress Portfolio, and comprehensive customer services, Sinyi Development ensures consistent construction quality and guarantees customer rights. Throughout the pre-construction, construction and post-construction stages, Sinyi Development ensures that our projects meet **100%** of customers' **health and safety** requirements. Simultaneously, it actively fosters mutually growing and closely interactive relationships with the local communities.

01 Long-term service commitment: Continuously addressing customer needs and offering comprehensive customer service support.

02 Shared growth with customers: Actively establishing long-term partnerships with customers for mutual growth.

03 Continuous quality improvement: Striving to enhance service quality and achieve customer satisfaction.

04 Community inclusivity: Engaging in community activities and establishing positive interactions with local communities to fulfill corporate social responsibilities.

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II. Community Building

“One for all, all for one”

“One for all, all for one” is the most famous phrase from “The Three Musketeers” written by Alexandre Dumas in 1844. This quote serves as a cornerstone and starting point for Sinyi Development’s corporate culture. Our development projects are not for individuals or families but for everyone as a part of the larger community. Within the community, relationships between individuals foster mutual assistance, support and understanding. Therefore, of the theme of “community building” is strategically important for Sinyi Development. We actively organize and deepen community building-related activities every year, injecting the seeds of community co-prosperity and goodwill through diverse and rich events. We aim to cultivate a strong cultural atmosphere in the community and work toward the goal of sustainable development.

1. 2022 Event Overview

● OUR-Space Community Building Experience Center

OUR-Space Community Building Experience Center was stationed in Banqiao from 2019 to early 2022. During this period, the center promoted a diverse range of community building experiences and knowledge-sharing initiatives. It actively engaged in various community development matters and collaborated with local cultural and historical institutions and community-building organizations in Banqiao. Moreover, the center actively conveyed the essence of community building, which is to cultivate civic awareness and problem-solving skills to the public.

Starting from March 2022, despite the absence of a physic venue, we continued to sustain the impact of community-building efforts, and the promotion is not limited to Banqiao alone. Instead, we collaborated and established connections with other community-building spaces or organizations (e.g., the community building site IMMA in Taipei and Fushou Community Center in Xinzhuang). The Facebook fan page has been transformed into an online hub, to further share the concept that community building involves passionate services and a willingness to engage in public affairs. This approach aims to attract those interested to participate in the activities and follow the online updates and actively engage in the concept of community building.

Furthermore, the community-building center is expected to be established in Xinzhuang in 2023. This proactive approach aims to establish the interactions and resource connections in Xinzhuang similar to those in Banqiao. It aims to bring more people into the enchanting world of community building, experience a harmonious lifestyle with good neighbors and generate a united wave of community-building efforts. Below is a description of activities in 2022:

01 OUR-Space Seminars-Community Building for Apartment Buildings

These seminars aimed to provide a platform for knowledge sharing on improving living conditions in apartment buildings and to promote a low-carbon lifestyle for sustainability. Sinyi Development brings together residents who share a concern for apartment-related issues, aiming to convey new knowledge and new insights so that they can better understand relevant issues in their surroundings. The seminars encourage discussions, potentially leading to conclusions on improvement strategies, which can be applied in the community for practical implementations.

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02 Relocation of OUR-Space Relocated Community Building Experience Center: Expanding interactions with People

Sinyi Development chooses suitable spaces to conduct community building seminars, both in person and online simultaneously. Those interested individuals can participate without being restricted by time or location, enabling everyone to join in.

Meanwhile, in alignment with the relocation of the experience center Sinyi Development is actively engaging with local residents around the new site. This aims to introduce OUR-Space Community Building Experience Center and the underlying concepts of community building to local residents in advance. Sinyi Development seeks to work with local residents to envision a brighter future and foster a sense of shared purpose.

● Community Building Within Our Projects

Sinyi Development considered how to actively promote a close community connection in response to the concept of the Ministry of Culture: “Residents living within the same geographical area continuously addressing shared community life issues through collective action, contributing their resources and efforts, enthusiastically participating in public affairs, creating shared well-being, fostering strong social connections among residents, and between residents and the community environment”.

Therefore, Sinyi Development helps to establish neighborhood relations through organizing community meet-and-greet events for our development projects. We encourage voluntary resident organizers to plan and execute a variety of activities to form a common understanding of community life. Additionally, the initiative may involve creating interest-based resident groups, fostering more opportunities for mutual enjoyment and interactions. to develop more fun sharing and communicating opportunities. Below is a description of the activities in 2022:

01 Tailored Theme-based Activities (Seminars and Workshops)

Sinyi Development customizes different theme-based activities for residents of different development projects. These activities include seminars and workshops on the topics that residents are interested in, aiming to increase their engagement. Meanwhile, through resident participation and feedback, the company identifies residents who are interested in sustainability energy-saving topics. By promoting these themes through successive activities, they aim to influence and shape the community culture.

02 Organization of Resident Social Events

Sinyi Development organizes social events for residents to meet and network, providing residents with opportunities to interact through shared activities and discussions on community issues. Furthermore, through participation in these events, enthusiastic residents are identified to drive the formation of resident activity planning groups. These groups plan and organize resident activities, ensuring that the activities align closely with the preferences of residents and thus strengthen the sense of community cohesion among residents.

