



太子建設

Prince Housing & Development Corp.



2022

SUSTAINABILITY
REPORT



太子建設

Prince Housing & Development Corp.

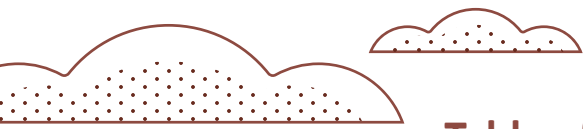
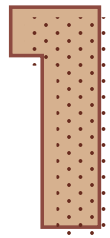


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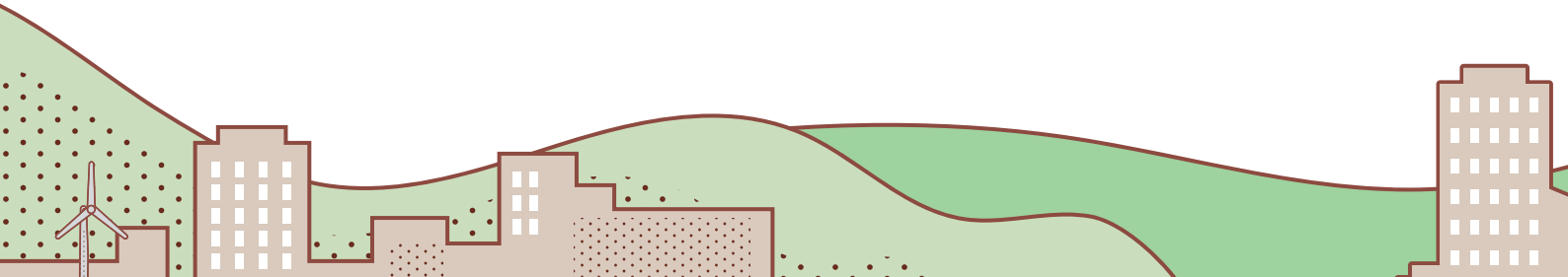
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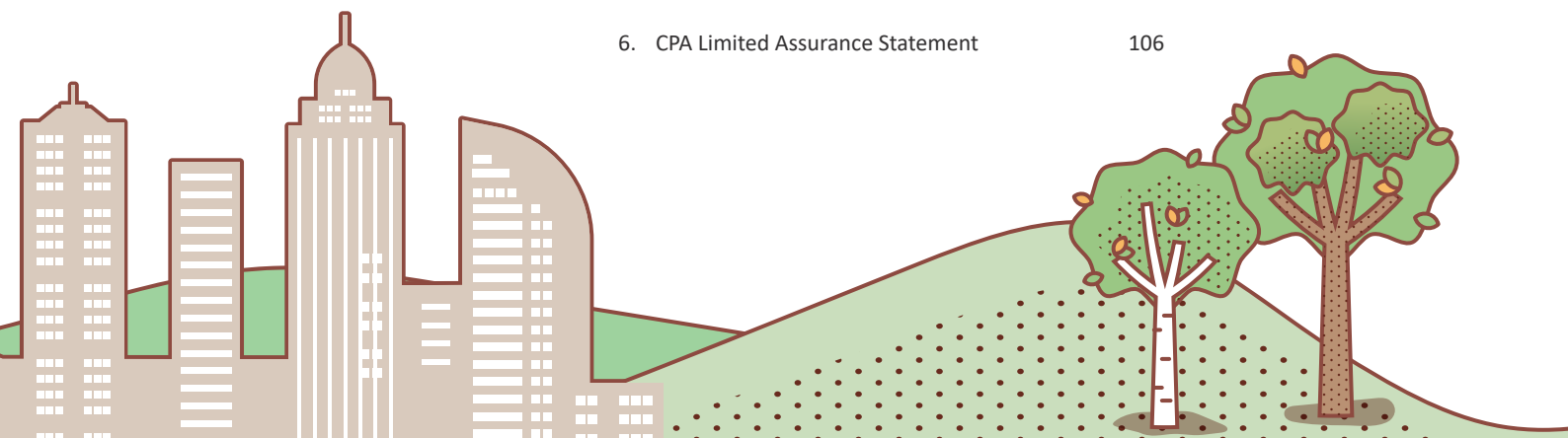
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About this report

Reporting Period

This is the ninth ESG Report of Prince Housing & Development Corporation (PHDC). It mainly discloses the data and contents in 2022 (January 1 to December 31, 2022). Part of the performance data has been traced back to the information before 2022 or extended to the information in the recent year (2023).

Scope and Boundaries of the Report

Disclosures of this report are focused on PHDC and Cheng-Shi Construction Co., Ltd. (CSCC). While affiliates including Ta Chen Construction & Engineering Corporation (TCCE) and Prince Utility Enterprise Co., Ltd. (PUEC) undertake the construction and utility projects of PHDC, the information that concerns some stakeholders is also disclosed to ensure the value-chain transparency of PHDC and its extended influence. "Prince Construction Business" is collectively referring to PHDC, CSCC, PUEC, and TCCE.

Basis of Data Calculation

All information and statistics contained in this report are extracted from the results of self-conducted statistics and surveys. Part of the financial figures contained in the financial performance section are quoted from the financial reports (expressed in NT\$) certified by certified public accountants. Relevant statistics are expressed in the internationally accepted indicators. Quantitative indicators disclosed in this report with special meanings will be footnoted.

Principles of Preparation

This report has been prepared in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the GRI Standards 2021 published by Global Reporting Initiative (GRI), and the topics for the Home Builders Industry of the Sustainability Accounting Standards published by the Sustainability Accounting Standards Board (SASB) to identify and disclose data regarding the performance of activities in relation to sustainable development of PHDC for quick indexing and inquiry.

Report Assurance

This Report has been verified by PwC Taiwan in accordance with the Taiwan Standards on Assurance Engagements (TWSAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (established in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (Revised)) published by the Accounting Research and Development Foundation. The Assurance Report is appended to this Report.

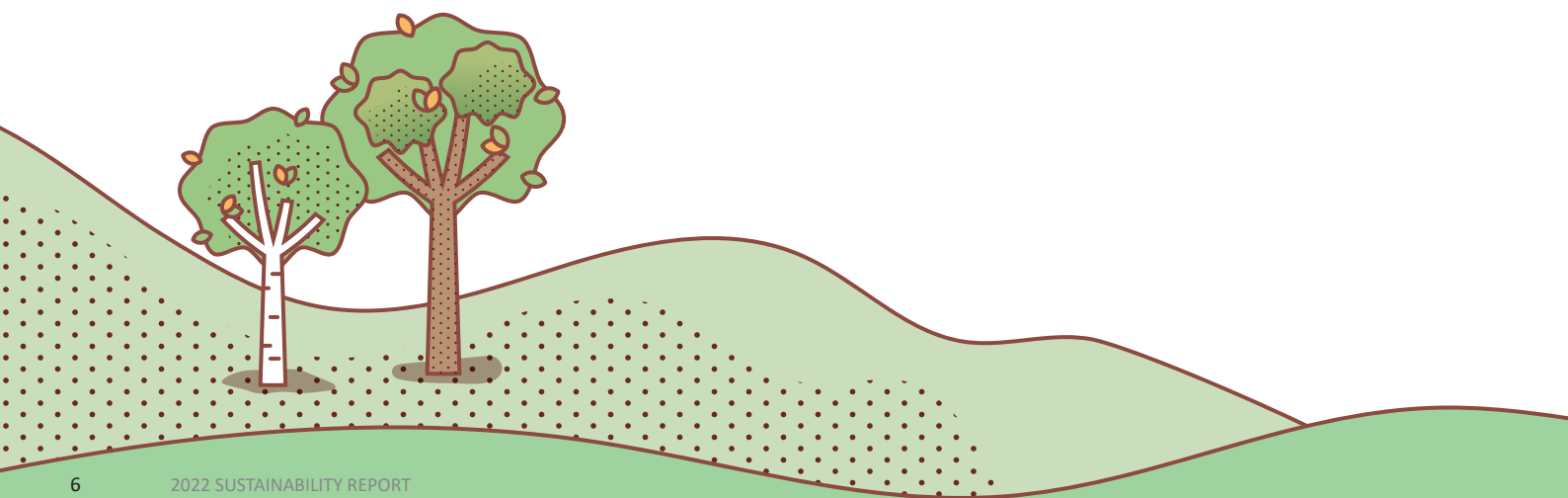
Feedback

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Current issue: Published in September 2023

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Message from the Chairman

With a history of half a century, over the past 50 years we have left our footprints across Taiwan step by step and upheld professionalism and practicality to run our core business and treat all stakeholders with integrity and sincerity based on the principle of “three goods and fair price (good location, good design, good construction, and fair price)”.

The influence of COVID-19, international situations, and inflation in recent years has been challenging different walks of life around the globe in recent years. It has also given us an opportunity to rethink our adaptability to the upheavals in the macro environment. Following the evolution of and changes in the macro environment, it is necessary for us to optimize and update the past business model of buying land for building and selling homes. In the future, we will integrate market diversity into operations and engage in operational diversification. By doing so, we aim to break through the current business model and develop a brand-new style to stabilize sustainable operations and maintain sustainable development through the thorough consideration of the overall macro economic condition.

In addition to focusing on our core business, we also actively implement the sustainable development goals. In compliance with the Corporate Governance 3.0 -Sustainable Development Roadmap announced by the Financial Supervisory Commission, we actively engage in corporate governance, plan sustainable operations, and review related strategies and actual situations. Whether it is using green construction materials in future construction projects, supporting green procurement and green energy such as solar PV, or resource recycling like rainwater harvesting, through business promotion, we spare no efforts in making better overall performance in realizing sustainable development.

We will continue to implement our “character, brand, taste” (CBT) business philosophy to build the best products and offer the best-quality services in the best locations, cultivate markets, and integrate brand-new thinking into operations to go forward steadily!



Chairman **Chih-Hsien Lo**



President **Hong-Chun Lin**

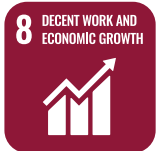
Practicing SDGs



- Employees received over 20 hours of internal and external training on average, including 22 lessons of education and training related to construction for a total of 490 persons (times) to raise the basic standard of employees and present a quality team that eases customer worries.



- Implementation of green design, solar PV, and rainwater harvesting systems: By the end of 2022, the completed installed capacity of solar PV was up to 359.44KW, and the rainwater harvesting capacity was up to 9,195.16MT.



- Both the disabling injury frequency rate and disabling injury severity rate were 0.
- The average and median wage per employee increased by 24.51% and 22.43% over last year respectively.
- The consolidated revenue increased by 4.6% over 2021 to NT\$12.769 billion.
- No sanction for serious non-compliance with social (including personal information and deceptive adverts), economic, or environmental protection regulations was reported.



- Average satisfaction of 77.3% in the annual student hall satisfaction survey.
- Invested about NT\$2.82 million in hardware facilities to improve the living quality of staff and students.
- Offered high-efficiency 7-day repair service, with an accomplishment rate up to 67.91%.
- Periodic customer satisfaction survey: The response rate of "satisfied" and above (both "satisfied" and "highly satisfied" at both the Taipei and Taichung branches was 100%, while it was 95.56% and 99.75% of Taichung and Tainan and Kaohsiung branches respectively.





- In 2022, demographic analysis, economic development, environmental impact assessment, and site seismic analysis were implemented in accordance with the internal land development SOPs for all construction projects.



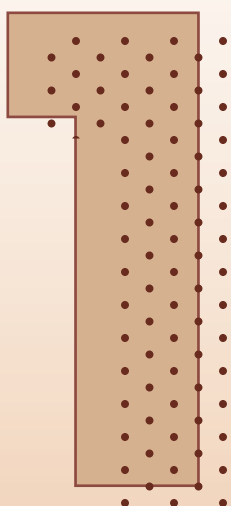
- By the end of 2022, we recovered 67 LCD displays, 27 laptops, 126 desktops, and 73 other electronic products in collaboration with ASUS Foundation. Reduced carbon emissions by 4.983t CO₂e, equivalent to saving 415.265 trees.



- Implemented climate-related financial disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and assess the impact on business operations of climate-related risks and issues and enhance the operational resilience against climate change.



- In 2022, a total of 419 suppliers were evaluated, with a pass rate of 99.5%.



Mapping Sustainable Development

- 1.1 About PHDC
- 1.2 Sustainable governance
- 1.3 Stakeholder communication and material topics

1.1 About PHDC

Prince Housing & Development Corporation (PHDC) mainly engages in the investment and construction of residential and commercial buildings, tourism hotels, industrial zone development, indoor sports and leisure facilities, parking garages, and other services. Quality, credibility, and service are our unchanged insistence. We never spare our professionalism and practicality to carry out the “three goods and fair price (good location, good design, good construction, and fair price)” principle. We implement stringent quality control from location selection, design, to construction and progressively introduce ingeniously planned, stringently constructed quality residential buildings across Taiwan to extend our “same goal, teamwork, effectiveness, accountability” spirit to work. In addition to the core construction business, to differentiate operations, we will set integrated development and sustainable operations as our targets and combine with our advantages in mall operations and property management to build a brand-new PHDC to continuously brush up the golden brand of PHDC.


太子建設
 Prince Housing & Development Corp.

Chairman	Chih-Hsien Lo
President	Hong-Chun Lin
Headquarters location	8F (Tainan Spinning International Tower), No. 398, Section 1, Zhonghua East Road, East District, Tainan City
Paid-in capital	NT\$16.233 billion
Major Products and Services	Commissioned construction, lease, and sales of public housing and commercial buildings, and investments in tourism hotels and BOT development projects
Total number of employees of Prince Group	1,783 persons ^(Note)

(Note) Statistics to 2022/12/31. Statistics coverage: All business units within Prince Construction Group.

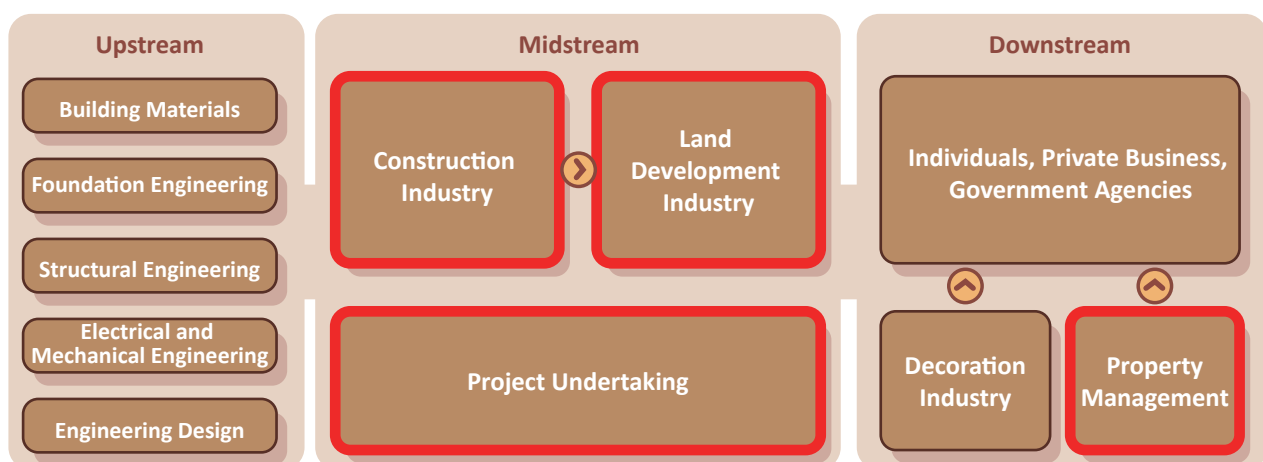
Upstream and Downstream Value Chain

Building Materials and Construction Industry Chain

Our business units fall into three main categories: **construction and land development**, **hospitality and tourism**, and **property management**. The services of our business units cover midstream and downstream building material and construction industry chain, including the **construction industry**, **land development industry**, and **project contracting** in the midstream and **property management** at the downstream.

In terms of the upstream, midstream, and downstream of the overall building materials and construction industry, raw materials supply including land and building materials is the major task at the upstream industry. Land is acquired from purchasing, the release of national land, and joint construction. In building materials, the cost of building materials has been increasing in recent years due to price rises of raw materials. As far as balancing cost control and quality maintenance is concerned, seeking new building materials and equipment is necessary for cost optimization. The engineers and architects engaging in design and planning, contractors performing construction, and project-undertaking construction companies are in the midstream. For sale by owner (FOSB) and consignment brokerage agents are in the downstream.

As the “**hospitality and tourism**” sector is characterized by service, there is no clear distinction of up-, mid-, and down-stream.



Note: Industries in red frames are the major services of Prince Group

1.2 Sustainable governance

Upholding the “three goods and fair price” principle, we introduce ingeniously planned, stringently constructed quality products and services. As environmental, social, and government (ESG) issues have become the prerequisites for business operations, we also effectively and specifically ingrain sustainability in our DNA. With reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” published by the Taiwan Stock Exchange (TWSE), we amended the “PHDC Corporate Social Responsibility Best Practice Principles” into the “PHDC Sustainable Development Best Practice Principles” in 2021, which has been passed unanimously by all members of the Board of Directors (Board), to undertake that PHDC will continue to enforce corporate governance, develop a sustainable development, maintain social welfare, and enhance the disclosure of corporate ESG information. By setting these best practice principles as the top guiding principle for implementing sustainable development at PHDC, we hope to enforce corporate social responsibility step by step starting from one point, then a line, and eventually a plane.

The Strategic Planning Office takes charge of the planning and management of sustainability-related affairs and the extension of the above sustainable development concepts to all departments for them to actively assess, plan, and implement practices for sustainability development based on their authority. After communicating and coordinating with all departments, Office of Operational Planning reports the achievements of the annual sustainability actions to the president in summary and to the Board every year. The Board will review the Company’s performance in sustainable operations in the year to assess the feasibility of the management approaches and strategies and make timely adjustments and planning. Adjusting the operational approaches through ceaselessly reviewing the action for sustainable governance enables us to inventory the existing performance and plan future directions more comprehensively and more attentively.

Matters reported to the Board in 2022 included:

Management of sustainability issues

- Planning by the Strategic Planning Office
- Reporting to the president periodically
- Reporting to the Board once a year

✕Planned and reported the progress quarterly during GHG inventory for Board control by quarter.

GHG Inventory Project Report

Planned the inventory schedule and responsible staff.

Performance of Risk Management Mechanism

Risk policies and procedures, scope of management, and risk categories

Ethical Corporate Management & Sustainable Development Project Reports

Status of implementation of: ethical corporate management (performance highlights, audit performance, internal education and training, and implementation plans), sustainable development (implementation targets and plans, material sustainability topics, and stakeholder engagement), and management of intellectual property rights.