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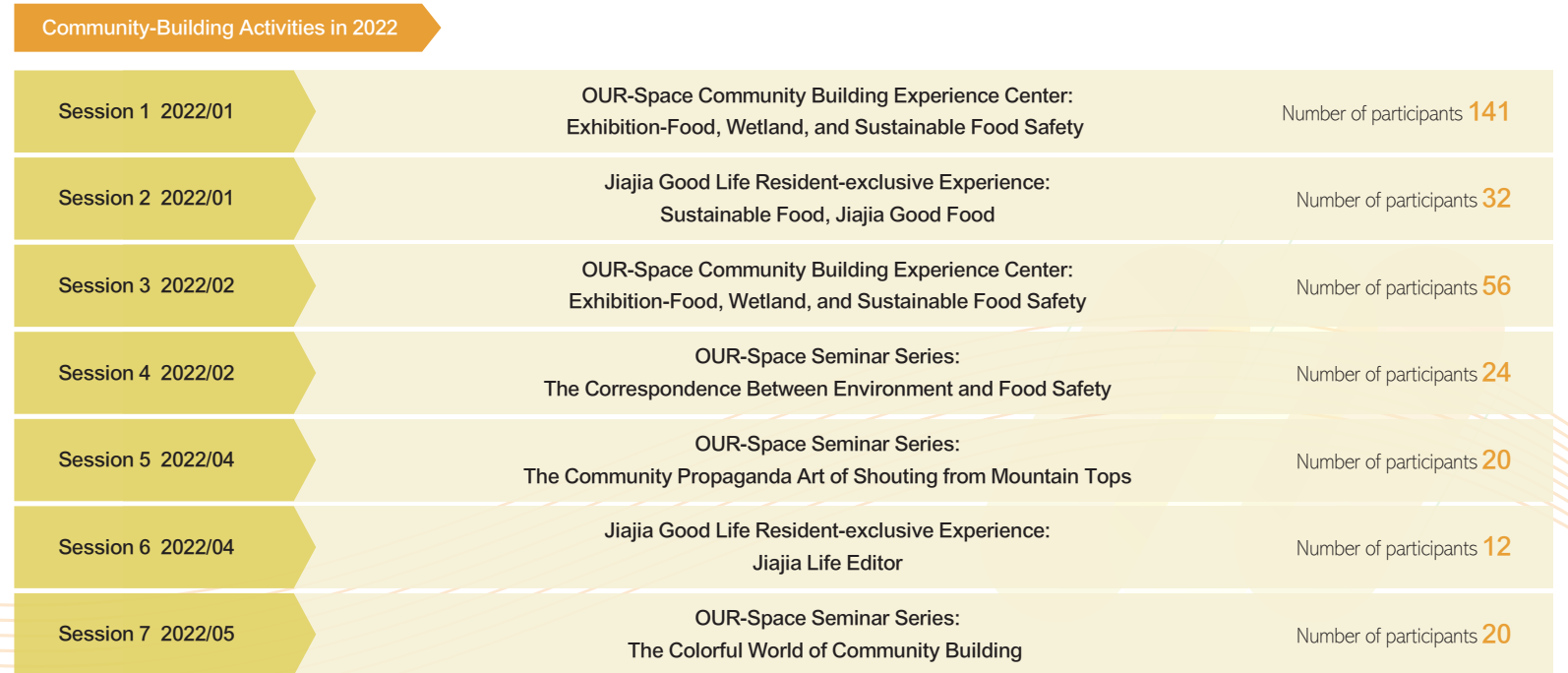
2. 2022 Event Statistics

Due to the venue changes and the impact of the COVID-19 pandemic, we adjusted the implementation methods and the content of our community-building plan. Throughout the year, we held a total of 19 events with nearly 600 participants. Our online seminars reached a peak of 237 per session. We worked with more than 60 community-building organizations, attracting the attention of other community builders.

Before the closure of OUR-Space Community Building Experience Center, we organized activities related to sustainability and food safety by working with environmental organizations and community food initiatives, aligning with sustainability issues. After the experience center's closure, Sinyi Development took a step further in local life by breaking the confines of established spaces for community-building collaborations. This led to further partnerships and exchanges with community-building organizations in Taipei City and New Taipei City with diverse events. This includes large-scale community-building events at street blocks, involving local politicians such as councilors, district chiefs, and officials. These events attracted up to 4,000 people, raising awareness of OUR-Space Community Building Experience Center and generating interest from a number of organizations expressing an interest in cooperation.

In response to the COVID-19 pandemic, we adapted the scale of community-building activities for residents. Prior to the pandemic, the number of participants was up to 120 per event and we reduced the limit to 20 attendees per event and decreased the frequency of these events during the pandemic.

Community-building activities for residents are tailored to address the specific residential issues of each community. The seminars covered topics such as handover, moving in, interior decoration and construction, property management and the establishment of residents' committees. We also take into account the characteristics of the community residents when planning different approaches to empower community-building, whether through event-based interactions or fostering residents' participation in community decision-making.



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Session 8 2022/05	Jiajia Good Life Resident-exclusive Experience: Open secrets to Life Transformation	Number of participants 16
Session 9 2022/06	OUR-Space Seminar Series: Community Building for Beginners	Number of participants 20
Session 10 2022/06	Jiajia Good Life Resident-exclusive Experience: Brewing a Pot of Kung Fu Tea-Health and Fortune Tea	Number of participants 12
Session 11 2022/07	OUR-Space Seminar Series: The Hyperlink Community Empowerment in the Concrete Jungle	Number of participants 20
Session 12 2022/07	Jiajia Good Life Resident-exclusive Experience: Concrete Coaster Workshop	Number of participants 20
Session 13 2022/08	OUR-Space Seminar Series: Chicken Soup for the Soul-Community Empowerment	Number of participants 20
Session 14 2022/08	Jiajia Good Life Resident-exclusive Experience: Relaxing Aroma Experience	Number of participants 20
Session 15 2022/09	OUR-Space Seminar Series: Moving in, Starting with Neighbors-Community Management Promotion	Number of participants 16
Session 16 2022/09	Jiajia Good Life Resident-exclusive Experience: Leather Craft Workshop	Number of participants 20
Session 17 2022/10	OUR-Space Seminar Series: Local Revitalization/Banqiao and Fuzhong-Community Building Experience	Number of participants 30
Session 18 2022/10	Jiajia Good Life Resident-exclusive Experience: Workshop with Banqiao Wenchang Street Life Academy	Number of participants 40
Session 19 2022/10	Banqiao Wenchang Street Life Academy: Official Booth learning and Stamp Activities	Number of participants 4,000
Session 20 2022/11	Jiajia Good Life Resident-exclusive Experience: Committee Establishment for Organizing Jiapin Resident Meeting and Discussion Meetings (14-Person Group)	Number of participants 14
Session 21 2022/12	Jiajia Good Life Resident-exclusive Experience: Jiapin Resident Meeting	Number of participants 62

Number of Participants at Experience Center Number of participants **619**
 Total Number of Participants Number of participants **4,619**

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III. Technological Optimization and Innovation

No.	Item	2022 Annual Goal	2022 Annual Performance
1	Training of Engineering employees to use Navisworks	100% completion rate	100% completion rate

Navisworks on BIM Projects

Sinyi Development ensures that the engineering employees are able to effectively use BIM models during the design and construction stage and utilize the clash detection functionality of Navisworks to identify design adjustments in advance. This reduces the likelihood of errors, enhances communication efficiency, optimizes building design and improves construction quality. Hence, the 2022 annual goal was to achieve 100% utilization of Navisworks by the engineering employees. In 2022, the training materials and videos were provided to employees during the BIM training week, to enhance employees' familiarity with Navisworks BIM software. This internal educational ensures the engineer employees have a solid grasp of the tool.

Navisworks training content includes the following:

1. Enhancement of Aesthetics in Interior Design

Sinyi Development's employees used models to review the elevation of Jiapin's E&M systems, adjusting the pipework affected by the commercial freight elevator space to optimize ceiling height and enhance the interior aesthetics.

2. Prevention and Coordination of Work Conflicts

Sinyi Development's employees have utilized the model to identify issues. They have discovered insufficient space for tree pits and adjusted the sewage pipes accordingly after discussions to prevent future tree-planting problems. Additionally, our employees identified issues with bathroom beam placement when using the model to confirm project details. The construction contractor was informed to make adjustments to the beams based on the findings from the model. The contractor used the model and identified an exposed drainage pipe at the entrance of the driveway. After discussion, it was confirmed that the ceiling design had been modified but not recognized by the construction contractor. Another contractor also identified a design conflict between the door and the ceiling. After discussion, the ceiling design was amended, and a suspended wall was added to support the ceiling and decorative grilles to resolve the problem. The above cases all demonstrate that early detection allows for proactive prevention and coordination of potential work conflicts, avoiding the discovery of related issues only after construction has begun. This helps prevent the waste of manpower, resources and time, which could otherwise result from delays in addressing such problems and potentially lead to delays in project delivery.

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3. Enhancement of Future Repairs and Maintenance Convenience

Sinyi Development's employees utilized the model to identify an issue where the drainage on the north side of the project flowed naturally to the side, resulting in a depth of 190cm for the drainage channel. Concerns were raised regarding its excessive depth. Due to the narrow width of the channel, there were concerns about future cleaning difficulties. After discussion using the model, the slope was adjusted to 1:200 and the channel depth was corrected to 150cm to allow for easier cleaning of accumulated fallen leaves and sludges in the future.

Sinyi Development uses BIM to enhance the design process, improve communication efficiency and reduce the occurrence of errors. This approach helps to prevent issues like waste of raw materials and environmental pollution during construction and operation, thereby minimizing environmental impact. Meanwhile, BIM helps to reduce interpretation discrepancies and simulate the construction process. This helps to shorten project construction timelines and mitigate long-term impacts on the surrounding environment.

Moreover, by optimizing space utilization, we make full use of building space and avoid unnecessary waste. We incorporated environmental sustainability principles throughout the design, construction and operation phases, and implemented them with technology.

Seven. Corporate Governance

No.	Item	2022 Annual Goal	2022 Annual 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 sign 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

I. Legal Compliance

“**Sinyi Development allocates resources and manpower to consistently monitor legal development and regulatory requirements from competent authorities. This ensures our business activities are 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.

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 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 business department 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 Sinyi Group’s legal compliance department	None
Personnel policy and management	Labor Standards Act and related laws and regulations	Sinyi Development’s business department Sinyi Group’s legal compliance department	None

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

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II. Risk Control

“ **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 determines Material Risk items in a top-down way, 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. The roles and responsibilities of each role are provided in the following table:

Parent Company	<ul style="list-style-type: none"> ■ 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. ■ 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.
Parent Company’s Total Ethical Management Committee	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.

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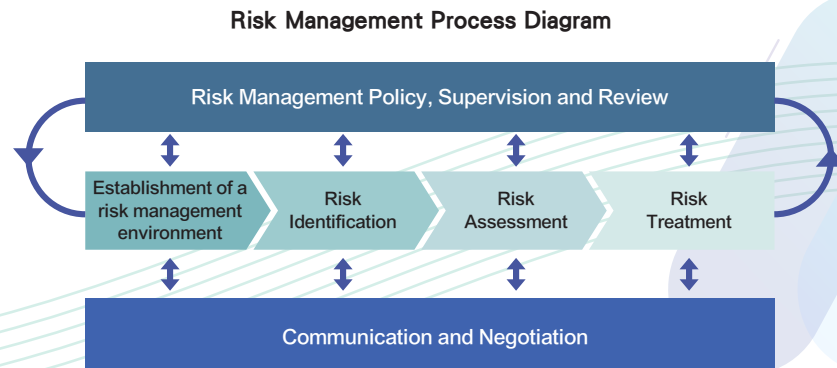
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Sinyi Development 's Board of Directors	<ul style="list-style-type: none"> ■ As the highest risk management department within the company, the Board of Directors is responsible for reviewing the annual risk management report, risk execution report and audit report to ensure the effective implementation of the risk management system. ■ 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.
Executive Committee	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.
Operation Department	<ul style="list-style-type: none"> ■ Identify risk issues and conduct cross-departmental discussions to plan strategies. ■ Formulate risk management objectives and action plans.
Audit Office	<ul style="list-style-type: none"> ■ Evaluate the effectiveness of the risk management system and mechanisms. ■ 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 Risk Management Process

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.



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5. Risk Management Implementations in 2022

Indicator	2022 Goals	2022 Achievements
Energy saving and carbon reduction for construction	<ol style="list-style-type: none"> 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. 2. Analyze and compare carbon emissions of different building materials based on the same work item systems. 	<ol style="list-style-type: none"> 1. Established the company's carbon emissions database based on the Low Carbon Building Alliance's carbon emissions database information. 2. Calculated carbon emissions for each work item system based on the material used, incorporated the required construction costs, comprehensively compared advantages and disadvantages, provided the design of individual development projects, and reduced carbon emissions from building development on a case-by-case/item-by-item basis.
Project quality risks	<ol style="list-style-type: none"> 1. Reduction in the number of disqualified items on the self-inspection checklist every quarter and without repeated items. 2. The number of missing items in customer property inspection is less than 10 items per property. 3. The total change amount for each project is less than 1% of the total project cost. 	<ol style="list-style-type: none"> 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. 2. Department of Engineering Management conducted inspections with 100% rectification of deficiencies. 3. Maintained the project construction quality by establishing design quality standards, drawing inspection criteria and collecting customer feedback, as the basis for the design inspection in new projects to reduce design omissions and minimize changes during the construction stage leading to additional construction time and cost.
Personal safety risks	Zero workplace incidents throughout the year.	Relevant control measures were implemented to ensure the prevention of workplace incidents among employees and achieve the goal of managing personal safety risks.

6. Outlook of Risk Management for Future Events

Indicator	2023 Goals	Description
Energy saving and carbon reduction for construction	<ol style="list-style-type: none"> 1. Green sustainable building design 2. Carbon emissions calculation for building materials 3. Collaboration with industries, government, academia and research institutions 	<ol style="list-style-type: none"> 1. Promote green building design and improve energy efficiency and carbon reduction benefits. 2. Utilize innovative green building materials to reduce energy consumption and carbon emissions during construction. 3. Strengthen collaboration with government, industries and research institutions to collectively drive the development of green buildings. 4. Advance in the carbon inventory inspections on building materials for projects.