Mechanism for Information Security Management

Planned the establishment of the chief information security officer (CISO) and information security team

1.3 Stakeholder communication and material topics

Through communication with stakeholders, we understand their expectations on the direction of our operations and verify the material topics requiring prioritized concerns, including the significance of economic, environmental, and social impacts to ensure that we are on the right track and right direction for practicing sustainable operations so as to address correctly and exactly the expectations of stakeholders.

We identify the material topics for sustainable development of Prince Construction Business in terms of the following four processes:




1 Inventory of topics relating to sustainable development





Through internal discussion and external expert assistance, referring to the Traditional Chinese version of GRI Standards published in October 2021, considering the direction of operations and the trend of concerned issues in the industry, and analyzing the sustainability reports published by construction and engineering businesses at home and abroad, we have concluded 18 sustainability topics relating to Prince Construction Business in 2022 and validated their relevance to the GRI Standards and trends in the industry.

2 Identification of stakeholders and topics that concern them

To make more effective communication with the stakeholders of Prince Construction Business, it is first to identify the stakeholders of Prince Construction Business, i.e., entities or individuals under the significant influence of the activities, products, and services of Prince Construction Business, or their activities that may affect the implementation strategies and capability in target achievement of Prince Construction Business. Through internal discussion, we have identified the following 7 major stakeholder groups: employees, customers, shareholders, competent authorities, local communities, suppliers, and banks. Then, we discerned the topics that concern them through various communication channels and questionnaire survey.

Methods and frequency of communication between PHDC and stakeholders are tabulated below. Additionally, we address the topics that concern each stakeholder group more comprehensively in this sustainability report.

Stakeholder	Major Concerned Topics ^(Note)	Communication Method	Frequency and Times of Communication in 2022
 Employees	<u>Construction quality and safety</u> <u>Economic Performance</u> <u>OH&S</u> <u>Ethical Corporate Management</u>	Enterprise Information Portal (EIP) system	Irregular: 22 notices in total
		Internal education and training	Irregular: 68 education and training lessons in total
 Customers	<u>Customer rights and interests and service quality</u> <u>Construction quality and safety</u> <u>Economic Performance</u> <u>Ethical Corporate Management</u>	Call center	Real-time: 84 times of after-sales service in total
		Questionnaire (Prince House)	Annually: 2 times of questionnaire surveys in total
		Online guestbook	Real-time: 193 messages in total (Prince House System)
 Shareholders	<u>Economic Performance</u> <u>Construction quality and safety</u> <u>Ethical Corporate Management</u> <u>Risk Management</u>	Board of Directors	Quarterly/Annually: 5 times in total
		Meetings of Shareholders	Annually: 1 time
		Investor conference	Irregularly: 2 times in total (April and August 2022)
		Annual report	Annually: 1 time

Stakeholder	Major Concerned Topics ^(Note)	Communication Method	Frequency and Times of Communication in 2022
 competent authorities	<u>Economic Performance</u> <u>Ethical Corporate Management</u> <u>Customer rights and interests and service quality</u> <u>Risk management</u>	Official document exchange	Irregularly
		Laws, regulations, and specifications	Irregularly
		Government policy announcement	Irregularly
		Visit	Irregularly
		Regular design drawing audit meeting	Irregularly
		Supervision or business communication calls, emails	Irregularly
 Local communities	<u>Customer rights and interests and service quality</u> <u>Ethical corporate management</u> <u>Construction quality and safety</u>	Construction conference	Irregularly
		Corporate website	Irregularly
		PHDC App	Irregularly
		In-kind donation to social welfare units	Irregular: 2 units in total
		Supplier evaluation	Irregularly
		Business meeting	Irregularly
		Business communication calls, emails	Irregularly
 Suppliers	<u>Customer rights and interests and service quality</u> <u>Water resources management</u> <u>Materials consumption</u> <u>Waste management</u> <u>Climate change</u> <u>Energy and GHG management</u> <u>Supplier management</u> <u>Construction quality and safety</u> <u>Diversity and equal opportunity</u> <u>OH&S</u>	Phone, email	Real-time
		Supplier assessment/evaluation	Real-time
		Factory inspection	Irregularly
		(Video) Conference	Irregularly
 Banks	<u>Ethical Corporate Management</u> <u>Economic Performance</u> <u>Risk Management</u> <u>Construction quality and safety</u> <u>Sustainable product design and innovation</u>	Regular business communication calls, emails	Irregularly

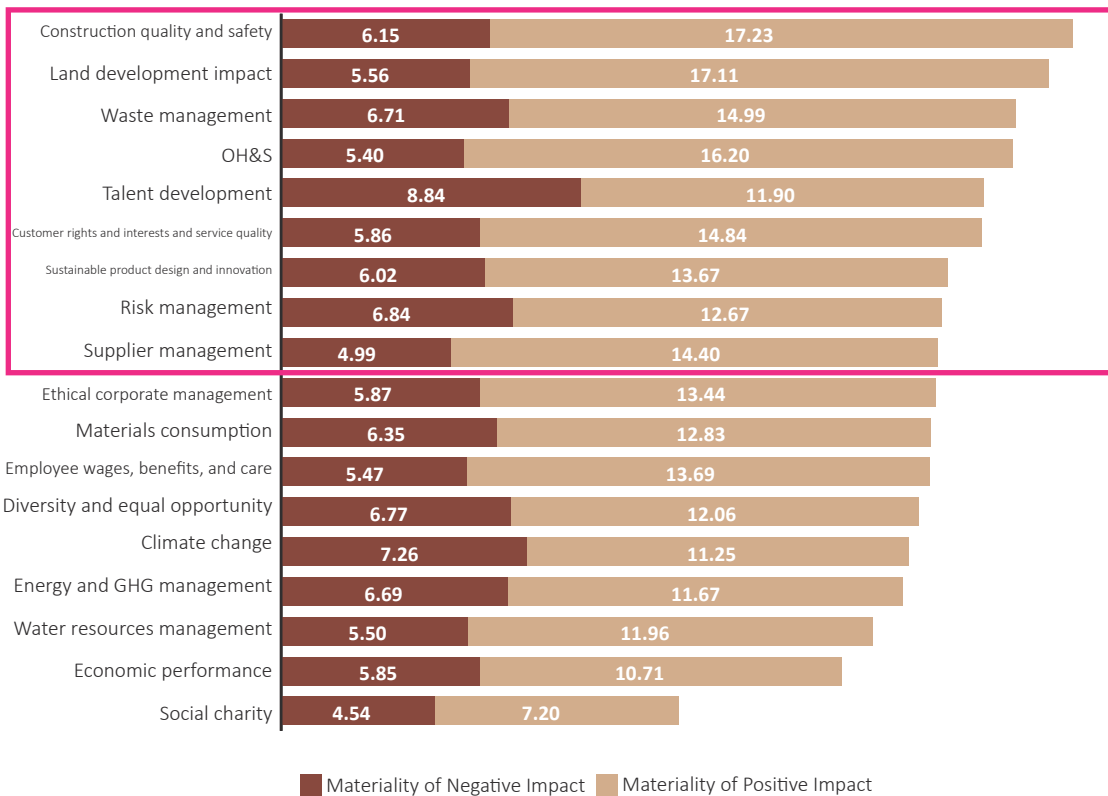
Note: The top three issues that concerned stakeholders in their feedback.

Through the above interaction and communication, we understand the topics that concern stakeholders better. By publishing the sustainability report every year, we will periodically identify material topics to achieve stakeholder communication more thoroughly and more effectively.

3 Prioritization and identification of material topics

We designed the significance of impact questionnaire based on the inventoried 18 sustainability topics for the management to answer, assess, and analyze the actual and potential positive and negative economic, environmental, and social impacts of the sustainability topics. Lastly, after the integrated assessment of their significance of impact (including the likelihood and the scale and scope of impacts) and reference to the concerns of stakeholders, topics were prioritized after summing up the score of positive and negative impacts to determine nine topics and the material impacts of 2022. The matrix below shows the identified material topics and the results of prioritization.

Impact Assessment of Material Topics



E: Environmental; **S**: Social; **G**: Governance; **P**: Product

Sustainability Topic	Description of Positive and Negative Impacts
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E

Materials consumption

Positive:

Consideration of recycled materials, ease of disposal, and availability for local procurement to reduce transportation costs in raw materials procurement to reduce environmental impacts.

Negative:

Damage on corporate image during manufacturing or use for materials difficult to disposed of after use or with negative environmental impacts.

Sustainability Topic	Description of Positive and Negative Impacts
<p>Waste management</p>	<p>Positive: Increased revenues and reduced spending on raw materials procurement by reviewing waste generated from production for reselling recovered waste to recycling companies or self-recycling for reuse; creating the circular economy for the Company and reducing waste clearance and disposal expenses.</p> <p>Negative: Increased spending on waste clearance and disposal due to failure in appropriate waste reduction; soil and environmental pollution caused by inappropriate disposal in landfill sites or by disposal contractors due to Taiwan's current disposal capacity.</p>
<p>Energy and GHG management</p>	<p>Positive: Promotion of GHG reduction and lower the risk of electricity shortages in the locations of operations through energy management, the installation and use of energy-efficient equipment, and the improvement of the energy portfolio or other carbon reduction actions.</p> <p>Negative: Difficulty in facilitating GHG reduction due to failure in implementing carbon reduction measures and installing energy-efficient equipment Unstable electricity supply from Taiwan Power Company (TPC) will affect corporate operations, prevent the Company from achieving the government's emission quota, and continuously cause negative environmental impacts.</p>
<p>Water resources management</p>	<p>Positive: Enhanced overall resilience against water shortages and droughts by securing adequate and clean water sources for the locations of operations through the use of water-efficient equipment and with the water recycling and reuse measures.</p> <p>Negative: Failure in the effective quality and quantity management of effluents will face administrative fines and corporate impact damage for non-compliances with laws and regulations and the EIA commitments.</p>
<p>Climate change</p>	<p>Positive: Ensured business continuity through early response to climate-related factors affecting corporate operations, e.g., floods, droughts, increased customer demand for sustainable products, and increased raw material costs; and increased revenues and improved corporate reputation and value through re-investments in sectors of related issues.</p> <p>Negative: Damage on locations of operations, late delivery due to delayed raw materials supply, delayed revenues and increased interest costs due to late delivery of construction contractors as a result of failure in management of climate-related issues.</p>
<p>OH&S</p>	<p>Positive: Protection of employee health and safety through effective OH&S management and provision of a healthy and safe workplace environment for employees.</p> <p>Negative: Work-related injuries and ill health and industrial safety accidents due to improper OH&S management during corporate operations.</p>
<p>Employee wages, benefits, and care</p>	<p>Positive: Active handling and full communication of labor-management disputes, provision of well-designed benefits and funding policies, and improvement of work satisfaction of employees.</p> <p>Negative: Increased rate of employee turnover when employees feel damaged rights and interests due to the imperfect employee benefit policy; family economic crisis due to unexpected unemployment of employees.</p>

E

S

Sustainability Topic	Description of Positive and Negative Impacts
	<p><u>Positive:</u> Enhanced professional competencies and organizational commitment and reduced risk of unemployment due to inadequate competitiveness of employees through the provision of education and training and career planning for employees.</p> <p><u>Negative:</u> Reduced rate of employee retention due to remuneration inequalities as a result of the unfair performance evaluation system.</p>
S	<p><u>Positive:</u> Reduced rate of unemployment through the protection of equal rights and interests in workplaces by advocating diversity, active promotion of gender equality, and equal pay for equal work.</p> <p><u>Negative:</u> Difficulty in employee retention and increased rate of employee turnover due to discrimination from workplace inequalities.</p>
	<p><u>Positive:</u> Assistance in improving community, social, and economic infrastructure and social vulnerable groups, improvement of community functions and the power to do good deeds of society. Increased corporate influence for building an overall environment favoring steady operations.</p> <p><u>Negative:</u> Social problems in local communities or social vulnerable groups due to the lack of corporate funding and care; serious obstacles of corporate operations due to the inconsistencies between government policies and corporate ideas.</p>
	<p><u>Positive:</u> Increased revenues, enhanced operational stability, increased investments from shareholders and investors.</p> <p><u>Negative:</u> Damage on corporate image and reduced resources due to operational deficits.</p>
G	<p><u>Positive:</u> Improved corporate reputation through compliance with the code of business conduct and ethics of employees and social expectations; no sanction through compliance with fair trade behavior and anti-corruption policies and management.</p> <p><u>Negative:</u> Damage on corporate image and even facing litigations due to negative incidents.</p>
	<p><u>Positive:</u> Reduced operational risks by minimizing costs and losses through advance assessment and planning of high-likelihood risks.</p> <p><u>Negative:</u> Financial losses and even operational interruption for failure to predict or plan potential future risks.</p>

Sustainability Topic	Description of Positive and Negative Impacts
	<p>Positive: Enhanced customer satisfaction by enhancing the information security protection network to prevent leakage of customer privacy or information or by improving employee training on after-sales service and customer care.</p> <p>Negative: Litigation risk for violation of the <i>Personal Data Protection Act</i> due to information leakage and customer data losses and reduced customer trust due to low-quality customer service.</p>
	<p>Positive: Reduced impacts on the local environment, ecology, and community development of products or services through proper market research and survey and environmental and social assessment during land development and site selection.</p> <p>Negative: Damage on corporate reputation and image for damage on the ecology and conflicts of interest with local communities due to failure in proper assessment of the environment, ecology, and community development during land development and site selection.</p>
<p>P</p> <p>Sustainable product design and innovation</p>	<p>Positive: Provision of sustainable products, e.g., implementation of environmentally sustainable design, EV-related accessories, energy-efficient and water-efficient designs, recycled building materials, and the Eagle Eye App real-time monitoring, to meet with the trends of environmental protection, energy conservation, and intelligent building to fulfill customer demands, promote local economic development, and develop sustainable cities.</p> <p>Negative: Reduced customer orders and failed connection with the market trends for failure to fulfill customers' demand for environmental protection, energy conservation, and intelligent building.</p>
	<p>Positive: Enhanced customer satisfaction, improved corporate reputation, and increased orders due to stable quality and safety control of products.</p> <p>Negative: Increased improvement costs, reduced customer satisfaction, and reduced orders and market reputation due to inappropriate quality control of products.</p>
	<p>Positive: Lowered impact on corporate image due to inappropriate supply chain management through the proper management of the environmental, occupational safety, and human rights issues of the value chain partners.</p> <p>Negative: Negative public opinions and reduced corporate reputation due to environmental incidents, occupational accidents, and human rights violation of the supply chain.</p>

Note: Compared to 2021, the new material topics in 2022 included “waste management”, “talents development”, and “supply chain management”; previous material topics “customer communication” and “customer privacy” were combined into the “customer rights and interests and service quality”; the material topic “compliance with laws and regulations” was excluded and disclosed in accordance with disclosure 2-27 of the GRI 2: General Disclosures 2021 of the GRI Standards 2021.

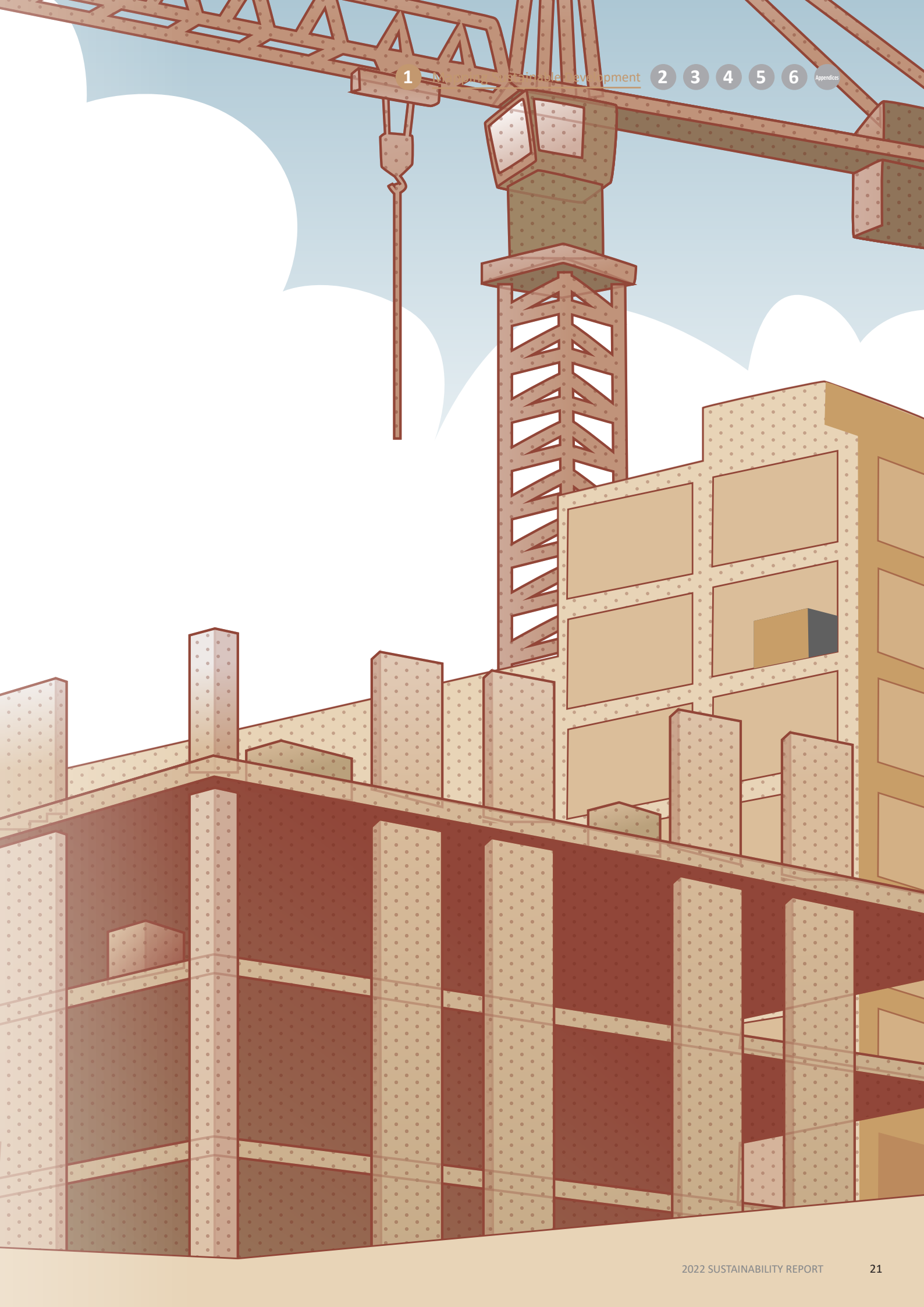
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Validation and Discussion

Through materiality analysis, we identified 9 material topics and reported them to management for validation. The ESG project team assessed their integrity, scope of impact, and boundaries. The content of this report has been defined in accordance with the completeness and stakeholder inclusiveness principles. The identified material topics have been disclosed in accordance with the sections and chapters of this report. In the future, we will enhance the management of material topics and address the topics that concern stakeholders.

The corresponding report sections and chapters of material topics in the year and report boundaries are as follows:

Topic	Corresponding GRI Standards	Corresponding Section	Report Boundaries					
			Within Organization				Outside of Organization	
			Prince Housing and Development Corp.	CSCC	PUEC	TCCE (PHDC internal projects)	Customers	Local communities
Waste management	306-2	3.6 Climate and environmental management	○	○	○	○	○	○
OH&S	403-1 to 403-10	5.4 Safe and healthy workplace environment	○	○	○	○		
Talent development	404-1 to 404-3	5.3 Diversified career development and training	○	○	○	○		
Risk management	NA	2.2 Careful risk management	○	○	○	○	○	○
Customer rights and interests and service quality	417-1 418-1	4.1 Quality customer communication and service 4.2 Insistence on maintaining customer rights and interests	○	○	○	○	○	
Land development impact	NA	3.1 Land development assessment	○				○	○
Construction quality and safety	NA	3.3 Quality control for excellent buildings	○	○	○	○	○	
Sustainable product design and innovation	416-1	3.2 Sustainable architectural design and innovation	○	○	○	○	○	
Supplier management	308-1 to 308-2 414-1 to 414-2	3.5 Supplier management and procurement practices	○	○	○	○	○	





Business Integrity and Brand Value

- 2.1 Robust corporate governance
- 2.2 Careful risk management
- 2.3 Stringent legal compliance
- 2.4 Steady financial performance



Material Topics Covered in this Chapter



We believe that a solid governance foundation is key to sustainable operations. Hence, we make continual improvements in corporate governance in terms of organizational structure, regulations and systems, implementation, and review. Through careful assessment, we adopt appropriate management action to prevent accidents while maintaining ethical corporate management to ensure legal compliance with the construction processes. These are the only ways to meet stakeholders' expectations and maintain steady economic performance to achieve the goal of sustainable operations.



Management approaches

We have established the “Risk Management Policy” as the highest guiding principle of the Company’s risk management. We have also established the risk management team to periodically assess risks and report them to the Board every year to identify risks that may affect sustainable development and draw up management policies for identified risks. The policy contents cover management targets, organization framework, responsibility, and risk management procedures so as to control risks within the acceptable range through policy implementation.



Goals

Actively identify and control risks to ensure the accomplishment of operational targets and sustainable operations and development.

2.1 Healthy corporate governance

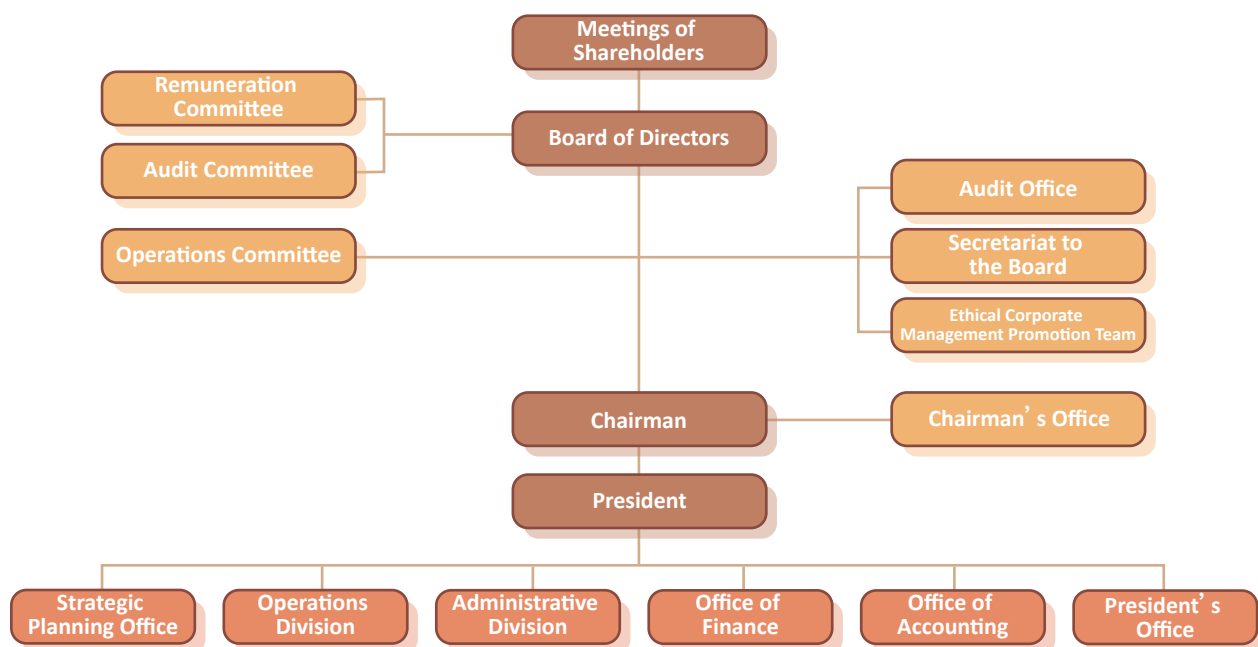
To build a robust corporate governance system, we established the “[PHDC Corporate Governance Best Practice Principles](#)” with reference to the *Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies* co-established by the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) in 2016. To ensure the ethical compliance of directors and officers, we have also established the “[Code of Ethical Conduct](#)”. In accordance with legal amendments and in consideration of the changes in the overall macro environment, we timely update various corporate governance regulations. We have also included ESG in the annual audit program to validate the performance of our activities to achieve sustainable development. By auditing the “Corporate Social Responsibility Best Practice Principles”, ethical corporate management standard operating procedures (SOPs), legal compliance, and project management, we hope to achieve better control over risk management, finance, operational control, and legal compliance.

(Note) We amended the “PHDC Corporate Governance Best Practice Principles” in March 2023.

We inventoried and planned our corporate governance and CSR actions more actively in response to the “Corporate Governance 3.0 -Sustainable Development Roadmap” announced by the Financial Supervisory Board (FSC). The five major action plans include “strengthening board duties and functions and enhancing enterprise sustainability”, “enhancing information transparency and promoting sustainable operations”, “strengthening communication with stakeholders and creating open dialogue”, “advancing international norms and leading with stewardship”, and “deepening corporate sustainable governance culture and providing diversified products”.

Board and Corporate Governance Framework

As the highest governance body of PHDC, the Board of Directors (Board) takes charge of the appointment and supervision of the company’s management team to ensure the rights and interests of stakeholders and maximize benefits for shareholders. Under the Board, there are the Remuneration Committee, Audit Committee, and Audit Office to assist the Board in performing its supervision duty. Each year the Board and management review the self-inspection results of all departments and the audit reports of the audit unit submitted to the Audit Committee for review and reported to the Board.



(Note) The organization chart was updated in December 2022.

Apart from establishing fair, impartial, and open directorial election procedures in accordance with the “PHDC Corporate Governance Best Practice Principles”, we have also adopted the candidate nomination system as stipulated in the *Company Act* for shareholders to fully express their opinions through vote accumulation. Moreover, unless with the approval of the competent authorities, over one half of directors must not be the spouse or relative within the second degree of one another. Additionally, we have also established the diversity policy and specific management targets of Board members. Diversity should be considered for Board composition, an appropriate policy on diversity should be established based on the Company’s operation, business model, and development needs to achieve the ideal of corporate governance. The policy should, but not limited to, basic requirements and value such as gender, age, nationality and culture; professional backgrounds, skills or industry experience; the knowledge, skills, and competencies required for performing their duties, such as the ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct operations and administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, leadership ability, and decision-making ability.

To prevent conflicts of interest, we have established the system of avoidance of conflict of interest for directors. When a proposal in the agenda constitutes a conflict of interest, the director(s) or the legal person(s) represented involving with such a conflict should state the critical conflicting contents in the Board meeting. Such directors must not join the discussion and voting of the conflicting proposal that may harm the Company’s interests. Additionally, they must recuse from the discussion or voting and must not represent other directors to vote. We also identify, supervise, and manage the risk of unethical behavior due to the conflict of interest based on the system for avoidance of conflicts of interest. The internal audit unit periodically reviews and assesses such

risks and arrange appropriate reporting channels for related units to provide legal information regarding the avoidance of conflicts of interest of insiders for directors, the Audit Committee, and officers at any time. To lower and disperse the risk of severe damage caused to shareholders by the mistakes or negligence of directors and supervisors, we buy the directors and officers liability insurance for all directors and supervisors during their terms.

In 2022, the Board had 15 directors, including 3 independent directors (accounting for 20%). All were given a 3-year tenure. Currently it is the 17th term of the Board (election on June 17, 2022). All directors hold a ROC citizenship. There are 2 female directors, accounting for 13.3% of all directors. The rate of female directors is lower because of the characteristics of the construction industry. We are committed to maintaining the rate of female directors at a reasonable level. Expertise is emphasized in Board composition. Directors come from different backgrounds, including finance and accounting, business administration, human resources management, marketing management, construction, and asset development, and 7 directors hold a postgraduate or higher degree. In 2022, a total of 6 Board meetings were held, with an attendance rate of 97%.

Board Composition by gender and by age group


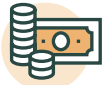
Board Members	40-60 years old		Over 60 years old (excl. 60)		Total
	Male	Female	Male	Female	
Number of Directors	4	0	9	2	15

To strengthen Board competence, directors receive continuing education of different courses every year. In 2022, directors took continuing education courses up to 150 hours in total, and the each director took 10 hours of training on average. These courses covered legal compliance, the supervision obligation of directors, opportunities and challenges of ESG trends, and the global trends and opportunities of the low-carbon economy and low-carbon innovation. Please refer to p. 26 of the 2022 annual report for the details of Board members and continuing education.

Remuneration Committee

We established the Remuneration Committee on September 30, 2011 with 3 independent directors with the same term as that of directors. Currently, it is the 5th term of the committee. In 2022, the Remuneration Committee held 2 committee meetings, with an attendance rate of 83%.

The major duties and functions of Remuneration Committee are as follows:

- 
1 Establish and periodically review the policy, system, standard, and structure for the performance assessment and salary and remuneration of directors (including the chairperson and vice chairperson) and officers.
- 
2 Periodically assess and establish the salary and remuneration of directors and officers.

When determining and assessing salaries and remunerations, the Remuneration Committee makes reference to the payment standard in the industry and considers the interrelation and reasonability among the personal performance, the company’s business performance, and future risks to avoid the pursuit of salary and remuneration from overloading the company’s risk appetite. The Remuneration Committee also considers the industry-specific characteristics and the company’s sales performance when determining and assessing the profit sharing, salary, and remuneration of directors and officers.

Reasonable remuneration is granted in consideration of the Company’s operational performance, the results of personal performance evaluation, and contribution to the Company. The Remuneration Committee establishes and periodically reviews the policy, system, standard, and structure for the performance assessment and salary and remuneration of directors and officers and timely review the reasonability of salary and remuneration ^(Note) based on the actual condition of operations and related laws and regulations and reports to the Board to make resolution. The gratification of directors is divided into the remuneration, honorarium, attendance fee, and reward for directors. In accordance with the Company’s Articles of Incorporation and the Directorial

Remuneration and Benefits Table, the Board is authorized to determine the gratification of directors based on the degree of their engagement in and contributions to corporate operations and the remuneration standards in the same industry. The gratification for the president and vice presidents is divided into salary and bonuses (reward for employees and year-end bonuses). No less than two percent of the profit in the year are distributed as the reward for employees based on the Company's Employee Salary and Bonus Distribution Standards and Regulations for Management of Officer Compensations and with reference to the personal performance and contribution to corporate operations. The Remuneration Committee reviews and approves the reward through discussion.

(Note) Salary and remuneration include cash remuneration, stock options, profit-sharing and employee stock ownership, pension benefits and severance pay, various allowances, and other substantive reward measures.

To implement corporate governance, improve the Board's functions, and set performance targets to enhance Board operational efficiency, we have established the "Board Self-Evaluation Regulations". The agenda working group of the Board and the Remuneration Committee conduct the evaluation once a year together. The scope of evaluation covers the Board, individual directors, and each functional committees. Each implementation unit gathers the information related to the Board's activities and distributes the "Board Performance Evaluation Self-Assessment Questionnaire", "Director Performance Evaluation Self-Assessment Questionnaire", and "Functional Committee Performance Evaluation Self-Assessment Questionnaire" for related staff to answer. Lastly, the agenda working group of the Board collect the responses, score the items according to the evaluation indicators, and records the results in the evaluation report submitted to the Board to make reviews and improvements.

Audit Committee

We established the Audit Committee on June 21, 2016 with 3 independent directors with the same term as that of directors. Currently, it is the third term of the committee. In 2022, a total of 3 committee meetings were held, with an attendance rate of 100%.

Besides periodically communicating the audit report results with the members of the Audit Committee, the chief internal auditor also presents the internal audit report at the Audit Committee meeting. When there are special circumstances, the chief internal auditor will also report to the members of the Audit Committee. In this year, no special circumstance was reported.

Supervising the following matters is the main duty of the Audit Committee:

- 1 Audit the fair presentation of the company's financial statements
- 2 Audit the selection (dismissal), independence, and performance of certified public accountants (CPAs).
- 3 Audit the effectiveness of implementation of internal control.
- 4 Audit the legal compliance of the company.
- 5 Control the existing or potential risks.



Operations Committee

To strengthen corporate governance and ethical corporate management, the Board approved by resolution the establishment of the Operations Committee and Management Optimization Guidance Team in June 2016. The committee is re-elected based on the same term of the Board. In response to the operational needs, the Board made resolution at the extraordinary meeting in August 2017 to appoint Chairman Chih-Hsien Lo to be the Company's chief strategy officer (CSO) concurrently. Operations Committee consolidates and reviews the ethical corporate management performance of the relevant units within the company. The Management Optimization Guidance Team is formed by the 5 directors appointed by the chairman and directors and holds team meetings periodically to review the Company's important decisions to compensate for the untimely decision-making of the six Board meetings each year. In 2022, the Operations Committee held 11 committee meetings, with an attendance rate of 98%.

In May 2015, the Board approved the "[Ethical Corporate Management Best Practice Principles](#)" (including the [Procedures for Ethical Management and Guidelines for Conduct](#)) in accordance with the *Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies* to enforce ethical corporate management in our routine operations, such as requesting the contractors to sign the "Statement of Compliance of Contractor" while signing construction contracts with contractors to request employees not to accept or promise undue advantage, such as bribes, commissions, proportional payments. We have also established the "[Regulations for Prevention of Insider Trading](#)" to protect the rights and interests of investors and the Company. Apart from establishing the specific reporting and reward systems for "[insiders and outsiders to report unethical or improper behavior](#)" and the reporting hotline and email on the corporate website attended by special staff of the audit unit, we have also established the standard operating procedures for investigating the reports and related non-disclosure mechanisms in the "Procedures for Ethical Management and Guidelines for Conduct" to protect whistleblowers against improper treatment due to reporting unethical or improper behavior. In discovery of corruption, employees may directly report to the Audit Office. In 2022, the Audit Office received no report of corruption or discovered corruption.

Internal control system

We establish the accounting system, internal control system, and risk control mechanism in accordance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies* to prevent unethical behavior and thereby lower the risk of unethical behavior through system planning. Through advance prevention and post hoc detection, we hope to implement full-scaled ethical corporate management. In 2022, there was no sanction for non-compliance with the internal control system by either the Company or employees.

Officer annual performance evaluation

Besides requesting all supervisors to set an example in maintaining business ethics and integrity, we also include them in the officer annual performance evaluation.

Annual audit

The annual audit program established according to the results of risk assessment provides a basis for audit implementation, audit report composition, improvement follow-up, and results reporting for approval. Audit items shall be submitted to the Board for review by the end of the next month after the completion of all audit items. The chief internal auditor shall attend the Audit Committee meeting and Board meeting as a guest to present the audit report. In accordance with results of the 2022 annual audit report, no significant corruption was detected at PHDC.

Non-disclosure agreement of employees

To protect the company's confidential data, employees are requested to sign the "Non-Disclosure Agreement" (NDA) when they start service at PHDC. In 2022, the NDA signing rate was 100%.

Membership Associations

Since the beginning of establishment, Prince Construction Business has been actively participating in business-related industry associations. We have also participated in national organizations, such as the Chinese National Association of Industry and Commerce Taiwan, Architectural Aesthetics Cultural Economics Association, and others. The table below shows the details of our membership associations. In the future, we will continue to participate in the relevant unions and associations to capture the opportunities for business exchange and cooperation with other constructors so as to engage and discuss with the government the relevant industry policies through sharing practical experience and expertise.

Association	Participant	Role
Taichung Construction Quality Control Association	Prince Housing and Development Corp.	Director
The Real Estate Development Association of Taipei	Prince Housing and Development Corp.	Member
Taoyuan Real Estate Development Association	Prince Housing and Development Corp.	Member
Taichung Real Estate Development Association	Prince Housing and Development Corp.	Member
The Real Estate Development Association of Tainan	Prince Housing and Development Corp.	Member
Real Estate Development Association of Tainan City	Prince Housing and Development Corp.	Member
The Real Estate Development Association of Kaohsiung	Prince Housing and Development Corp.	Member
The Estate Development Association of Kaohsiung City	Prince Housing and Development Corp.	Member
FIACBI-Taiwan	Prince Housing and Development Corp.	Member
Chinese National Association of Industry and Commerce, Taiwan	Prince Housing and Development Corp.	Member
The Institute of Internal Auditors-Chinese	Prince Housing and Development Corp.	Member
Taiwan Architectural Aesthetics Cultural Economics Association	Prince Housing and Development Corp.	Member
Taipei Professional Civil Engineers Association	Prince Housing and Development Corp.	Member ^(Note 1)
Taiwan Professional Civil Engineers Association	Prince Housing and Development Corp.	Member ^(Note 1)
Taichung Professional Civil Engineers Association	Prince Housing and Development Corp.	Member ^(Note 1)
Taiwan Regional Engineering Contractors Association	CSCC	Member
Taiwan Water Pipe Engineering Association	PUEC	Member
Taiwan Electrical Contractors Association, R.O.C.	PUEC	Member
Greater Tainan Friends of the Police Association of Tainan City	Prince Property Management	Member
Taipei Security Commercial Association	Prince Security Service	Member
The Security Union of Tainan City	Prince Security Service	Member
Kaohsiung Security Service Association	Prince Security Service	Sponsor Member
Taoyuan City Building Management and Maintenance Services Association	Prince Apartment Management and Maintenance	Member
Kaohsiung City Building Management and Maintenance Services Association	Prince Apartment Management and Maintenance	Sponsor Member

Note 1: Participation on behalf of the Company by former general manager Hsieh Ming-Fan in person.