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Indicator	2023 Goals	Description
Project quality risks	<ol style="list-style-type: none"> Reduction in the number of disqualified items on the self-inspection checklist every quarter and without repeated items. The number of missing items in customer property inspection is less than 10 items per property. The total change amount for each project is less than 1% of the total project cost. 	<ol style="list-style-type: none"> Enforce strict project quality control, in adherence to national and industry standards. Enhance project management to improve construction progress and quality monitoring. Establish a robust project risk alter system to promptly identify and resolve potential risks.
Personal safety risks	Zero workplace incidents throughout the year.	<ol style="list-style-type: none"> Implement a safe production responsibility and enhance safety management. Enhance safety awareness among employees through regular safety training and drills. Improve emergency response plans to ensure rapid and effective handling of unexpected incidents.

III. Ethics and Integrity

“
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, industries, 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.

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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 2022, 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: 1234

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 employees to uphold 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. Meanwhile, Sinyi Development continued to organize ethics reading sessions in 2022, primarily aiming to guide managers in their thinking and encourage self-reflection on their management practices in the field. The discussions also focus on how to integrate ethical principles into their work and responses to various situations. During the first quarter, all employees at Sinyi Development collectively studied and discussed the company's core values and sustainable development strategies, serving as a crucial foundation for future development directions.

Furthermore, in order to prevent dishonest behaviors, Sinyi Development follows the code of conduct and implements disciplinary actions for violations and maintains a complaint system. The company promotes the full implementation of these measures across all departments, conducts annual reviews to assess implementation status, and develops improvement plans as needed.

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IV. Audit Mechanisms

“ **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 based on its industry characteristics and workflow needs. Internal control items are set, reviewed and approved by departmental managers to mitigate potential risks associated with operations 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 to ensure the ongoing effectiveness of the internal control system.

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

2. Internal Audit System

Sinyi Development utilizes the internal audit system, operational standards and resources provided by Sinyi Group to formulate an annual audit plan. The plan is diligently executed to oversee and manage operations according to the planned contents. In the event that internal control deficiencies or abnormal items are found during the audit, corrective and preventive measures are promptly initiated. Improvement measures are devised, and these deficiencies and abnormal items will be 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 2022 and instructed relevant departments to set improvement deadlines, with a proactive approach to implementing corrective and preventive measures.

01	Project quality management	<p>Some development projects encountered instances where random quality inspections during construction did not meet the standard requirements.</p> <ul style="list-style-type: none"> ■ Contractors were asked to take immediate action to rectify construction quality deviations. Random inspections were conducted to ensure compliance with the standards. ■ The project quality monitoring process was reinforced, fostering improved communication and collaboration with contractors to promptly address quality issues. ■ The awareness of quality management among employees was enhanced through regular quality management training to improve professional skills. 	Completed
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02	Environment protection management	Some construction sites did not follow environmental regulations for waste disposal during the construction process.	<ul style="list-style-type: none"> ■ The relevant construction sites were asked to take immediate action to improve and properly manage waste according to environmental regulations. ■ Regular inspections were carried out on the environmental management of construction sites to ensure compliance with all regulations. ■ Training in environmental management was enhanced to increase employees' awareness of the environmental policies and implement them at work. 	Completed
03	Customer satisfaction management	Some customers raised concerns about the long response time of after-sales service, which affected customer satisfaction.	<ul style="list-style-type: none"> ■ The current after-sales service process was reviewed to seek operational improvements to enhance response speed, such as refining the service workflow. ■ Regular training for after-sales service personnel was conducted to enhance service quality and efficiency. ■ The customer satisfaction survey was strengthened with continuous improvements in after-sales service. 	Completed
04	Human resource management	Some departments encountered a high turnover rate, which affected the operational stability of Sinyi Development.	<ul style="list-style-type: none"> ■ Based on the established talent policy of Sinyi Development, detailed implementation plans focusing on key areas were formulated and were prioritized for gradual implementation. This enabled employees to be in roles that suit their talents, enhance their commitments to the organization and provide them with opportunities to stay and excel. ■ Opportunities for cross-department learning and work rotation were provided to encourage employees to challenge themselves for further career development and achievements. 	Completed
05	Financial risk management	Some departments did not strictly adhere to financial regulations in budget management, which resulted in inefficient allocation and utilization of funds.	<ul style="list-style-type: none"> ■ Relevant departments were required to strictly adhere to financial regulations in budget management. ■ Training in the financial system was enhanced to improve the awareness of and compliance with financial regulations among employees. ■ Regular checks and assessments of the financial status of each department were conducted to promptly identify and address issues. 	Completed

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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, ensuring data integrity and security, and aligning with the system recovery time objectives, and safeguarding 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:

- 01 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.
- 02 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 and activate epidemic prevention measures and work with relevant departments to safeguard employees’ health and company operations.
- 03 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.

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04 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.

05 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.

06 Emergency response drills: Sinyi Development conducts regular emergency response drills on 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. The effectiveness of existing response mechanisms is examined during the drills and improvements are made where necessary. Meanwhile, these drills enhance employees' familiarity with emergency response procedures, ensuring rapid and effective responses in real-life situations.

07 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.

08 Risk assessment and management: Sinyi Development conducts regular risk assessments and develops corresponding risk management strategies for various potential risks. Meanwhile, the company continuously monitors risk circumstances and reviews the effectiveness of risk management efforts periodically, 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 reducing operational risks and ensuring robust and stable operations.

Eight. Suppliers



Sinyi Development collaborates with its suppliers to jointly embrace sustainable business practices as a guidance direction, which help to identify, analyze and respond to actual and potential impacts.



No.	Item	2022 Annual Goal	2022 Annual Performance
1	Number of suppliers breaches of contract terms	0 case	0 case
2	Number of suppliers sign the Supplier Sustainability Terms	100% signing rate	100% signing rate

Sinyi Development has established the “Supplier Evaluation and Management Operating Procedure” and gradually incorporated sustainability-related issues in both supplier selection and procurement, as well as construction and completion management. This includes environmental aspects such as green procurement and raw material usage management; social aspects such as service quality, occupational safety and health; and governance aspects such as operational continuity, audit mechanisms, risk management, and integrity.

I. Supplier Selection

When selecting suppliers, Sinyi Development incorporates environmental and social considerations into the project bidding documents. The technical evaluation of construction contractors is conducted for various aspects, for example, assessing whether they meet the company’s requirements for low-carbon building materials or construction methods, the adoption of new building materials or construction methods, integrity management, or other improper behaviors. Additionally, the company adopts the BIM technology, emphasizing effective communication and coordination among collaborators. Sinyi Develop expects construction partners to embrace sustainable development concepts and thinking, and move together towards the goal of sustainable buildings. As for general suppliers, the company upholds the spirit of green procurement, prioritizing products that hold international or national green or environmental certifications.

In light of the aforementioned goals, the following aspects will be progressively incorporated in the future:

- Green Procurement: Prioritizing products that hold international or national green or environmental certifications.
- Occupational safety and health: A track record of no major workplace safety incidents.
- Business continuity mechanisms to address risks.
- Comprehensive audit mechanisms.
- Risk management mechanisms.
- Integrity: No history of corruption, bribery or similar cases.

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II. Procurement

After the completion of the supplier selection stage and signing contracts, in addition to contractual agreements, efforts are made to foster a shared commitment to sustainable development. This involves signing agreements with all suppliers on “Supplier Sustainability Terms” and “Sinyi Group Suppliers Business Code of Conduct”. By doing so, sustainability issues are integrated into supplier management and ensure all suppliers meet the screening and assessment criteria for Environment protection, Social responsibility and Governance (ESG) at a 100% level.

In the future, the following directions will be progressively incorporated to ensure that contractors adhere to the requirements during the construction process and post-completion, aligning with the Environment protection, Social responsibility and Governance (ESG) issues. In the event of supplier violation, Sinyi Development will require timely improvements or may terminate/cancel contracts. The expectation is for suppliers to collaborate with Sinyi Development in jointly pursuing the goal of sustainable development:

- Compliance with legal requirements, such as violations of mandatory or prohibitions regulations.
- Integrity and ethics, such as public order and morality.
- Adherence to Sinyi Development's human rights policy, labor conditions, and occupational safety and health.
- Consideration for environmental protection.
- Emphasis on service quality.
- Suppliers’ acceptance of inspection and advocacy obligations, along with subsequent corrective and preventive mechanisms.
- Termination or cancellation of contracts for non-compliance or failure to improve.

III. Management

Sinyi Development’s current suppliers are primarily construction contractors, plumbing and electrical contractors, and monitoring contractors. The list of main suppliers and their construction work count in 2022 are as follows:

Supplier Type	Name	Non-Employee Workers			
Contractor		Category	Relation to Sinyi Development	Work Items	Total Work Count
Construction Companies	<ul style="list-style-type: none"> ■ Joyear Construction Co., Ltd. ■ Jiushun Construction Co., Ltd. ■ JAUHUNG Consulting Engineers. 	Contractors	Contracting	Wood works, Stone works, waterproofing works, masonry works, painting, plumbing and electrical works and other construction works.	8,758
Plumbing and Electrical Companies	<ul style="list-style-type: none"> ■ Golden Rich Engineering Co., Ltd ■ Hong-Hai Environment Science Co., Ltd ■ Elec.-Long Co., Ltd. 				
Monitoring Companies	<ul style="list-style-type: none"> ■ China Asia Micro Technology Inc. 				

Note: Onsite statistics are up to of December 31, 2022.

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To learn and grow with suppliers, Sinyi Development embraces the adoption of low-carbon building materials or construction methods as well as the integration of new technologies to foster open communication and exchange in response to future industry trends. While the supplier selection and procurement stages have been completed, we recognize that the construction and warranty periods of the project are substantial. Adapting to changing times and climate change, evolving environmental regulations and increasing demands in the realms of social responsibility and corporate governance, is crucial. These aspects need to be embedded in both the practices of Sinyi Development and our suppliers, ensuring a sustained commitment to Environment protection, Social responsibility and Governance. Therefore, the continuous and effective operation of management mechanisms is of significant importance.

In light of this, Sinyi Development has established rigorous and comprehensive evaluation procedures during both the construction and completion phases. A professional, impartial and independent evaluation team formed by appointed internal audit department professionals from relevant departments. During construction, we perform proactive inspections and evaluations twice a year using the construction site inspection mechanism. For completion, assessments are conducted upon the conclusion of construction and before the property handover, which includes a holistic review of comprehensive feedback and evaluation forms. In addition to construction activities, the evaluation process also covers sustainable issues such as safety, hygiene and quality management and the use of raw material. If cases where deficiencies are spotted, corrective and preventive mechanisms are implemented and subsequent progress is closely monitored for improvement. This ensures the achievement of mutual interests and the sustainable development goal for both parties.

In 2022, the construction site inspection mechanism was implemented and although some deficiencies were identified in the construction works conducted by certain suppliers, all of them actively cooperated and completed the improvement activities within the specified deadlines. An improvement rate of 100% was achieved and consequently, there were no instances of contract termination (refer to the Section of Audit Mechanisms in Corporate Governance Chapter for details regarding the impact of suppliers on the environmental and social aspects).

In the future, we will further incorporate various aspects, such as climate change, energy saving, carbon reduction, ethics and integrity, business continuity, risk management, and audit mechanisms. We aim to create more refined buildings and products that align with the principles of sustainable building, meeting the Sinyi Group's Environment protection, Social responsibility and Governance (ESG) framework. By balancing the interests of all stakeholders and utilizing sustainable innovation along the Sinyi value chain, we aim to bring a better and happier new life to everyone around us.

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IV. Charitable Activities by Suppliers

Sinyi Development and its suppliers share a common commitment to sustainability. Our suppliers have a strong dedication to charitable activities, and there were notable achievements 2022:

In 2022, Jiushun Construction executed multiple charitable renovation projects, including for Shu-Ying Social Welfare Center, Taiwan Fund for Children and Families in Keelung cases, Shengkeng Elementary School, Social Welfare Department of New Taipei City case, Hsin Miao the Disabled Home, Taiwan Fund For Children and Families in Taipei case, and Grace Home Church in Hsinchu. Through these renovation works, comfortable living spaces were provided to various groups and cases, addressing issues such as water leakage, deteriorating ceilings and walls, unusable furniture and structural safety concerns.

In 2022, Joyear Construction's affiliated enterprise Joyear Land sponsored the relocation training activities of the baseball team at National Cheng Kung Commercial & Aquaculture Senior Vocational High School in Taitung. This sponsorship aimed to bridge the resource gap between urban and rural areas, so that students from remote regions are not hindered in their development due to insufficient resources.

Sinyi Development and its suppliers strive to provide secure residential environments and demonstrate care for socially disadvantaged groups. By engaging in charitable activities, we further embody Sinyi's humanity-centric business philosophy and the company's commitment to sustainable values.

Nine. Appendix

■ GRI Content Index

Sinyi Development has adhered to the GRI Standards to report the information from the content index referenced in the GRI for the period year 2022 (01/01/2022-12/31/2022). The following indicators have been verified externally, and the verification results are detailed in the Independent Assurance Opinion Statement.