Note 2: No participation in any national or international initiative in 2022.



2.2 Careful risk management

Apart from corporate operations, risk management significantly affects corporate reputation. To ensure the integrity of our risk management system and optimize risk management, we established the “risk management policy” passed by the Board in 2021 as the highest guiding principle of the Company’s risk management. We have also established the “risk management team” chaired by the president to plan and direct all units to implement risk management. Each responsible unit conducts self-assessment at the end of each year. Through the environmental control and risk assessment, control, and supervision items in the self-assessment, the team assesses, identifies, and analyzes the potential risks in the year and appropriately manages and addresses such risks based on their likelihood and impacts to ensure the effective control of risks within the Company’s appetite. Through staff meetings and department meetings the team timely reports to the president. The audit unit also establish the audit program based on the risk reports at all meetings to audit material risk items. Additionally, we organized internal and arranged external risk management courses related to service quality, information security, project construction, personal data, and labor-management issues in 2022 to enhance the risk awareness of employees. A total of 870 persons received a total of 1,642 hours of training.

During the annual risk assessment, employees considered the related risks that may affect sustainable corporate development and draw up management policies for the identified risks. The scope of risk management covers “strategic risk”, “operational risk”, “financial risk”, “environmental and industrial safety risk”, and “other risks”. In 2022, the 6 identified ESG risks are as follows:



	Environmental Risk	Social Risk	
Risk	 <p>Land Development</p>	 <p>Planning and Design</p>	 <p>Construction Quality and Safety</p>
Risk Impact and Description	Prevented development due to problems in geological structure (liquefaction areas and faults), pollution, NIMBY facilities, illegal occupation and rights creation, or discovery of historical sites (remains) on the purchased land.	Unmatched building bulk ratio bonus adjusted by the competent authorities with the Company's demands.	<ol style="list-style-type: none"> 1. Damage on brand image due to the warranty against defects for low construction quality. 2. Litigations for work-related injuries of workers due to improper site safety management and inadequate worker training. 3. Halted construction for worker isolation or infection due to weak epidemic control measures. 4. Increased costs and extended construction duration due to labor and materials shortages.
Responsible Unit	Land Development	Planning and Design	Engineering Management
Management Procedures and Operation	Investigate and assess land in terms of four aspects: deed, site, market, and regulations; and purchase land suitable for construction and development through onsite inspection and verification over the government inquiry platforms.	Analyze and establish handling plans with engineers and architects with reference to the experience of existing projects in the same region and the records of land development and construction projects in the same region over the years.	<ol style="list-style-type: none"> 1. Conduct self-inspection on various project items during the construction period to ensure the quality requirements for structure safety and renovation, and maintain complete records of the results of various quality inspections and tests. 2. Request workers to sign the hazard communication form every day before entering the worksite to ensure worksite safety management; request contractors to ensure legal compliance and arrange periodic safety and health education and training for workers in the contracts. 3. Request workers to measure and record the body temperature and wear a facemask and receive entry inspection every day before entering the worksite; and strictly request contractors to offer onsite health services. 4. Make advanced construction duration planning, advance materials preparation at appropriate times, arrange labor in advance, and develop alternative engineering methods to reduce labor demand.

Social Risk	Governance Risk	
 <p>Sales Service</p>	 <p>Information Security</p>	 <p>Financial Management</p>
<ol style="list-style-type: none"> 1. Unable to collect the balance as scheduled when handover is prevented by improper inspection and acceptance or repair. 2. Customer complaints about personal data leakage 	<p>Damaged material data due to computer virus infection or hacker intrusion.</p>	<p>Unfavorable impacts due to capital risks such as inflation, credit control, or liquidity.</p>
<p>Sales</p>	<p>Information</p>	<p>Finance</p>
<ol style="list-style-type: none"> 1. Send staff to run the walk-through with customers, request workers to complete repairing found defects within two weeks, and ask sales staff to follow up on the improvement. 2. Request consignment brokers and their employees to sign the “Personal Data Non-Disclosure Agreement”. 3. Include personal data protection terms in the sales contracts and keep and retain contracts confidentially after customers sign them. 	<ol style="list-style-type: none"> 1. Systems and regulations: We have established regulations and systems relevant to information security to regulate the information security behavior of employees. Each year we periodically review the legal compliance of the relevant systems and changes in the production environment and make timely adjustments. 2. Hardware construction: To prevent various external information security threats, apart from adopting the n-tier network architecture, we have also constructed various information security protection systems and run disaster recovery (DR) on featured servers periodically to ensure the integrity of DR procedures and DR backup copies to enhance the security of the overall information environment to block hackers and randomly distributed malware. 3. Employee training: We set information security publicity as the required courses every year and request all employees to take these courses at least once a year to enrich their knowledge and improve their professional skills in information security and teach them how to prevent computer virus infection in the Company. 	<ol style="list-style-type: none"> 1. Review the status of financing credit periodically, including the contract duration, financing terms, and market conditions based on the Board-approved capital policy. 2. Divide capital utilization into short-, medium-, and long-term use based on the steady principle to maintain the liquidity of capital and credit to meet various capital needs. 3. Continue to maintain each credit to ensure adequate storage of the capital pool. 4. Grasp the monetary tightening policy of banks to make more appropriate capital allocation to enhance efficiency.

The management and application of customer and corporate information are important risk assessment topics. Apart from adopting the plan-do-check-act (PDCA) cycle for information security management, we also established the Information Security Committee chaired by the chief information security officer (CISO) in 2022, with authority covering the Information Department. Before the end of each year, the System Service Section of the Information Department proposes the information security plan (including protective measures and improvement plans) for the next year. The Information Department, Information Security Committee, and president review and approve the plan. The System Service Section also reports the status of implementation to the director of Information Department, Information Security Committee, and present quarterly in the next year. Additionally, the Audit Office also includes the "Control of Information Security Inspection" in the annual audit program based on the *Regulations Governing Establishment of Internal Control Systems by Public Companies* and conduct audits as scheduled. The Audit Office should also request the audited unit and the operating units to review the audited defects/risks and propose specific improvement plans and schedules and follow up on the improvement progress to practice the Company's information security policy. Specific counteractions related to information security are as follows:

Item	Specific management methods
Firewall protection	<ul style="list-style-type: none"> Set connection rules for firewalls. Request employees to apply for service for special connection needs. Monitor and analyze firewall data and reports.
User networking control mechanism	<ul style="list-style-type: none"> Use automatic website protection system to control user networking behavior. Automatically filter websites with potential threats of Trojans, ransomware, or malware that users may visit.
Antivirus software	Use different types of antivirus software and automatically update virus patches to lower the risk of virus infection.
Updating operating systems	Automatically update operating systems. When system updates are prevented by any reasons, the IT Department will assist in system updates.
Mail security control	<ul style="list-style-type: none"> Install automatic mail security scan to block unsafe attachments, phishing mails, and spam before users receive the mail to expand the scope of protection against malicious links. After receiving mails on PCs, antivirus software will also scan if the mails contain unsafe attachments.
Website protection mechanism	Firewalls are installed to block external website cyberattacks.
Data backup mechanism	<ul style="list-style-type: none"> Full backup copies of important IT system databases are made daily and differential backup copies are made hourly. Implement data recovery drills periodically.
Off-site storage	The backup copies of servers and various IT systems are stored at different branches.
Server storage of important files	Important files of all departments are uploaded to the servers for centralized storage by the IT Department.
Datacenter log examination	A datacenter log records the temperature and humidity of the server room, data backup, antivirus updates, and network traffic.
Information security joint defense	Apply for participation in the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as the source channel for sharing information security intelligence and information security publicity activities.

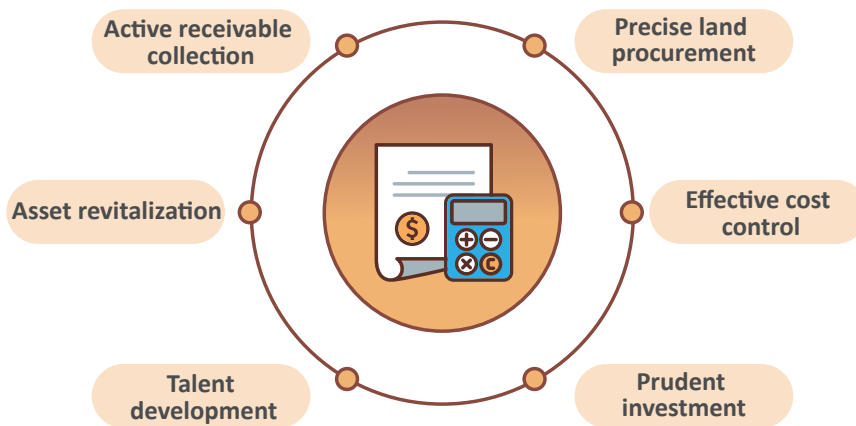
2.3 Strict legal compliance

We have stipulated the regulations in relation to legal compliance in the “Ethical Corporate Management Best Practice Principles” to request all employees to abide by the regulations relating to fair competition, products, and services. To ensure that all contracts or customer service are/is legal, contracts are reviewed and drafted with the assistance of the legal affairs department. Additionally, all contracts are reviewed by lawyers and the relevant terms and conditions of the relevant external contracts are timely reviewed and maintained in accordance with the legal amendments. We also arrange education, training, or publicity activities for important laws and regulations. The education and training for 2022 included practice and cautions for internal control and audit, ethical corporate management of CSR, labor dispute prevention and corporate governance, eight aspects of labor legal compliance, corporate legal compliance and director supervision obligations. With these courses, we aim to enhance the understanding of industry-related legal compliance of employees. In the self-assessment sheet for all departments, we have also included self-assessment items on legal compliance to ensure the performance of legal compliance at each department.

In legal changes, we publish on the homepage of corporate EIP the letters on changes in the relevant important laws and regulations issued by the competent authorities and communicate them within the company through education and training and the weekly staff meeting. The audit department communicates with each department the impact on the operating cycle of the updated laws and regulations from time to time. Additionally, after assessing the scope of impact of the legal amendments in the year, it audits the compliance with such amendments and records performance in legal compliance in the audit report. Furthermore, the general manager also request to each region to report the status of fines in the period for each region to enforce legal compliance through competitions. In 2022, there was no fine for non-compliance with the labor examination or sanction for non-compliance with serious offense of social, economic, or environmental protection laws and regulations.

2.4 Steady financial performance

At PHDC, we manage financial performance in terms of the following six principles: asset revitalization, active receivable collection, precise land procurement, effective cost control, prudent investment, and talent development.



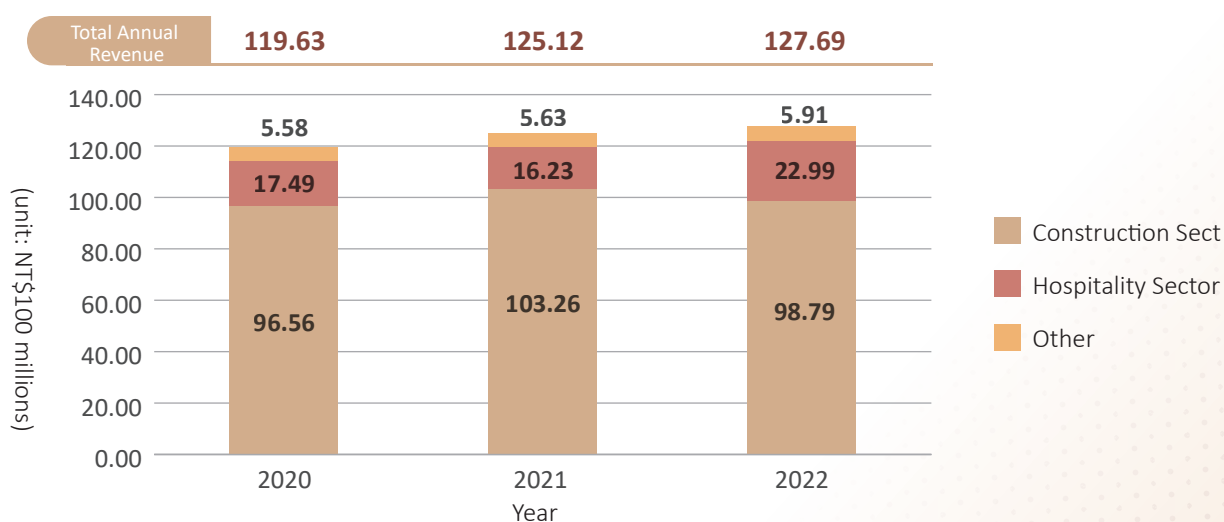
In response to the potential impacts of changes in policies and the macro environment, the construction sector periodically assesses land and its neighboring environment and launches products that meet regional needs according to the regional attributes so as to fulfill the market demand. Additionally, we diversify fund sources by issuing corporate bonds and launching seasoned equity offering to reduce the cost of funds and dependency on bank financing. In response to the trend of the industry and opening policy, the hospitality sector integrates the group’s resources to engage in investment property and tourism hotels so as to increase long-term, steady income.

While creating revenues, we spare no efforts in maintaining product quality and making product innovations. Apart from maintaining our standard quality in structure construction, we also build smart and healthy homes in terms of culture and creativity, technology, and arts and literature.

Prince Group Financial Performance

The consolidated paid-in capital was NT\$16.233 billion. In 2022 the consolidated revenue and consolidated net income after tax were NT\$12.769 billion and NT\$1.442 billion respectively. Although the individual revenues of the development sector reduced in 2022, the amelioration of the hospitality and tourism sector increased the consolidated revenues by 2.05% over 2021.

Consolidated Revenues ^(Note)



(Note 1) Figures are extracted from the consolidated statement of comprehensive income and consolidated statement of financial position certified by CPAs. The revenues to individual groups are extracted from the information on the sectorial income as disclosed in the note.

(Note 2) Please refer to the consolidated financial statements of Prince Group and the individual financial statements of PHDC published on the Market Observation Post System (MOPS) for other business and financial performance.

Economic Value Generated and Distributed (EVG&D) within PHDC

By maintaining steady management results, we hope to create a return on equity, maintain the rights and interests of employees, and improve community quality by demonstrating our financial performance.

The individual annual revenue of PHDC was NT\$6.761 billion, and the net income of the period was NT\$1.475. The operating costs and expenses reduced over 2021 because of the annual revenue reduction in 2022. The economic value generated and distributed in 2022 is as follows:

Item	Amount in 2022 (Unit: NT\$ thousands)
Direct economic value generated: Revenues ^(Note 1)	6,761,955
Economic value distributed: Operating costs and expenses ^(Note 1)	5,425,371
Economic value distributed: Employee wages and benefits ^(Note 1)	408,407
Economic value distributed: Payments to providers of capital ^(Note 1)	811,663
Economic value distributed: Amounts paid to the government ^(Note 2)	221,718
Economic value distributed: Community investments ^(Note 3)	446

(Note 1) Extracted or summed up from the 2022 individual financial statements certified by CPAs.

(Note 2) Information extracted from the corporate financial and accounting system.

(Note 3) Information extracted from the corporate financial and accounting system, direct donation expense.







3

Sustainable Environment and Products

3.1 Land development assessment

3.2 Sustainable architectural design and innovation

3.3 Quality control for excellent buildings

3.4 Maintenance of construction environment

3.5 Supplier management and procurement practices

3.6 Climate and environmental management

Material Topics Covered in this Chapter



We draw up management strategies from the angle of product life cycle to minimize environmental and social burdens. From the site selection assessment at the beginning, project design and planning, building materials procurement and contractor recruitment, and environmental maintenance and waste management during construction, to the construction quality and safety verification after completion, we ensure full-range control at all stages of the building life cycle. Facing the potential impacts of climate change, we identify and assess the financial impacts on the Company of climate-related risks and issues and plan countermeasures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to progressively manage climate change, hoping to lower the negative impacts of building products on all walks of society and enhance the influence of positive impacts through careful control and implementation of sustainable development.



Management approaches

By creating the land development process, we minimize the corporate risk and environmental impact. To ensure supplier quality, we have established the “supplier evaluation grading system” to divide suppliers into three grades: excellent, good, and poor to strengthen the executability of supplier management. Through offering building safety and quality education and training, implementing internal quality audit, and developing the Eagle Eye real-time monitoring system, we improve the quality and yield of buildings to maintain customer health and safety. Building products are designed for sustainability with rainwater harvesting and solar PV equipment. At the construction stage, we hire qualified waste clearance contractors to transport waste generated on the worksite to incineration and landfill so as to construct eco-friendly buildings.



Goals

1. Precisely capture the real estate market trends, observe the changes in various indicators, timely review the impacts on the industry of important policies and social issues.
2. Continue to purchase land located in good environments and sound locations to ensure product safety and health, and purchase land of at least NT\$5 billion to continue to create sales achievements of NT\$15 billion.
3. Actively communicate and coordinate with suppliers rated poor and request them to make improvement or submit the relevant testing reports by a time-limit to maintain cooperation quality.
4. Reduce waste to minimize environmental impacts.

PHCD life cycle management policies for construction products



Land development stage

- Before land procurement, we will screen and investigate the candidate parcels. Apart from avoiding the geologically sensitive areas and active faults announced by the Central Geological Survey, Ministry of Economic Affairs, we also endeavor to avoid land development around ecological conservation areas and eliminate not-in-my-back-yard (NIMBY) facilities or negative factors, such as noise, crematoriums, incinerators, power sub-stations, road junctions, and others that are unfavorable to the residential environment, so as to minimize environmental, economic, and social risks.



Planning and design stage

- After obtaining legal building land, engineering survey and measurement and regulatory and market integrated review will take place. Then, architects are hired to make legal planning for the 2D and 3D space, structure system, and mechanical and electrical (M&E) equipment in accordance with the *Building Act* to avoid illegal mezzanine design and ensure compliance with the seismic and fire safety regulatory requirements of buildings.
- To meet with the sustainability trend, we will include eco-friendly practices in site design and plan and design landscape from the angle of ecological and environmental protection to create symbiosis with ecosystems and the environment.



Construction stage

- To ensure construction quality and safety, we stringently supervise and manage the construction quality and progress of contractors. Based on the construction progress, each worksite must conduct site audits in accordance with the project construction cycle in the internal audit operation at least after the following three stages: completion of the slab of the first floor; structure completion; completion, handover, and sales service. Each worksite should also perform irregular checks on items such as the slab, rebar, grouting, and other important work items.
- In construction environmental maintenance, wastewater and waste treatment and disposal are implemented in accordance with the legal requirements for pollution prevention. Resource conservation and noise reduction are also practiced to minimize the impact on the surrounding ecosystems, environments, and residents.



Completion and home inspection stage

- After inspection and acceptance, the ownership of the completed building will be transferred to customers. Then, we will offer 15 years of warranty for the building's main structure and one year of warranty for ordinary equipment for consumers not to worry about building safety issues when they are living inside.

3.1 Land development assessment

As Taiwan is densely populated, and land use brings huge impact to the overall society, careful selection of development sites and the best use of land resources are our main concerns. Hence, we have established the land development SOP to implement stringent control with various assessment items to prevent new construction projects from causing irreversible economic, environmental, ecological, and geological impacts to the local area and thereby ensure products are provided for customers based on the best foundation.

Capturing the latest land information

Upon the respect for land, we treat each piece of land with the most rigorous and integral attitude. Before acquiring the land, a series of rigorous and careful controls are implemented to ensure land use and development so as to ensure the legal compliance of each development project and the security of ownership. To gather real-time land information in the market we periodically follow up the relevant news and conduct market surveys to ensure the security of huge investments in land development.



Daily: Capturing information from news and government announcements

Based on the relevant news and government announcements, we gather the relevant news of the market, land, and competitors to ensure that no divergence of market conditions of the investment decisions. By doing so, we can also understand the latest status of land development in competitors and keep track on important government investment and tendering projects.



Periodically: Land follow-up meetings

Rigorous assessments are implemented on land with developmental potential so as to purchase such land when the market conditions allow.

Description of land analysis and investigation

The assessment items for land development are tabulated below:

Preliminary development analysis

The direction of development is determined and risks are minimized in consideration of the trend of regional population growth, current status of economic development, and important development projects. When making a development decision, we will assess the following infrastructures and economic conditions for the reference of site selection.



- **Ownership investigation:** Verify if landlords are simple or there is registration of restriction
- **Regulatory investigation:** Verify if there are prohibitions or restrictions on construction, limits on the maximum height from base, or restrictions on transaction methods
- **Environmental investigation:** Avoid geologically sensitive areas, verify if the development site is located in high-risk areas of soil liquefaction and its distance from faults
- **Transportation investigation:** External accesses and walking time to metro stations
- **Industry condition investigation:** Avoid industrial zones and select livable environments
- **Amenity investigation:** Verify if the site is close to schools, parks, etc.
- **NIMBY facility investigation:** Avoid geomancy flaws and eliminate any external environments, that may affect living quality, such as adult entertainments, temples, transmission towers, power sub-stations, recycling yards, and others
- **Risk assessment:** As it is time-consuming to integrate too many landlords, the development schedule and fund utilization will be affected
- **Decision-making procedures:** After determining the development feasibility, the management team submits the results to the Operations Management Committee to make the decision. The review and approval procedures include: land development division--> sales department, works department, design department, financial department, land development department of each branch--> head of the branch--> president --> chairman.

Sales analysis

Provide the most localized products.

- Compare site and tendering project locations and run the SWOT analysis to determine product positioning and price ranges.

Planning analysis

Design the most beautiful and more representative products

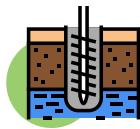
- Environmental impact assessment, land use control analysis, soil and water conservation plans, traffic impact analysis, urban design review, incentive value analysis, adjustment of the ratio of public area, reasonable layout, and lighting and ventilation condition.
- Quality comes before being a regional landmark.

Engineering analysis

Most robust and most seismic-resistant building

- Site condition investigation, NIMBY facility investigation, surrounding investigation, and adjacent land condition investigation to prevent affecting adjacent property, utility pipeline investigation.
- Rigorous construction: Construction safety first

Geological drilling and survey and adjacent property verification are conducted after land procurement; and structure external evaluation is performed when meeting the government regulatory requirements. All these processes are implemented by a third-party unit according to the relevant regulations.



Geological Drilling and Survey

Geological drilling and survey are important preparations for construction engineering design. The results of geological drilling and survey will be the reference for determining building safety and design methods. Geological drilling includes soil sampling and groundwater water table survey. The results of geological drilling provide the fundamental information for building structure design and the behavior required for determining building structure safety.



Adjacent Property Verification

After visual inspection and instrumental survey, drawings, text description, and photos are used for producing the verification report. When disputes over damage caused by construction occurs in the future, these records are used to compare the damage and changes for the reference of determining the cause(s) of and accountability for the damage. Adjacent property verification can protect the legal rights and interests of both the owners of adjacent property and constructors, prevent and reduce disputes over adjacent property damage.



Structure External Evaluation

In accordance with the *Building Act*, buildings over 50m tall or buildings below 50m tall with reinforced concrete (RC) structures with design span over 15m, constructors shall hire a third party, such as the civil engineering association or structure engineering association, to implement a structure external evaluation. Structure external evaluation aims to verify if the fundamental design, structure system is layout ideal to prevent structure damage and casualties caused by severe natural disasters.

3.2 Sustainable architectural design and innovation

In support of the UN SDGs and the sustainable architecture policy, we introduce the Architecture 7.0 Smart & Healthy Home featuring sustainable and innovative design concepts to solve problems related to climate change and water. Apart from emphasizing energy and water conservation, it also includes intelligent and healthy designs. Various automatic devices are linked by the Internet to demonstrate high-efficiency overall services and functions to ensure the safety, convenience, and health of homes and minimize the negative environmental impact of buildings.

Implementing Design Factors of Environmental Sustainability

In response to national policies, we continuously include solar PV equipment and the rainwater harvesting system in construction projects. Combining all completed construction projects, the total installed capacity of solar PV is 359.44KW to generate electricity of about 413,898kWh each year, equivalent to the total consumption of about 100 households. The combined capacity of the rainwater harvesting systems of all completed projects is 9,195.16MT. Additionally, we have also used the relevant environmental protection solutions in some construction projects, including eco-friendly paints, recycled materials, energy-efficient construction materials, plasterboards, water-efficient toilet bowls, waste reduction, and EV-related accessories for building products that consume fewer resources during use.

Green building encompasses the benchmarks for environmental sustainable development, such as sustainability, energy conservation, and waste reduction. We are committed to minimizing energy and resource consumption and generating the least waste at all stages of the product life cycle, including site selection, design, planning, construction, renovation, and demolition, while maintaining ecology, energy conservation, and health at the same time. By 2022, 7 of our projects have passed the Green Building Label certification. They occupy a total registered floor area up to 229,674.62m², equivalent to the total floor area of 2.52 Taipei Arenas. Additionally, 8 of our projects have also obtained the Candidate Green Building Certificate. They occupy a total registered floor area up to 283,606.73m².

(Note) As per the 2021 TPC statistics, the average electricity consumption per household was 352kWh each month or 4,224kWh each year.

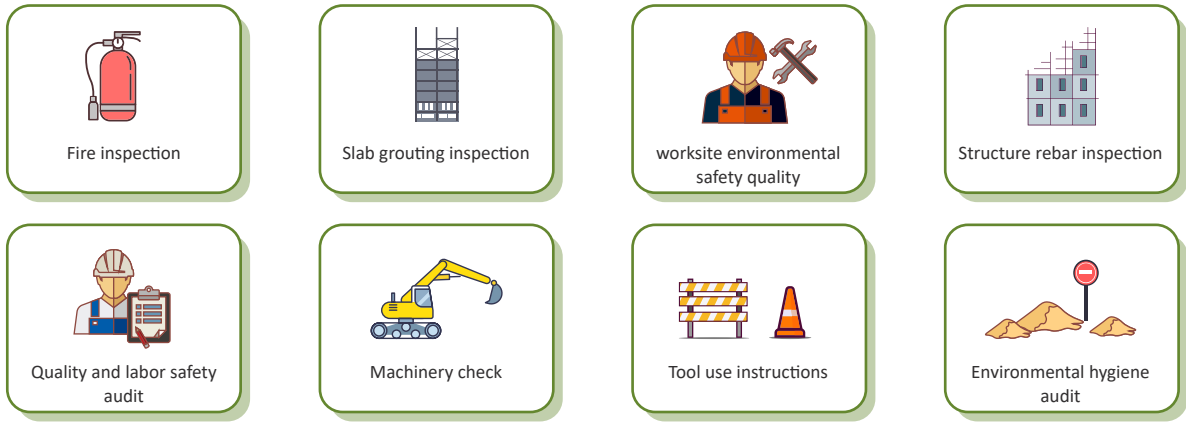
3.3 Quality control for excellent buildings

Upholding Construction Safety

Construction quality and safety have always been our core concerns. By putting customer feelings and safety first, we set stringent safety and quality requirements for construction and completion inspection. In 2022 there was neither construction project nor internal construction quality audit. In the future we will maintain construction quality audits to give customers a safe and worry-free home without reservation.



Featured Internal Audit Items for Construction Quality



Through safety and quality control at different stages, there was no non-compliance with regulations relevant to product safety and voluntary regulations in 2022.

For more effective control of project worksites, real-time capture of site construction status to ensure flawless construction procedures and quality guarantee, we continuously monitor worksites with the integrated monitoring system Eagle Eye App for construction projects. Apart from keep up with the construction progress, real-time monitoring ensures project construction safety and worker construction safety.

Optimizing of Construction Safety Knowledge

To improve the construction safety and professional capability of employees, we encourage employees to take external education and training courses. In 2022, we offered 22 courses, including EV charging station development, construction technology, occupational safety management, and net-zero emissions for the construction industry, with a total of 66 hours through internal and external education and training for 490 persons.

Education and Training Courses related to Construction Project Safety and Technology in 2022

Regions	Type	Course title:	Hours	Number of Participants
Taipei	Internal Training	Concrete grouting management and defect fixing	1	30
		Development and trends of EV charging stations	1.5	89
		High-tech construction quick engineering methods: Precast method (I)	2	52
		High-tech construction quick engineering methods: Precast method (II)	2	43
		Executing budget planning	1	28
		Engineering risk assessment for construction industry	2	35
		Historical site appreciation and restoration	2	29
		Technical report: Construction planning for the top-down construction method	1.5	18
		Technical report: Formwork for the top-down construction method	1	19

Regions	Type	Course title:	Hours	Number of Participants
Taipei	Internal Training	Technical report: SRC formwork construction	1	13
		BIM application planning and development trends in construction projects	1	20
		Technical report: Investigation of reasonable audits of budget planning and practice for safety and health expenses of construction projects	1.5	6
		Shop manufacturing and hoisting and installation quality management of steel structure	1	6
		Technical report: Plantation methods of PC piles and management focus	1	15
		Project budget support and principles of estimate and evaluation of contractors	1	7
	External Training	Towards net-zero emissions of the construction industry	3	5
Taichung	Internal Training	Occupational accident and labor safety publicity	1.5	23
		Preparation before construction	1	14
	External Training	Recurrent training for worksite directors of the construction industry	32	1
Tainan and Kaohsiung	Internal Training	Occupational safety management	2	34
	External Training	Recurrent training for crane operation and lifting operation	3	2
		Construction worksite OH&S demonstration	3	1
			66	490

3.4 Maintenance of construction environment

Pollution Prevention and Improvement of Construction Impact

When construction begins, worksite environmental safety and pollution prevent will become our prime concern. Hence, we inventory all sources of potential impact in the construction process and establish a series of worksite environmental maintenance rules to hit the nail at the head so as to ensure that construction is implemented with the least impact on the ecosystems, environment, and residents in the surroundings. Before construction begins, we request all contractors to submit a worksite management plan as precautionary actions to ensure the effective prevention and proper treatment of air quality, noise, water pollution, and waste pollution and compliance with the relevant environmental regulations. Additionally, we also strongly request contractors or the relevant subcontractors to implement the relevant pollution prevention measures to avoid messing up the environment. Below is a description of the identification of impacts on local communities during construction and the corresponding management measures.

Pollution Prevention Measures

Type of Pollution	Control Action
Air Pollution	<ul style="list-style-type: none"> • Signs, full-height sight-blocking barrier fence, and overflow protection base are erected in the worksite. • Dust-control meshes or dust-control fabrics that can effectively block dust are installed on the exterior of scaffolds on the structure in the worksite. • Effective dust inhibition facilities are installed in the worksite, such as paving with steel plates, paving with concrete, paving with asphalt concrete, or paving with coarse grade mixture or other granular materials with equivalent functions.
Noise Pollution	<ul style="list-style-type: none"> • Avoid construction at night to prevent disturbing neighbors. • When grouting at night, as the friction of tremie pipes and anchors can make loud noise, soft cushions such as tires or wood are used to prevent noise.
Water Pollution	<ul style="list-style-type: none"> • Wastewater settling basins are installed to harvest and treat initial precipitation and wastewater from car washing to remove settleable matter and turbidity from wastewater before discharge to prevent water source pollution. • Rainfall shielding, blocking, and guiding facilities to prevent rainwater infiltration are installed over the excavation site or piling site. • Rainfall shielding, blocking, and guiding facilities and settling basins are maintained regularly, and records of cleaning and maintenance time are maintained. • Treatment facilities for waste stabilizers and waste slurry are installed to prevent sewage from flowing off the worksite.
Waste Pollution	<ul style="list-style-type: none"> • In the worksite, waste is classified into construction waste and general waste. All waste is cleaned up and disposed of according to the waste clean-up and disposal plan and shipped off the worksite by qualified contractors to prevent impact on local communities.
Impairment of City Appearance	<ul style="list-style-type: none"> • Worksite fence greening has been extensively implemented. In practice, it is combining fences with green plants to visually embellish the city's appearance and soften the cold and rigid sense of worksites to bring a friendly feeling to neighbors and passers-by. • Green plants also reduce the urban heat island effect and the fugitive dust on the road.

Environmental Legal Compliance

We always actively cooperate with the legal requirements for environmental protection and keep up with the legal amendments to adjust corporate policies to prevent breaking the law or regulations. We spare no effort in the environmental management of all worksites. We will take immediate corrective action when demerits are detected and review our management approaches. Through communication and collaboration with contractors, we request the relevant personnel to arrange education and training and make corrections to eliminate the recurrence of the same problems. If merits are found, we will keep at them to maintain our law-abidance duty to ensure worksite environmental pollution, such as waste and noise, will not harm the local communities. Through the combined efforts of all responsible units, no non-compliance with environmental regulations was reported in this year, and we will keep at it continuously.

3.5 Supplier management and procurement practices

Supplier Management Strategy

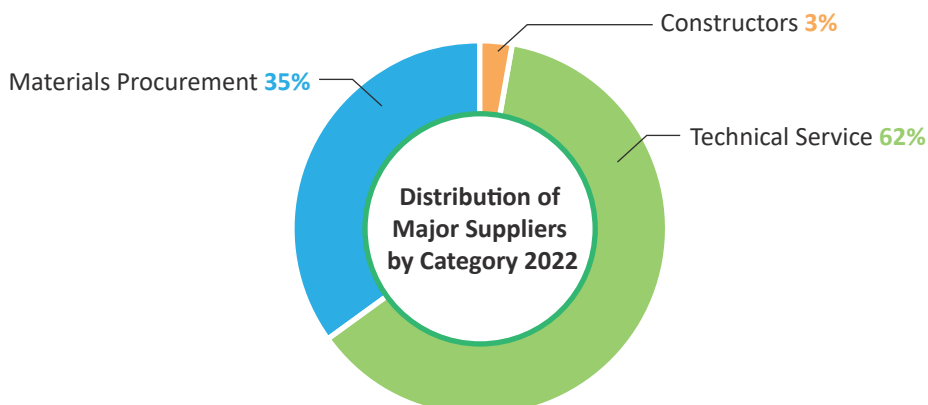
In supplier management, we have extended the sustainable operations spirit we have been upholding to the upstream value chain. When selecting new suppliers or renewing contracts with existing suppliers, we include CSR-related issues in the selection and auditing items, hoping to promote sustainable operations with suppliers while reducing the negative impacts on the value chain and life cycle.

In terms of specific sustainable supplier management actions, in addition to considering CSR in supplier selection and the annual audit, we have already added the “CSR terms” in the supplier contracts. Currently, we request construction contractors to abide by the laws and regulations of labor health and safety in the contracts, arrange periodic physical examinations for their employees, and provide proper training on safety and health to ensure the personal safety of employees. Additionally, we also request contractors to maintain proper worksite environmental management in contracts to maintain environmental cleanliness in the surroundings. To ensure the quality and safety of building materials and equipment, we also request suppliers not to use radioactively contaminated rebar and sea sand. When selecting suppliers of major materials, including rebar and concrete, instead of just considering the purchase price, we prioritize cooperation with TWSE- and TEPx-listed suppliers with excellent performance in integrity to protect society and the environment with suppliers together.

Current Status of Cooperation with Suppliers

In 2022, we worked with a total of 180 suppliers mainly divided into 3 categories, including technical service suppliers (62%) and materials suppliers (35%), the highest and second highest.

Type of Supplier



In support of the UN SDGs and the sustainable architecture policy forcefully promoted by the government, we actively implement the design factors of environmental sustainability, such as installation on solar panels and rainwater harvesting systems; prioritization of purchasing Green Building Material Label-certified materials and water-efficient devices and Energy Label-certified equipment; replacement of incandescent bulbs with LED lights; as well as the commonly seen paints, dry walls, ceilings, lighting fixtures and bathroom equipment, solar PV systems, and rainwater harvesting systems. Additionally, we also conduct onsite inspection on suppliers of featured materials to ensure legal compliance in materials production. During audit period in 2022, no onsite inspection was conducted on building materials suppliers because there was neither new construction project nor procurement of bulk building materials. In the future, we will continue to audit building materials suppliers to control the building quality for home buyers.