GRI 1: Foundation 2021 [No disclosure index in GRI 1]

GRI 2: General Disclosures 2021

GRI Standards	Disclosure	Chapter, page number or content overview
The organization and its reporting practices		
2-1	Organizational details	About This Report Three. Corporate Profile
2-2	Entities included in the organization's sustainability reporting	About This Report Three. Corporate Profile
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	No information restatements occurred the year.
2-5	External assurance	Nine. Appendix. Verification Statement/Certificate

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GRI Standards	Disclosure	Chapter, page number or content overview
Activities and workers		
2-6	Activities, value chain and other business relationships	Two. Sustainability Strategy Three. Corporate Profile Seven. Corporate Governance
2-7	Employees	Six. Social Responsibility - Employees
2-8	Workers who are not employees	Eight. Suppliers
Governance		
2-9	Governance structure and composition	Two. Sustainability Strategy Three. Corporate Profile
2-10	Nomination and selection of the highest governance body	Three. Corporate Profile, III. Board Governance
2-11	Chair of the highest governance body	Three. Corporate Profile, III. Board Governance Seven. Corporate Governance, III. Ethics and Integrity
2-12	Role of the highest governance body in overseeing the management of impacts	Two. Sustainability Strategy Three. Corporate Profile, III. Board Governance Four. Climate Change
2-13	Delegation of responsibility for managing impacts	Two. Sustainability Strategy Three. Corporate Profile, III. Board Governance Three. Corporate Profile, IV. Organizational Structure and Department Descriptions Four. Climate Change

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GRI Standards	Disclosure	Chapter, page number or content overview
2-14	Role of the highest governance body in sustainability reporting	Two. Sustainability Strategy Three. Corporate Profile, III. Board Governance Four. Climate Change
2-15	Conflicts of interest	Three. Corporate Profile, III. Board Governance Seven. Corporate Governance, III. Ethics and Integrity
2-16	Communication of critical concerns	Three. Corporate Profile, I. Business Model Four. Climate Change Seven. Corporate Governance, IV. Audit Mechanisms
2-17	Collective knowledge of the highest governance body	Three. Corporate Profile, III. Board Governance
2-18	Evaluation of the performance of the highest governance body	Three. Corporate Profile, III. Board Governance
2-19	Remuneration policies	Three. Corporate Profile, III. Board Governance
2-20	Process to determine remuneration	Three. Corporate Profile, III. Board Governance
2-21	Annual total compensation ratio	The ratio of the highest individual annual income to the median annual income of all employees in the company is 5.95 times. The percentage increase in compensation for the highest annual income individual is 13.54%, resulting in a ratio of 1.17 times between the highest individual annual income and the median annual income of all employees in the company (excluding the highest individual annual income).

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GRI Standards	Disclosure	Chapter, page number or content overview
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	One. Message from the Management
2-23	Policy commitments	Two. Sustainability Strategy Three. Corporate Profile, I. Business Model, 4. Commitment to sustainability issues Four. Climate Change Five. Environmental Protection Six. Social Responsibility - Employees Six. Social Responsibility - Services and Customers Seven. Corporate Governance Eight. Suppliers
2-24	Embedding policy commitments	Two. Sustainability Strategy Three. Corporate Profile, I. Business Model, 4. Commitment to sustainability issues Four. Climate Change Five. Environmental Protection Six. Social Responsibility - Employees Six. Social Responsibility -Services and Customers Seven. Corporate Governance Eight. Suppliers
2-25	Processes to remediate negative impacts	Two. Sustainability Strategy Seven. Corporate Governance, I. Legal Compliance Seven. Corporate Governance, II. Risk Control Seven. Corporate Governance, IV. Audit Mechanisms

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GRI Standards	Disclosure	Chapter, page number or content overview
2-26	Mechanisms for seeking advice and raising concerns	Two. Sustainability Strategy Four. Climate Change Five. Environmental Protection Six. Social Responsibility - Employees Six. Social Responsibility - Services and Customers Seven. Corporate Governance, III. Ethics and Integrity Eight. Suppliers
2-27	Compliance with laws and regulations	Seven. Corporate Governance, I. Legal Compliance
2-28	Membership of associations	Sinyi Development has become a member of the Real Estate Development Association of Taipei (since July 2001), the Low Carbon Building Alliance (since November 2021), and the Alliance for BIM-enabled Upgrading of Taiwan Construction Industry (since July 2018).

Stakeholder engagement

2-29	Approach to stakeholder engagement	Two. Sustainability Strategy
2-30	Collective bargaining agreements	Although the company has not established a labor union or formal collective agreement, we hold regular labor-management meetings and maintain transparent communication channels on a yearly basis.

Material Topics

GRI Standards	Disclosure	Chapter, page number or content overview
GRI 3: Material topics 2021		
3-1	Process to determine material topics	Two. Sustainability Strategy
3-2	List of material topics	Two. Sustainability Strategy

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GRI Standards	Disclosure	Chapter, page number or content overview
Economic Performance		
GRI 3: Material topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Three. Corporate Profile
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Three. Corporate Profile, II. Operational Performance
201-2	Financial implications and other risks and opportunities due to climate change	Four. Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Six. Social Responsibility - Employees
201-4	Financial assistance received from government	No financial subsidies were received from the government in 2022
Emissions		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Five. Environmental Protection
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Four. Climate Change

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GRI Standards	Disclosure	Chapter, page number or content overview
305-2	Energy indirect (Scope 2) GHG emissions	Four. Climate Change
305-4	GHG emissions intensity	Four. Climate Change
305-5	Reduction of GHG emissions	<p>In the baseline year of 2021, Sinyi Development has planned to implement the following measures to reduce greenhouse gas emissions:</p> <ol style="list-style-type: none"> 1. Increase the percentage of green electricity usage; 2. Carbon emissions are expected to reduce by 40% from the baseline year in 2023 and 2025 with a gradual decrease of 10% each year.
Supplier Environmental Assessment		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Eight. Suppliers
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Eight. Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	Eight. Suppliers
Employment		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Six. Social Responsibility - Employees
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Six. Social Responsibility - Employees

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GRI Standards	Disclosure	Chapter, page number or content overview
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Six. Social Responsibility - Employees
401-3	Parental leave	No employees applied for parental leave in 2021. In 2022, please refer to Six. Social Responsibility - Employees, 7. Benefit System.
Training and Education		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Six. Social Responsibility -Employees
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Six. Social Responsibility - Employees
404-3	Percentage of employees receiving regular performance and career development reviews	All employees of Sinyi Development underwent performance and career development assessments this year.
Supplier Social Assessment		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Eight. Suppliers
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Eight. Suppliers
414-2	Negative social impacts in the supply chain and actions taken	Eight. Suppliers

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GRI Standards	Disclosure	Chapter, page number or content overview
Customer Health and Safety		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Six. 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	Six. Social Responsibility - Services and Customers
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Such an incident did not occur this year.
Marketing and Labeling		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Six. Social Responsibility
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Six. Social Responsibility - Services and Customers
417-2	Incidents of non-compliance concerning product and service information and labeling	Such an incident did not occur this year.
417-3	Incidents of non-compliance concerning marketing communications	Such an incident did not occur this year.