Project Supplier Evaluation and Audit

To ensure the quality of suppliers, we evaluate all suppliers every year in terms of cooperation, quality, progress, labor safety, and after-sales service. Based on the stages of construction, we conduct audits at stage 1 (construction in H1), stage 2 (construction in H2), warranty stage (warranty repair within one year), after-sales service stage (repair after one year). We have also established the “supplier evaluation grading system” to rate suppliers as excellent, good, and poor to strengthen the executability of supplier management. We actively communicate and coordinate with suppliers rated poor and request them to make improvement or submit the relevant testing reports by a time-limit to maintain cooperation quality. For those failing to make improvement by the time-limit, we will disqualify them from tendering and coordinate existing suppliers to take over their services to prevent negative impacts such as project delays or environmental pollution. In project supplier evaluation, we commission subsidiary Cheng-Shi Construction Co., Ltd. to audit project suppliers based on the stage of construction. Additionally, as all project suppliers had withdrawn for over one years in 2022, we audited the after-sales service of a total of 419 suppliers, and the pass rate (good or higher) was up to 99.5%. In 2022, there were no new suppliers.

Results of Supplier Evaluation 2022

Regions	Type	Distribution Supplier Grades		
		Excellent	Good	Poor
Tainan and Kaohsiung	World of Peak	133	-	1
Tainan and Kaohsiung	Town House Area, Prince Castle	15	20	-
Tainan and Kaohsiung	Apartment Area, Prince Castle	33	11	1
Tainan and Kaohsiung	Cozy Prince Mansion	92	12	-
Northern Taiwan	Lixing Section in Linkou	79	22	-
Total		353	65	2



3.6 Climate and environmental management

Climate Change Response

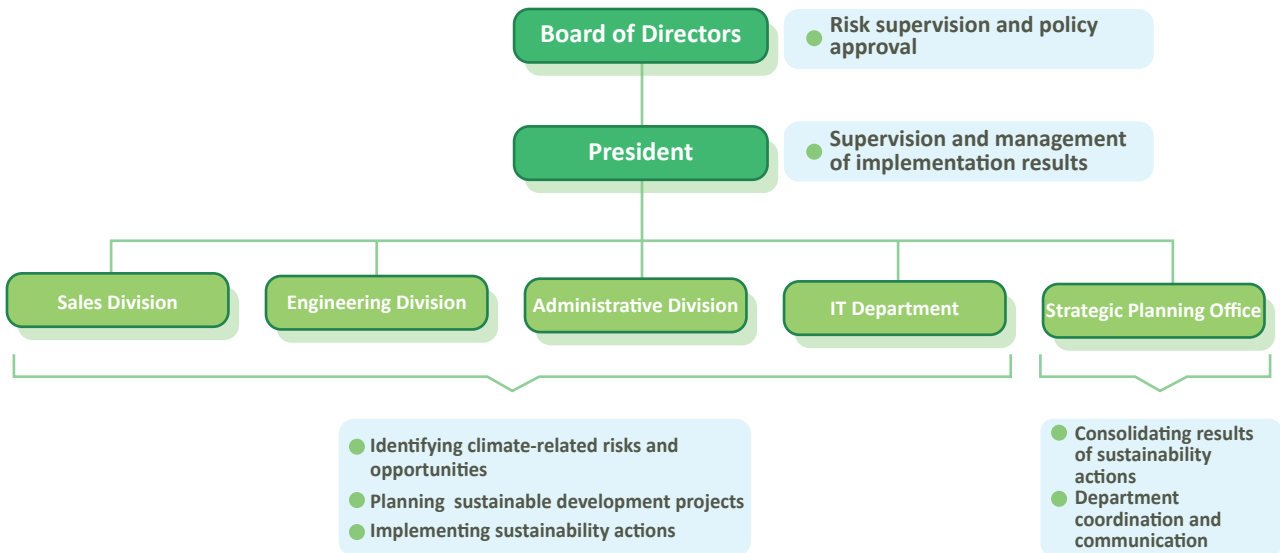
Climate change has become one of the severest risks around the globe and a topic that all businesses must face so as to understand more about climate-related impacts and draw up related counteractions in advance. Hence, starting in 2022, we began to enhance the disclosure of climate-related financial impacts in accordance with the TCFD recommendations for stakeholders to understand the materiality of related issues and the directions of our counteractions.

Climate Governance

The Operational Planning Office assists in implementing climate-related financial disclosures. It takes charge of promoting issues related to sustainability and climate change to all departments so they can assess sustainable development practices, identify climate-related risks and opportunities, and plan and implement actions for risk issues.

After the communication, coordination, and integration of the results of actions for sustainable development of each year with all departments, the Operational Planning Office reports to the president periodically and the Board at least once a year. As the highest governance body, the Board supervise and manage sustainability and climate change topics. By setting operational approaches through continuously reviewing sustainable governance actions, we inventory existing performance and plan future directions more comprehensively and more purposefully.

Climate Governance Organization Chart

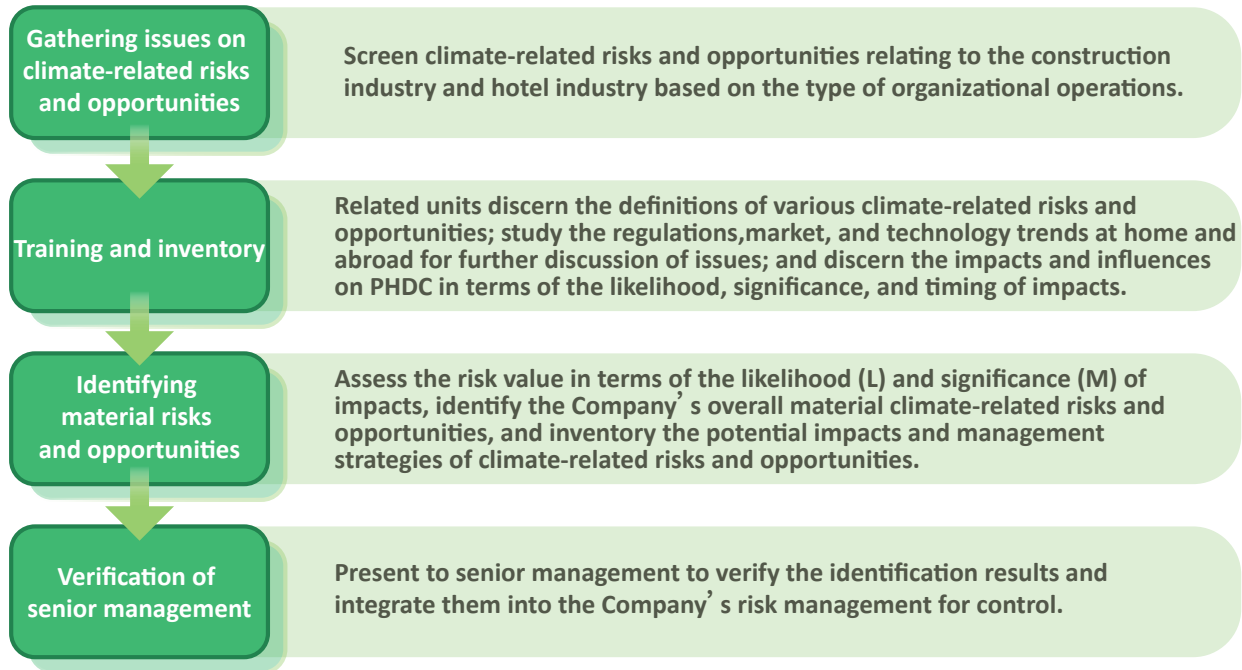


Process of Identification and Assessment of Climate-Related Risks and Opportunities

We hold the identification meeting of climate-related risks and opportunities and discern the definitions of different types of risks and opportunities based on the table of transition risks, physical risks, and opportunities in the TCFD recommendations. Then, each department identifies the short-, medium-, and long-term impacts, assesses the strategic and financial impacts of climate-related risks and opportunities, and considers the impacts on the Company's services and strategies of risk adaptation and mitigation activities, R&D and investment, business types, and locations of operations. The identification and assessment factors of climate-related transition risks, physical risks, and opportunities include the impacts on corporate operations and likelihood of occurrence.

The matrix was produced after identification and analysis. After member discussion, material climate-related risks and opportunities were identified, and future counteractions for climate change were also verified and reported to the president. Lastly, the Board reviewed and instructed the strategies, action plans, and annual targets for addressing climate change. The Board also supervises the implementation of strategies and review the trend of GHG emissions every year.

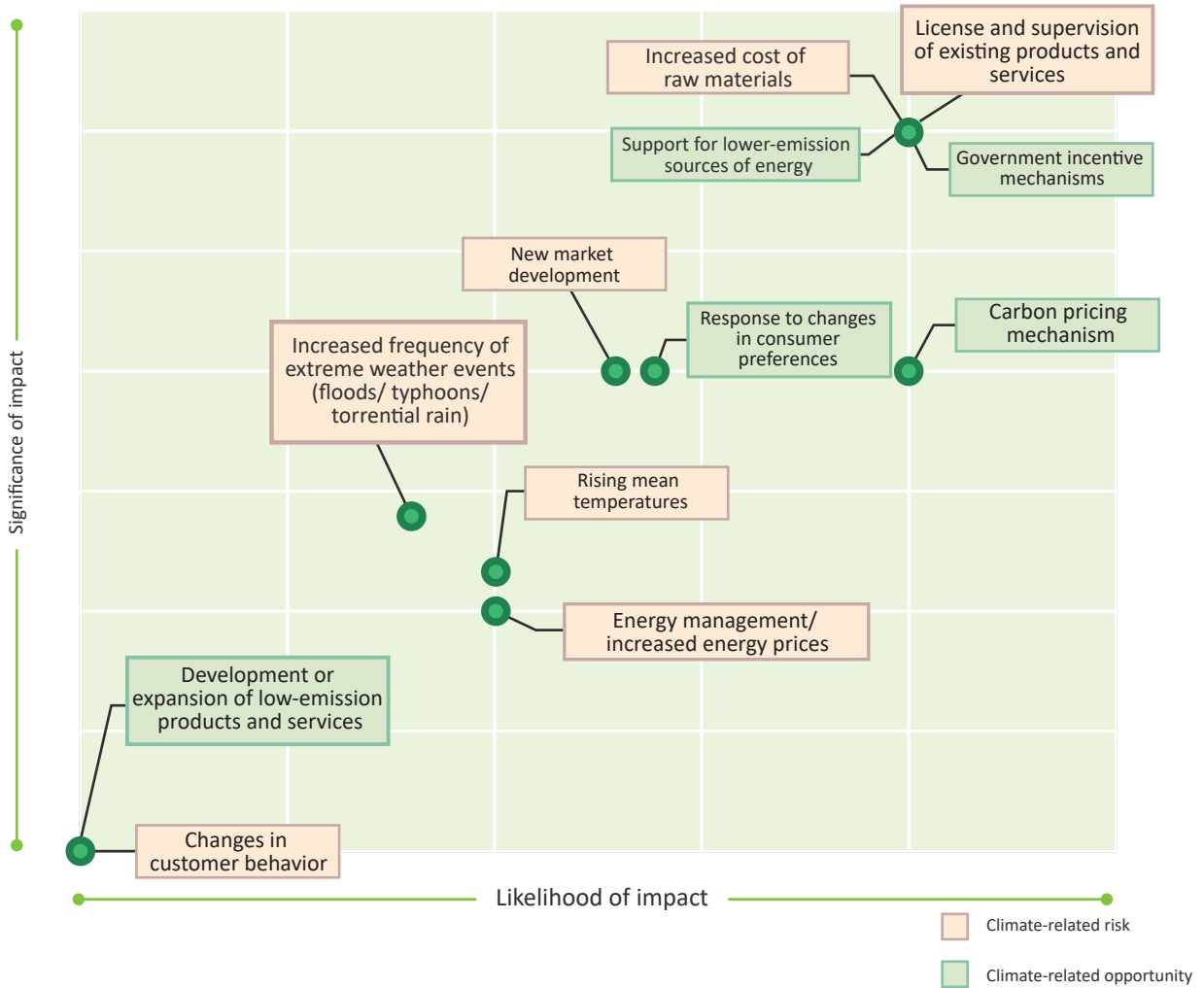
Climate-Related Risks Identification Flowchart



Assessment Items and Definitions of Risks and Opportunities

Item	Contents
Time Frames	<ul style="list-style-type: none"> • Short-term: <3 years • Medium-term: 3-10 years • Long-term: Over 10 years
Risk and Opportunity Scale	<ul style="list-style-type: none"> • Likelihood of impact: A risk topic occurs at least once a year in the operational process. • Significance of impact: Finance and revenues, worksite construction, personnel safety, reputation and image.
Categories of Identified Risks and Opportunities	<ul style="list-style-type: none"> • Physical risks: Acute, chronic • Transition risks: Policy and legal, market, reputation • Opportunities: Policy and legal, markets, products and services

Matrix of Climate-Related Risks and Opportunities



Prioritization of Top Four Climate-Related Risks

Climate-Related Risk Issues



- License and supervision of existing products and services
- Increased cost of raw materials

Climate-Related Opportunity Issues

- Government incentive mechanisms
- Support for lower-emission sources of energy

Climate Strategy

In 2022, we introduced the mechanism for identifying the risks and opportunities of climate-related issues to assess the significance of impacts on corporate operations based on different issues, business types, and duration of impacts and inventory the major affected positions and draw up response strategies based on the results of risk and opportunity identification. The related issues are described as follows:

Category of Risk/Opportunity	Climate-Related Issue	Duration of Impact	
 Risk	Policy and Legal Risks	License and supervision of existing products and services	Short-term
	Market	Increased cost of raw materials	Short-term
 Opportunity	Policy and Legal	Support for lower-emission sources of energy	Short-term
	Market	Government incentive mechanisms	Short-term

Energy and GHG management

To understand the energy and resource consumption and carbon emissions during the operations, and in response to the “Sustainable Development Roadmap” announced by the competent authorities, we implemented the ISO 14064-1:2018 GHG inventory system and adopted the operational control inventory, with the boundaries covering our offices in northern, central, and southern Taiwan, NTU BOT, NCKU BOT, and Prince House STSP Apartment. The total 2022 emissions were 4,503.053tCO₂e, including direct (Scope 1) GHG emissions at 495.6440tCO₂e, accounting for 11.01% of the total; indirect (Scope 2) GHG emissions at 3,380.8146tCO₂e, accounting for 75.08% of the total; and other indirect (Scope 3) GHG emissions at 626.5939tCO₂e, accounting for 13.91% of the total. The total GHG emission intensity was 0.000666tCO₂e/NT\$ thousands revenue).

Description of Operational and Potential Financial Impact	Counteraction
<p>1. In response to the carbon reduction promoted by the residential and commercial sectors of the government, energy-efficient buildings, intelligent buildings, or green buildings are progressively requested for buildings in the new redevelopment zones. When there are construction projects in these zones, the design and construction costs may increase.</p> <p>2. The tightening legal and regulatory requirements for roof-top heat shielding and drainage may increase the operating cost due to the increase in design and construction needs.</p> <p>3. Increased operating costs due to the investment in energy-efficient or intelligent home appliances (intelligent buildings) in design.</p>	<p>Gather the latest legal and regulatory requirements, team up with architects to design legal-compliant buildings, and assess cost efficiency.</p>
<p>Increased cost of the construction industry by 30-40% for the increased cost of raw materials due to supply chain disruption and labor and materials shortages due to extreme weather events.</p>	<p>Enhance market survey and plan suitable costs based on the market value.</p>
<p>Actively apply for incentives and investment relief to reduce operating costs in response to the support measures of the government's energy and low-carbon transition policies, such as Taiwan's Regulations for Incentivizing Integrated Building Solar PV Equipment.</p>	<ol style="list-style-type: none"> 1. In consideration of the cost, benefits, maintenance, and life at the beginning of new project design, energy conservation and green energy are prioritized. 2. For Prince House and BOT dormitories, funds will be invested to seek lower-emission sources of energy, except for existing green buildings.
<p>Actively apply for building bulk ratio bonus, reduction or exception of water conservation charge, preferential tax rate, and tariff reduction or exception in response to the government's support measures for green building incentivization to reduce operating costs.</p>	<ol style="list-style-type: none"> 1. Construct sustainable, low-emission, energy-efficient equipment in redevelopment zones and commerce and trade parks in compliance with the related legal and regulatory requirements. 2. Currently, the Prince House and BOT dormitories are green buildings. 3. The Green Building Mark has validity and will be difficult to apply for after ownership transfer.

Total Emissions of Scopes 1-3 GHGs

Emissions Equivalent (tCO ₂ e/year)	Prince Housing and Development Corp.	Percentage (%)	Emission Intensity
Scope 1	495.6440	11.01%	0.000073
Scope 2	3,380.8146	75.08%	0.000500
Scope 3	626.5939	13.91%	0.000092
Total GHG Emissions	4,503.053	100.00%	0.000666

Note:

1. The GHG inventory included seven types of GHGs: CO₂, CH₄, N₂O, NF₃, SF₆, HFCs, and PFCs.
2. The latest grid emission factor at 0.509kgCO₂e/kWh announced by the Bureau of Energy in 2021 was adopted in 2022. The GHG emission factor was subject to the GHG Emission Factor Management Table V.6.0.4 announced by the Taiwan Environmental Protection Administration and the factor announced on the product carbon footprint website.
3. GHG emission intensity = Emissions/NT\$ thousands revenues. Our 2022 revenues were NT\$6,761,955 thousand. Figures were rounded to six decimals.

Actions for Energy Conservation and Carbon Reduction

Apart from adopting various energy conservation measures for offices, engineering offices, and the Prince House, we also communicate environmental protection awareness such as energy conservation and carbon reduction to employees from time to time and periodically send personnel to check lighting switches and enhance electricity consumption management to effectively reduce our carbon emissions.

Measures of Energy Conservation and Carbon Reduction for Engineering Offices, Offices, and Prince House

Region	Measure
 <p>Engineering Offices</p>	<ul style="list-style-type: none"> • Reduce window opening rate of building envelopes. • Adopt high lightness interior design and natural lighting design. • Use timer and daylight-saving lighting control system. • Use less air-conditioning and open windows more often, control air-conditioning temperature at 26-28°C. • Send personnel to check worksite lighting switches during 19:00-07:00. • Standardize indoor air-conditioning temperature according to the outdoor temperature in the season and maintain records for review and adjustment. • Periodically check the water output of lavatory basins and pantry sinks. • Block sunlight with curtains to reduce the electricity consumption of air-conditioning. • Use water-efficient toilet bowls to reduce water consumption. • Use energy-efficient LED and T5 lamps for lighting. • Control office paper and printed matter consumption and implement paperless measures.
 <p>Offices</p>	<ul style="list-style-type: none"> • Use e-document and email to reduce paper memos and documents. • Photocopy on both sides of paper. • Use recycled paper as much as possible. • Implement waste sorting and resource recycling. • Arrange education on correct environmental protection and waste sorting methods for employees. • Create a paperless work environment. In 2022 the e-approval process was applied to a total of 157 memos and 24,208 attendance forms accumulatively. • In 2022, the e-approval process was applied to a total of 157 memos (including weekly work reports and document receipts).
 <p>Prince House</p>	<ul style="list-style-type: none"> • Replace emergency exit signs with new LED signs. • Replace indoor emergency lighting with LED lights. • Use electronic ballasts, energy-efficient bulbs or compact fluorescent tubes on lighting fixtures and lighting equipment. • Identify air-conditioner switches with labels and use air-conditioners in some areas. • Maintain water chiller periodically. • Use the rainwater harvesting system and irrigate plants with harvested rainwater. • Adjust lighting in common areas according to the seasonal insolation duration. • Immediately repair failed or faulty equipment to avoid a waste of water.

Column Story

Sign up to The Second Life for Computers - Empowering People in Need project of the ASUS Foundation

In 2019 we signed up to The Second Life for Computers - Empowering People in Need project of ASUS Foundation to recover the company's retired computers and the relevant computer, communication, and consumer electronics products to reduce waste production while reducing carbon emissions from the retired computer disposal process in the past to achieve energy conservation, carbon reduction, and resource recycling and reuse. The recovery performance by 2022 is as follows:

Recovered Item	Accumulated Recovered Volume	Quantitative Effectiveness of Energy Conservation and Carbon Reduction
LCD	67	Reduced carbon emissions by 4.983tCO ₂ e, equivalent to saving 415.265 trees.
NB	27	
PC	126	
Other	73	
Total	293	



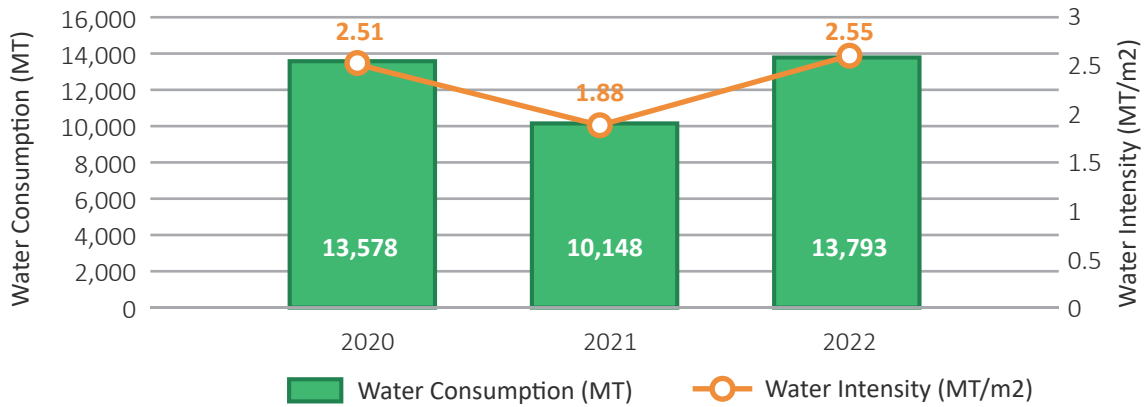
Water Resources Management

Climate change has changed precipitation patterns around the globe in recent years. Hence, the frequency of regional torrential rain increased, while rainfall in small and medium scales reduced. As a result, droughts and floods occur more frequently. Upholding perfect resource control, we reduce water risks through precise and careful water use and dispatch. In water consumption, apart from the general construction water use of worksites, the domestic water use of offices and Prince House in northern, central and southern Taiwan is the second major source. Statistically, the water consumption as indicated in the tap water bills is the main reference. In 2022, there was no worksite water consumption due to the absence of worksite water use, and the water consumption of Prince House was 241,957MT. As COVID-19 began to slow in 2022, classroom learning resumed. Although water consumption increased by 3.5% over 2021, the overall consumption was still lower than that of 2020 before the pandemic. In the future, we will continue to review water consumption management based on the consumption data to maintain water conservation so as to prevent the unnecessary waste of water.

Regional Office Water Consumption

Year	2020	2021	2022
Water Consumption (MT)	13,578	10,148	13,793
Water Intensity (MT/m ²)	2.51	1.88	2.55

Regional Office Water Consumption and Intensity



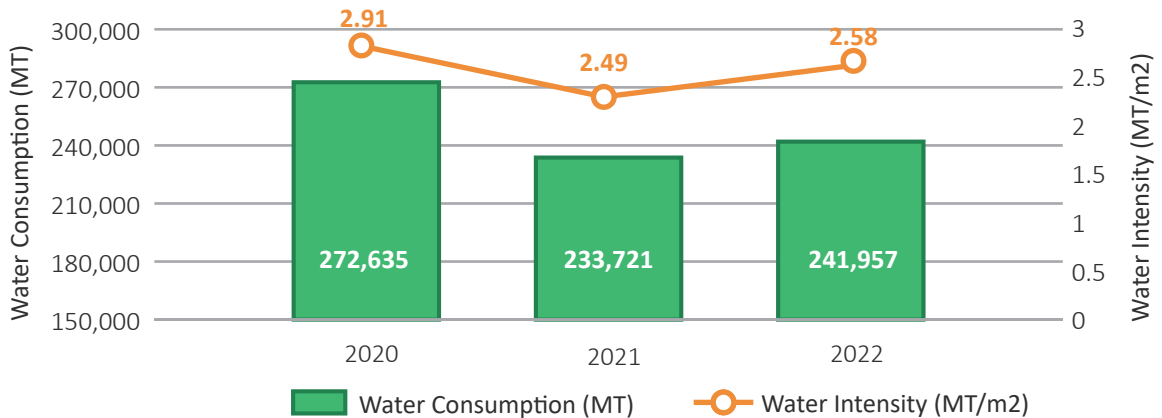
Prince House Water Consumption

Year	2020	2021	2022
Water Consumption (MT)	272,635	233,721	241,957
Water Intensity (MT/m ²)	2.91	2.49	2.58

Note:

1. The scope of offices covered office buildings in northern, central and southern Taiwan
2. The scope of the Prince House covered Changxing Blocks A and B and Shuiyuan Blocks A, B, C, and D, and NCKU BOT houses and halls
3. Water intensity = Water consumption/floor area. The floor area of offices in northern, central and southern Taiwan is 5401.08 m², and the total area floor area of Prince House is 93,748.42 m².
4. In 2022, no PHDC locations of operations were in regions with high baseline water stress.
5. Water consumed by offices, engineering offices, and Prince House is all from Taiwan Water Corporation.

Prince House Water Consumption and Intensity



Waste Management

From home building to use, GHGs produced by the global construction sector account for about 30% of the total global emissions. On the way towards the circular economy, the constructor sector thus plays an essential role. The reduction and disposal methods of waste also affect the potential environmental impacts and materials life cycle. All waste generated on worksites is non-hazardous industrial waste and transported off the worksites by qualified clearance contractors to incineration and landfill. In waste management, we are committed to waste reduction and minimization of environmental impacts. Due to the absence of worksite construction, there was zero worksite waste in 2022.

Environmental Protection Expenditure

We actively engage in environmental protection to reduce the relevant environmental impacts. The 2022 environmental protection expenditure was NT\$132,000, mainly on basic waste clearance. As the number of worksites with actual construction reduced in 2022, except for winding up projects in 2021, there was no waste clearance and air pollution expenses but the necessary waste clearance in 2022. In the future we will continue to build solar PV systems, green fences, and rainwater harvesting systems in construction projects to demonstrate our determination in environmental maintenance and green energy implementation.

Environmental Expenditures Over the Years

Item	2020	2021	2022
Expense on worksite waste disposal	4,724,307	2,451,504	-
Expense on domestic waste disposal	249,750	423,450	132,000
Expense on air pollution control	599,292	162,374	-
Solar PV projects	2,390,000	-	-
Rainwater harvesting systems	-	955,100	-
Total	7,963,349	3,992,428	132,000





4

Improving Quality for Customer Service

- 4.1 Quality customer communication and service
- 4.2 Insistence on maintaining customer rights and interests

Material Topics Covered in this Chapter



Smooth customer communication is key to brand image management, and ensuring unfettered channels for customer communication is the only way to maintain quality interaction with customers. Hence, through well-planned marketing campaigns, after-sales service mechanisms, customer satisfaction surveys, and customer information security mechanisms, besides establishing mutual trust with customers, we can also find room for corporate improvement. Hence, manipulating customer communication and protecting customer privacy and information security are our important, fundamental responsibilities.



Management approaches

- In customer communication management, we have established stringent “after-sales service SOP” to provide powerful after-sales service to customers to access timely contacts and responses.
- When interacting with potential customers through marketing campaigns, we have set the regulations for internal advertising fines in accordance with the legal and regulatory requirements to impose strict censorship on the reasonability and information integrity of advert to maintain the rights and interests of consumers.
- In information security, to provide complete personal information protection and protect the rights and interests of customers, we have formed a personal information task force and set up the internal audit management system to ensure no unauthorized disclosure of the personal confidential data of customers and that the personal information of customers will only be disclosed to a third party with the customer’s legal consent or at the request of the competent authorities through legal and official procedures.
- We conduct customer satisfaction surveys periodically to discern and improve our management strategies, enhance the protection of rights and interests and improve the quality of service for customers to enhance customer satisfaction.

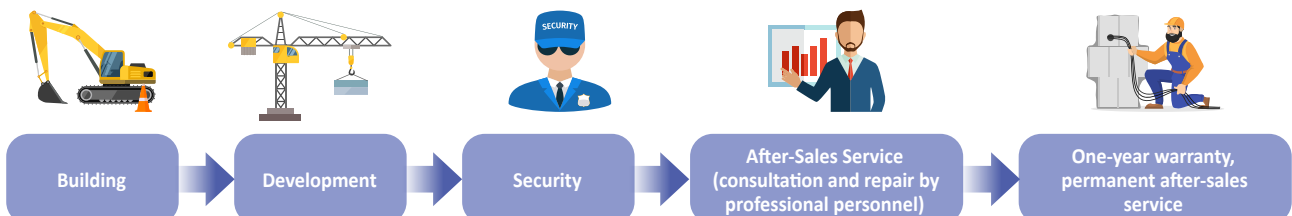


Goals

1. Improve customer satisfaction
2. Increase the proportion of completing after-sales service within 7 days
3. Maintain 0 information breach
4. Maintain 0 deceptive adverts and 0 find for non-compliance

Our Customer Cultivation Concept

Since PHDC was established, we have been upholding the spirit of professionalism and practicality to operate our brand for steady, sustainable development. Given that maintaining a sound customer relationship is key to sustainable operations, we set ultimate service quality as our self-demand to provide customers with integrated after-sales service covering building, development, security, and sustainable operations. In recent years we have even adjusted our marketing orientation by eliminating excessive adverts to focus on the nature of “quality”, “brand value”, and “customer service” so as to set our hard power including perfect quality and A+ after-sales service as the most robust cornerstone of brand value.



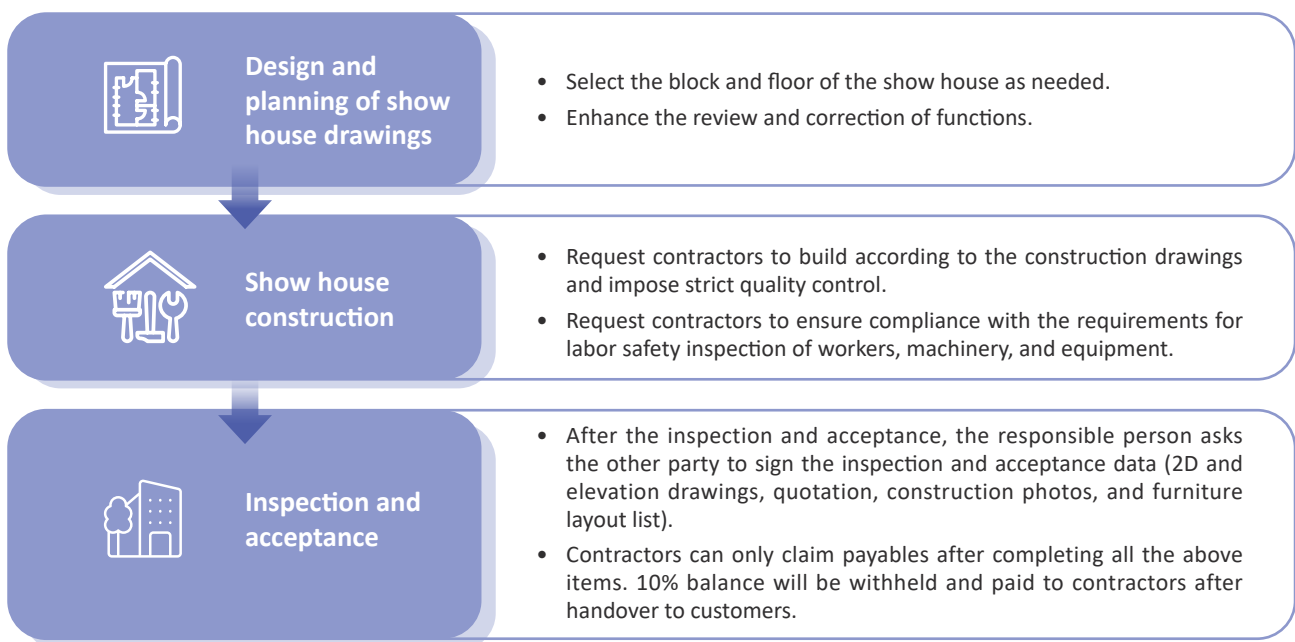
4.1 Quality customer communication and service

Ethical Marketing and Labeling

Marketing campaigns are the major channel of customer communication. We face consumers with a stringent self-discipline attitude and abide by business ethics and integrity. To prevent consumer disputes or consumer misunderstanding, we avoid misleading text description in adverts and publicity materials with hard endeavor and clearly and fully inform customers of the infrastructure, such as schools, train stations, hospitals, and others, near each construction project for customers to make an assessment with complete information.

In terms of model home preparation, we also assign responsible personnel to ensure that the size of the model home is identical to the drawings to ensure transparency of marketing information. Other publicity materials, such as posters, POP, newspaper advertising, 2D and elevation pamphlets, and area charts, must be proofread in detail, verified if there are deceptive (exaggerated) or misleading text, and signed for approval by supervisors and records are maintained prior to publication so as to prevent deceptive adverts and thereby maintain our professional brand image and provide customers with correct information. In 2022, there was no deceptive advert or non-compliance with marketing labeling.

Show House On-site Supervision Mechanism



In the show house, we will display the energy-efficient and water-efficient facilities used in the construction project. Additionally, responsible personnel will explain the facilities used in the overall design to reduce energy consumption, such as using low emissivity (low-E) glass, optimal winding opening and sunshade design, and others, for consumers to fully understand our resource design.

Publicity Materials SOP



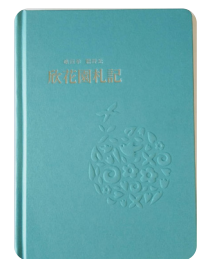
PHDC Corporate Website

On the corporate website, we provide the information of all construction projects across Taiwan for consumers to access the information such as design, location, nearby infrastructure, and others of each project. Additionally, special description on the energy and resource efficiency design of each project is also provided, such as the solar PV system, symbiosis design with local ecosystems and environment, and building energy-efficient designs.



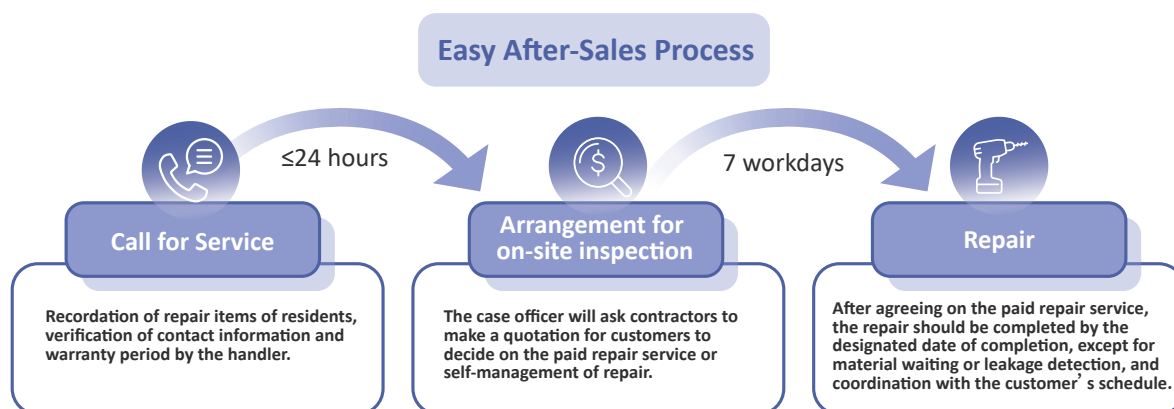
Handover and User's Manual

In addition to marketing campaigns, we also elaborately plan the user manual exclusive to each construction project for customers to get familiar with the product more easily. Apart from the thoughtful reminder on the points for notice for pre-occupation decoration management, household move-in registration, and house tax and land value tax, the manual also provides instructions to use, certificate of manufacture, and maintenance cycle of utility, building materials, fire equipment, security equipment, and common facilities of the building for customers to feel safer with our products through our efforts.



Thoughtful Permanent After-sales Service

We have a well-established customer service mechanism to ensure that the opinions of customers are timely heard and properly addressed. Hence, we uphold the “one-year warrant, permanent service” sustainable operations concept to provide customers with permanent and quick after-sales service. We have also established the stringent “After-Sales Service SOP” to ensure that all accepted call for service is completed within seven days. During the warranty period, except for damage caused by the sabotage or improper use of customers or natural and man-induced disasters, we will take charge of the repair and restoration of any manufacturing defects. After the warranty period, customers may also call for service, and we will send staff to conduct an on-site inspection, quote for the repair expense, and recommend trusted contractors to provide customers with a paid repair channel. We designate full-time after-sales personnel across Taiwan and have set up a consumer service hotline each in northern (0800-025-555), central (0800-423-153), and southern (06) 282-1155 Taiwan. Customers may also search for our local customer centers on the corporate website. By integrating with the works system, we can find out the cause(s) and proceed with the repair for customers within the shortest time. Then, we will follow up on the results so customers feel safe to stay with PHDC.