Custom Topics

GRI Standards	Disclosure	Chapter, page number or content overview
Environmental		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Five. Environmental Protection
Self-defined topics		
Self-defined	Environmental Compliance	Five. Environmental Protection
Self-defined	Land Use	Five. Environmental Protection
Self-defined	Energy-Saving Design	Five. Environmental Protection
Self-defined	Raw Material Usage Management	Five. Environmental Protection
Social		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Six. Social Responsibility - Employees Six. Social Responsibility - Services and Customers
自訂主題		
Self-defined	Organizational Climate	Six. Social Responsibility - Employees
Self-defined	Community Building	Six. Social Responsibility - Services and Customers

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GRI Standards	Disclosure	Chapter, page number or content overview
Governance		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Two. Sustainability Strategy Three. Corporate Profile Four. Climate Change Seven. Corporate Governance
Self-defined topics		
Self-defined	Risk Control	Seven. Corporate Governance, II. Risk Control
Self-defined	Climate Change Risks and Opportunities	Four. Climate Change
Self-defined	Legal Compliance	Seven. Corporate Governance, I. Legal Compliance
Self-defined	Audit Mechanisms	Seven. Corporate Governance, IV. Audit Mechanisms
Self-defined	Ethics and Integrity	Seven. Corporate Governance, III. Ethics and Integrity
Self-defined	Corporate Image/Brand Management	Three. Corporate Profile, I. Business Model
Self-defined	Innovative Technology and Services	Six. Social Responsibility - Services and Customers, III. Technological Optimization and Innovation
Self-defined	Continuity of Operations	Seven. Corporate Governance, V. Continuity of Operations

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■ **Comparison Table of Sustainability Account Standards Board (SASB)**

Code	Accounting Metric	2022 Disclosures
Land Use and Ecological Impacts		
F-HB-160a.1	Number of (1) lots and (2) homes delivered on redevelopment sites	Jiahe started the property handover at the end of 2022 and will complete the handover of all 144 units by the end of February 2023. Jiapin is expected to start handover from the end of 2024 to 2025.
F-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	Jiahe, which is currently undergoing property handover in 2022 and the under-construction Jiapin are both located in the Jiangzicui area of New Taipei City, which are not classified as high or extremely high baseline water stress.
F-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 environmental-related legal disputes this year.
F-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	Please refer to Five. Environmental Protection.
Workforce Health and Safety		
F-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for direct employees and contract employees	(1) Sinyi Development had no such incident this year. (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	Not applicable. Sinyi Development is committed to the goal of green buildings and implements it based on Taiwan's standards without adopting the HERS® Index Score.
IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	Not applicable. Sinyi Development is committed to the goal of green buildings and implements it based on Taiwan's standards without adopting the WaterSense® specifications.

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Code	Accounting Metric	2022 Disclosures
IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building Standard	While the Jiahe project may not be pursuing green building certification, environmental protection measures were still implemented in the construction techniques. For Jiapin and future project design, not only will environmental protection measures be incorporated into raw materials, development and design, construction techniques and equipment, and the construction process, but also push toward obtaining green building certification as a performance indicator.
IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Please refer to Five. Environmental Protection, Six. 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 Five. Environmental Protection.
IF-HB-410b.2	Number of (1) lots and (2) homes delivered on infill sites	Jiahe, which is currently undergoing property handover in 2022 and the under-construction Jiapin are both located in the Jiangzicui area of New Taipei City, not on infill sites.
IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) average density	Due to the highly urbanized environment of the Greater Taipei area in Taiwan, it is classified as a closely developed region. Jiahe has started the property handover since the end of 2022 and will complete the property handover of all 144 units by the end of February 2023. The total site area is 3,041.54 square meters and the average density is 0.047 unit/square meters.
Climate Change Adaptation		
IF-HB-420a.1	Number of lots located in 100-year flood zones	Sinyi Development examined the Climatecentral database and under the 1.5°C scenario for the year 2050, conducted an analysis regarding the two land parcels owned in 2022. The parcels consist of Jiahe project currently under handover, and Jiapin project under construction, both located in the Jiangzicui area of New Taipei City, which is in a high flood-prone area based on the analysis.
IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please refer to Four. Climate Change.

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Code	Accounting Metric	2022 Disclosures
Activity Metrics		
IF-HB-000.A	Number of controlled lots	In 2022, Sinyi Development held in total of three lots, located in Jiangzicui and Xinzhuang of New Taipei City and Nanzih of Kaohsiung City.
IF-HB-000.B	Number of homes delivered	Jiahe has started the property handover since the end of 2022 and will complete the property handover of all 144 units by the end of February 2023.
IF-HB-000.C	Number of active selling communities	In Taiwan, the sales model for new real estate projects includes not only selling completed properties but also utilizing a pre-sale system for sales before obtaining an occupancy permit. We marketed two communities in 2022. Jiahe started the property handover since the end of 2022 and will complete the handover of all 144 units by the end of February 2023. Jiapin has a total of 114 units, and is projected to be handed over between the end of 2024 and 2025.

■ Task Force on Climate Related Financial Disclosures (TCFD) Disclosure Comparison Table

Dimension	TCFD Recommended Disclosure	Reference chapter/page number
Governance	a) The Board of Directors' monitoring of climate related risks and opportunities	Four. Climate Change, I. Sinyi Development's Climate Governance
	b) The role of managers in assessing and managing climate related risks and opportunities	Four. Climate Change, I. Sinyi Development's Climate Governance
Strategy	a) The short-, medium-, and long-term climate related risks and opportunities identified by the organization	Four. Climate Change, II. Sinyi Development's Climate Strategy
	b) Impacts of climate related risks and opportunities on operations, strategies, and financial planning	Four. Climate Change, II. Sinyi Development's Climate Strategy
	c) The strategic resilience of the organization against different climate related scenarios, including 2°C or lower scenarios	Four. Climate Change, II. Sinyi Development's Climate Strategy
Risk management	a) The identification and assessment procedures for climate related risks of the organization	Four. Climate Change, III. Sinyi Development's Climate Risk Management
	b) Management procedures for climate related risks	Four. Climate Change, III. Sinyi Development's Climate Risk Management
	c) How the organization incorporates the overall risk management in the process of identifying, assessing and managing climate-related risks	Four. Climate Change, III. Sinyi Development's Climate Risk Management

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Dimension	TCFD Recommended Disclosure	Reference chapter/page number
Metrics and targets	a) The identification and assessment procedures for climate related risks of the organization	Four. Climate Change, IV. Sinyi Development's Climate Indicators and Goals
	b) Disclose greenhouse gas (GHG) emissions and the related risks in Scope 1, Scope 2, and Scope 3 (if appropriate)	Four. Climate Change, IV. Sinyi Development's Climate Indicators and Goals, GHG Emissions
	c) The targets and attainment of the targets for the organization's management of climate related risks and opportunities	Four. Climate Change, IV. Sinyi Development's Climate Indicators and Goals, Climate Risks and Opportunities Metrics and Goals

Dimension	Supplemental guidance for non-banking sectors	Reference chapter/page number
Strategy	<p>b) The organization should assess how to incorporate climate-related risks and opportunities into (1) current decision-making and (2) strategy formulation, including planning assumptions and objectives regarding mitigation, adaptations, or opportunities from climate change, such as:</p> <ul style="list-style-type: none"> ■ Research and Development (R&D) and adoption of new technologies. ■ Current activities and those to be undertaken in the future, such as investment, restructuring, write-down or impairment of assets. ■ Significant planning assumptions regarding legacy assets, such as strategies to reduce carbon, energy and/or water-intensive operations. ■ How to consider greenhouse gas emissions, energy, water and other physical risks (if applicable) in capital planning and allocation. This may include discussions of major acquisitions and divestments, joint ventures, and investments in technology, innovation as well as new business areas, according to climate change-related risks and opportunities. ■ Flexibility for the organization to position/reposition its capital to respond to emerging climate-related risks and opportunities. 	Four. Climate Change, II. Sinyi Development's Climate Strategy Climate Risk Impacts & Scenarios Analysis and Response Strategies Climate Opportunity Impacts & Scenarios Analysis and Response Strategies




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Dimension	Supplemental guidance for non-banking sectors	Reference chapter/page number
Strategy	<p>c) Organizations with more than \$1 billion in annual revenue should consider a more solid scenario analysis to assess the company’s strategic adaptability to a range of climate-related scenarios, including 2°C or lower scenarios as well as those consistent with an increase in climate-related physical risks within the organizational context.</p> <p>The organization should consider and discuss the impact of different policy assumptions, macroeconomic trends, energy pathways and technology assumptions adopted in publicly available climate-related scenarios to assess the adaptability of its strategies.</p> <p>For the climate-related scenarios described, the organization should assess and provide information on the following items so that investors and others understand how to draw conclusions from the scenario analysis:</p> <ul style="list-style-type: none"> ■ Key input parameters, assumptions and analytical choices for the climate-related scenarios painted, especially the key parameters related to policy assumptions, energy deployment pathways, technology pathways, and relevant timing assumptions. ■ Potential qualitative or quantitative financial impact, if any, of climate-related scenarios. 	<p>Four. Climate Change, II. Sinyi Development’s Climate Strategy Climate Risk Impacts & Scenarios Analysis and Response Strategies Climate Opportunity Impacts & Scenarios Analysis and Response Strategies</p>
Metrics and targets	<p>a) For all relevant metrics, the organization should evaluate and provide historical trends and forward-looking forecasts (by relevant countries and/or jurisdiction, business or asset types).</p> <p>The organization should also evaluate and disclose the metrics that correspond to their scenario analysis and strategic planning processes and those used to monitor the organization’s business environment from a strategic and risk management perspective.</p> <p>The organization should assess and provide key metrics related to greenhouse gas emissions, energy, water and other physical risks, land use, and investments in climate adaptation and mitigation (if relevant) to address the potential financial dimension such as changes in demand, expenditures, asset valuations and financing costs.</p>	<p>Four. Climate Change, II. Sinyi Development’s Climate Strategy Climate Risk Impacts & Scenarios Analysis and Response Strategies Climate Opportunity Impacts & Scenarios Analysis and Response Strategies Four. Climate Change, IV. Sinyi Development’s Climate Indicators and Goals, Climate Risks and Opportunities Metrics and Goals Comparison Table of Sustainability Account Standards Board (SASB)</p>

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INDEPENDENT ASSURANCE OPINION STATEMENT

Sinyi Development 2022 Sustainability Report

The British Standards Institution is independent to Sinyi Development Inc. (hereafter referred to as Sinyi Development in this statement) and has no financial interest in the operation of Sinyi Development 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 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. 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 only.

Scope

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

1. The assurance scope is consistent with the description of Sinyi Development 2022 Sustainability Report.
2. The evaluation of the nature and extent of the Sinyi Development's adherence to AA1000 AccountAbility Principles (2018) and assessment of sustainability 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 and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Sinyi Development 2022 Sustainability Report provides a fair view of the Sinyi Development sustainability programmes and performances during 2022. 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 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'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's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards 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'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.
- 3 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 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's inclusivity issues.

Materiality

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

Responsiveness

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

Impact

Sinyi Development has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Sinyi Development 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's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Sinyi Development 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's sustainability topics.

SASB Standards

Sinyi Development provided us with their self-declaration of in accordance with SASB Standard(s) (HOME BUILDERS Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (HOME BUILDERS Sustainability Accounting Standard) 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.

Responsibility

The sustainability report is the responsibility of the Sinyi Development'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 Lead 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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2023-07-04



Peter Pu, Managing Director BSI Taiwan

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Conformity Statement

Climate related Financial Disclosure

This is to conform that **Sinyi Development Inc.** 信義開發股份有限公司
 No. 100, Sec. 5, Xinyi Rd. 臺灣
 Xinyi Dist. 台北市
 Taipei City 信義區
 110022 信義路五段 100 號
 Taiwan 110022

Holds Statement Number **CFD 789972**

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

- Sinyi Development Inc. follows Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for the Non-Financial Groups to disclose climate-related financial information which is clear, comparable and consistent about the risks and opportunities and its financial impact. The disclosures cover four core elements and have been prepared by seven principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures is **Level-5: Excellence grade**.
- 信義開發股份有限公司遵循氣候相關財務揭露 (TCFD) 非金融產業的建議，揭露與氣候相關的財務訊息，這些訊息在風險和機會及其財務影響方面清晰，可比較且一致。揭露內容涵蓋四個核心要素，並已根據有效揭露的七個原則進行了準備。
- 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: 2023-07-03 Expiry date: 2024-07-02

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Statement number: CFD 789972

<p>Location:</p> Sinyi Development Inc. No. 100, Sec. 5, Xinyi Rd. Xinyi Dist. Taipei City 110022 Taiwan 信義開發股份有限公司 臺灣 台北市 信義區 信義路五段 100 號 110022	<p>Conformity Check Overall Result:</p> 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。
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