Effectiveness of After-sales Service

To upgrade after-sales service, apart from taking charge of repair service through the works department, the after-sales service section will take over the call for service, on-site inspection, and repair service after one year of property or common facility handover and hire external units to take charge of the relevant services.

In 2022 we received 695 calls for service from Taipei, Taichung, Tainan, and Kaohsiung through the after-service process and completed the repair for 694 cases, with an accomplishment rate of up to 99.4%.

We also produce statistics on the proportion of calls for service completed within seven days to review the efficiency of our after-sales service, hoping to enhance the timeliness of customer responses more accurately. In 2022, 67.91% of calls for service were completed within 7 days, similar to that of the previous year. In the future, we will optimize time coordination with repair contractors, strengthen the management of order assignment control of branches, and remind and supervise after-sales service personnel to complete the repair service through the number of service reports, completed service cases, unfinished service cases, and cases completed within seven days reported at the weekly sales department meeting so as to enhance the efficiency of after-sales service. Additionally, service personnel will produce statistics and consolidate the data on the call for service items and report to the works department to improve and optimize the policy and system.

Statistics on Repair Service Accomplishment Rate 2022

Regions	Number of repair cases	Completed repair cases	Accomplishment rate	Number of repair cases completed within 7 days	Accomplishment rate of repair cases completed within 7 days
Northern Taiwan	30	30	100.00%	30	100.00%
Central Taiwan	20	19	95.00%	6	30.00%
Tainan and Kaohsiung	645	642	99.53%	391	60.62%
Enterprise-wide	695	691	99.42%	427	67.91%



Column Examples of Touching Service: Story Prince Charlotte and Prince Seattle

After detecting ceiling leakage in the bathroom, the resident first hired a utility technician to examine the problem. As the technician could not fix the hydraulic copper pipe, he advised the resident to contact the constructor. The resident thus reported to us. Without the active assistance of our staff, the pipe was fixed and the problem was solved smoothly.

After receiving a call for water pipe leakage repair, works personnel immediately called back to the resident to understand the situation. Although the warranty has expired and the leakage pipe in question was not built by us, we still arranged technicians to help the resident replaced the pipe.

Upholding the after-sales service principle, we explained to the residents based on our warranty period and expertise and seek instructions from management for unsettled disputes. So, works personnel reported the cause and made recommendations with the sales memo, and management approved the assistance in repair and included this case in the education and training materials for the works department to improve future construction quality.

Residents buy their homes from the Company out of trust. Despite the occasional repair needs, we help residents find and solve problems through after-sales service, communicate and explain to them with empathy, and help them solve problems actively to maintain customer trust and recognition of the Company.

Customer Satisfaction Survey

The satisfaction survey on after-sales service is the most important communication and feedback mechanism between the company and customers, as well as the major source of the company's growth power. Hence, we conduct the service satisfaction survey on after-sales service personnel, repair contractors, and report registration personnel. The satisfaction survey includes four options: highly satisfied, satisfied, fair, and room for improvement. In 2022, the Taipei, Taichung, and Tainan and Kaohsiung branches select 9, 20, and 45 customers calling for service at random as the survey sample. The rate of satisfied or higher responses (satisfied and highly satisfied) was 100% for the Taipei branch, 99.75% for the Tainan-Kaohsiung Branch, and 95.56% for the Taichung Branch.



After-sales service personnel

- Response timeliness
- Service attitude
- Communication skills
- Professional competency



Repair contractors

- Repair timeliness
- Service attitude
- Professional competency
- Repair quality
- Cleaning after repair



Report registration personnel

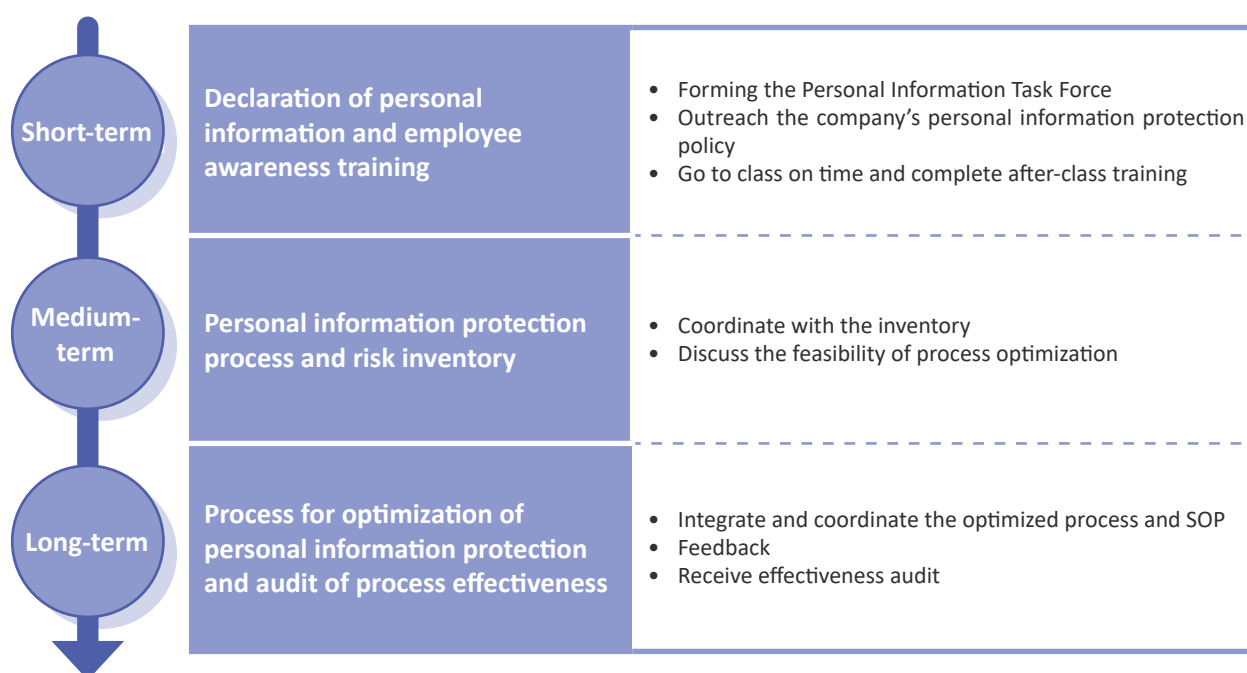
- Service attitude

4.2 Insistence on maintaining customer rights and interests

Protection of Confidential Information

We strictly follow the *Personal Information Protection Act* and its enforcement rules promulgated by the Ministry of Justice in the collection, processing or use of personal information. We have also established a personal information task force with the general manager, vice general manager, and all division officers. The task force holds team meetings from time to time, and the Audit Office conducts spot checks on the data management of each department and produce the personal information list. Additionally, the personal information task force publishes a quarterly in January, April, July, and October every year for all members to outreach the relevant policies to members of their units. The Administrative Department also offers courses relating to personal information from time to time for employees. The *Personal Information Protection Act* is also outreached to new employees during their orientation training. We have also established the “Agreement on Collection, Processing, and Use of Personal Information” and other documents, forms, and terms to handle the personal information provided by customers in property purchase, transfer, and loan.

■ Procedures Addressing the *Personal Information Protection Act*



To strengthen consumer data protection and eliminate information breaches, we request contractors, such as consignment brokers and their employees, to sign the “Statement of Personal Information Protection”. During the open sales, we remind customers by stating our personal data processing terms in the customer datasheet and ask for their consent of our collection of data including their occupation, home-buying budget, and down-payment. We also explain to them that we will keep their data confidential by law. When signing the sales agreement, we also add the separate “Agreement on Collection, Processing, and Use of Personal Information” for customers to sign. After inspection, acceptance, and handover, we archive customer data and stringently control the independent keycard. In 2022, there was no suspected information leakage or information leakage verified and sanctioned by the competent authorities.

Data Management of Prince House



In addition to the personal data protection regulations for construction projects across Taiwan, the privacy protection of Prince House BOT projects is even a key item. Particularly, as students check in and withdraw from the Prince House every year, personal information management becomes exceptionally important. Hence, we have established the following Code of Personal Information Management to keep custody of personal information with the most stringent attitude. In 2022, there was no grievance on personal information leakage.

- 1 For all personal information forms for external use, we add warnings on personal information protection for form users to clearly understand the relevant information on our personal information policy.
- 2 We have also defined the retention period of all types personal information, including that of student dormitories (Prince House) and customers.
- 3 In personal information management, each unit has established a specific depository for personal information storage equipped with access control including entry and exit time recording and 24-hour CCTV monitoring.
- 4 CCTV cameras are also installed at the customer basic data storage of all counters. The storeroom behind counters is lock-protected, and bills including "Authorized Personnel Only" are posted at the entrance.
- 5 Expired personal information is collectively transported to qualified destruction service providers for shredding, and the certificate of destruction is also issued.
- 6 New forms requiring warnings on personal information protection must first be reviewed by the staffing and administrative units to determine the need for using warnings and the type of warnings.



5

Creating a Happy Workplace

- 5.1 Friendly and equal workplaces
- 5.2 Well-designed salary and benefits
- 5.3 Diversified career development and training
- 5.4 Safe and healthy workplace environment

Material Topics Covered in this Chapter



Employees are the bedrock of corporate development. We believe that only providing employees with a healthy and safe workplace environment and diversified channels for development can continuously provide customers with quality products and services. Hence, we are committed to promoting workplace equality and safety, taking care of the physical and mental health of employees, and offering well-planned benefits to employees so as to create a happy workplace environment.



Management approaches

- We have established the “Labor Safety Education and Training Program”, “Full Construction Period Self-Inspection Program”, “Regulations for Labor Safety Control”, “Construction Disaster Prevention and Rescue Plan”, and “Emergency Recuse System and Reporting System” to address occupational safety and health. Within the scope of the contract, we establish the Labor Safety and Health Coordinative Organization in each worksite in accordance with the *Occupational Safety and Health Act* and the Code of Labor Safety and Health. We also conduct periodic environmental and safety audits. We also treat contractors as safety partners and inform them of the occupational health and safety risks with the Code of Labor Safety and Health.
- Apart from arranging training courses based on different stages and needs for talents development, we also set targets for the annual education and training program by department, follow up on the development of learning diversity of employees, and support the innovation of potential talents through the in-house e-learning website and education and training system.



Goals

1. Zero occupational accidents
2. Minimum professional training each year: 12-20 hours.

5.1 Friendly and equal workplaces

To fulfill CSR and protect the basic human rights of all employees, we support and abide by the internationally accepted human rights regulations and principles, including the Universal Declaration of Human Rights, United Nations Global Compact, and others. In 2018, we established the PHDC [human rights policy](#) to ban forced labor and child labor; respect the freedom of association and religion of employees; reject discrimination, bullying, and harassment; provide a safe, sanitary, and healthy workplace environment; abide by local labor laws and regulations, and eliminate the act of human right injury. We are also committed to providing every employee with appropriate concerns and care, enforce employee care, and provide unfettered communication channels to promote workplace harmony.

Human Rights Issues Concerning PHDC



No child labors



Freedom of religions of employees



No forced labor



No discrimination, bullying, and harassment



Freedom of association of employees



Provision of a safety, sanitary, and healthy workplace environment



We assess the risk of occurrence to employees of the above concerned issues and implement corresponding counteractions described as follows:

PHDC Human Rights Policy and Human Rights Risk Assessment and Management Form

<https://www.prince.com.tw/upload/finance/202031117732417.pdf>

Employee Composition

We value all basic rights and interests of employees and regard highly their labor conditions and human rights, hoping to create a friendly workplace environment. Our human resource utilization policy, including employment, salary, performance evaluation, and promotion opportunity, apart from complying with the *Labor Standards Act*, we make no differential treatment and treat employees impartially regardless of gender, race, social status, age, marital status, religion, political affiliation, and family status.

By the end of 2022, the total number of employees of Prince Construction Business was 248 persons. All are citizens of Taiwan. In terms of gender, 56% of employees are male and 44% are female. In employee distribution, employees in northern, central, and southern Taiwan were 36%, 20%, and 44% respectively; and the ratio of management and non-management posts was about 56% and 44% respectively. All employees were permanent and full-time employees, and there was neither temporary nor part-time employee to ensure stable employment. Additionally, there were 2 non-employee workers, including 1 male and one female in southern Taiwan who were dispatched labor.

2022 Employee Composition by region and by gender

■ Composition of Permanent/Full-Time Employees of Prince Construction Business by gender

Corporate	Male	Female	Total
Prince Housing and Development Corp.	91	102	193
CSCC	20	7	27
PUEC	15	0	15
TCCE (PHDC internal projects)	12	1	13
Total	138	110	248

Composition of Permanent/Full-Time Employees of Prince Construction Business by region

Corporate	Northern Taiwan	Middle Taiwan	Southern Taiwan
Prince Housing and Development Corp.	71	30	92
CSCC	4	15	8
PUEC	9	1	5
TCCE (PHDC internal projects)	6	2	5
Total	90	48	110

Employee diversity

In 2022, most employees, 47%, of Prince Construction Business held a bachelor's degree. In age distribution, 58% were aged 30-50 years, 6% were aged under 30 years, and 36% were aged over 50 years.

Employee Composition of Prince Construction Business by gender and by age

Company Name	Under 30 years old (excluding 30)		30-50 years old		Over 50 years old (excluding 50)		Total
	Male	Female	Male	Female	Male	Female	
Prince Housing and Development Corp.	4	10	42	69	45	23	193
CSCC	0	0	12	7	8	0	27
PUEC	0	0	8	0	7	0	15
TCCE (PHDC internal projects)	0	0	5	1	7	0	13
Total	4	10	67	77	67	23	248

Employee Composition of Prince Construction Business by education

Type	Subtotal
Master	37
Bachelor	116
College	60
Senior high school (inclusive) and below	35
Total	248

PHDC New Employee Hires 2022

Gender	Age	Northern Taiwan	Middle Taiwan	Southern Taiwan	Total	Rate of New Employee Hires (Note)
Female	<30 years old	1	0	4	11	10.00%
	30-50 years	0	0	4		
	>50 years	0	0	2		
Male	<30 years old	1	0	3	8	5.80%
	30-50 years	0	0	3		
	>50 years	0	0	1		
Total		2	0	17	19	7.66%

(Note) Rate of new employee hires = Number of new employee hires/Total number of employees at the end of year

PHDC Employee Turnover 2022

Gender	Age	Northern Taiwan	Middle Taiwan	Southern Taiwan	Total	Rate of New Employee Hires (Note)
Female	<30 years old	0	0	4	15	13.64%
	30-50 years	4	1	4		
	>50 years	0	0	2		
Male	<30 years old	0	0	0	9	6.52%
	30-50 years	1	1	2		
	>50 years	4	0	1		
Total		9	2	13	24	9.68%

(Note) Rate of employee turnover = Number of employee turnover/Total number of employees at the end of year.

Unfettered Communication and Grievance Channels for Employees

We appreciate the opinion and view of every employee and encourage them to directly communicate their needs to immediate supervisors. When there is feedback, employees can directly email it to the general manager with the corporate email. We also conduct questionnaire surveys as necessary. The Administrative Department will actively listen to the needs and the reasons for the departure of new employees and make communication and adjustment as necessary to ensure unfettered communication channels. Additionally, we also engage in workplace gender equality and state the channels (email and hotline) for reporting sexual harassment. In 2022 there was no grievance on sexual harassment.

In the minimum notice periods regarding operational changes, in accordance with Article 16 of the *Labor Standards Act*, when the employment contract is terminated in accordance with Article 11 or the exception in Article 13, the notice periods are as follows:

1

Continue to Work
A 10-day notice for a continuous service length over 3 months but less than 1 year.

2

Continue to Work
A 20-day notice for a continuous service length over 1 year but less than 3 years.

3

Continue to Work
A 30-day notice for a continuous service length over 3 years.

Employers failing to notify the termination of employment contract according to paragraph 1 shall pay the wage during the designated notice periods.

5.2 Well-designed salary and benefits

We offer steady and market-competitive salary to employees. The Remuneration Committee establishes and reviews the policy, system, standard, and structure of performance evaluation and remuneration; approves the salary of employees based on their academic attainment and background, professional knowledge and skills, seniority and experience, and personal performance; timely reviews the reasonability of salary and remuneration based on the actual status of operations and the relevant laws and regulations; and reports to the Board to make resolution. Mostly importantly, the starting pay will be the same regardless of gender, and the equal pay for equal work applies to starting pay of both male and female employees.

In 2022, we disclosed the salary information of non-management full-time employees in accordance with Article 4, paragraph 1, *Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies*. In 2022 the salary for non-management employees was raised significantly, and the average and median wages increased by 24.51% and 22.43% compared to 2021 respectively.




Salary Information of Non-Management Full-Time Employees

Year	Number of non-management full-time employees	Average wage of non-management full-time employees (NT\$ thousands)	Median wage of non-management full-time employees (NT\$ thousands)
2022	180	1,082	1,048
2021	187	869	856
Growth Rate	-3.74%	24.51%	22.43%

(Note) Full-time non-management employees are non-officers as defined in Letter Tai-Cai-Cheng-San-Zi No. 920001301, and their working hours meet the normal working hours as required by PHDC.

We undertake to offer well-planned benefits to employees. To promote friendship among employees and the physical and mental health of employees, apart from offering benefits including Labor Insurance, National Health Insurance, maternity and parental leave, and pension, we have also established the employee welfare committee (EWC) to offer various types of benefits to employees, such as marriage, funeral, and birth benefits; infant care or child education benefits; cash gifts on three major folk festivals; year-end bonus and birthday cash gifts; and employee health checkup. Each partner of Prince Construction Business is entitled to apply to EWC for the applicable benefits. In 2022 a total of 254 employees of Prince Construction Business applied for relevant benefits.

Benefits and Number of Applicants in 2022

Benefit	Number of Applicants
 <p>Marriage, funeral, and birth benefits</p>	<p>Birth benefit: 4 persons; marriage benefits: 1 person; funeral benefits: 15 persons.</p>
 <p>Child Education Benefit</p>	<p>In 2022, a total of 169 applications were received. A total of 86 applications were received at the second semester of academic year 2021 and 83 applications were received at the first semester of academic year 2022. The applications for education benefits did not include the applications for scholarships.</p>
 <p>Scholarships for Children</p>	<p>In 2022, there were 65 applicants in total, including 34 applicants at the second semester of academic year 2021 and 31 applicants at the first semester of academic year 2022.</p>

Parental Leave

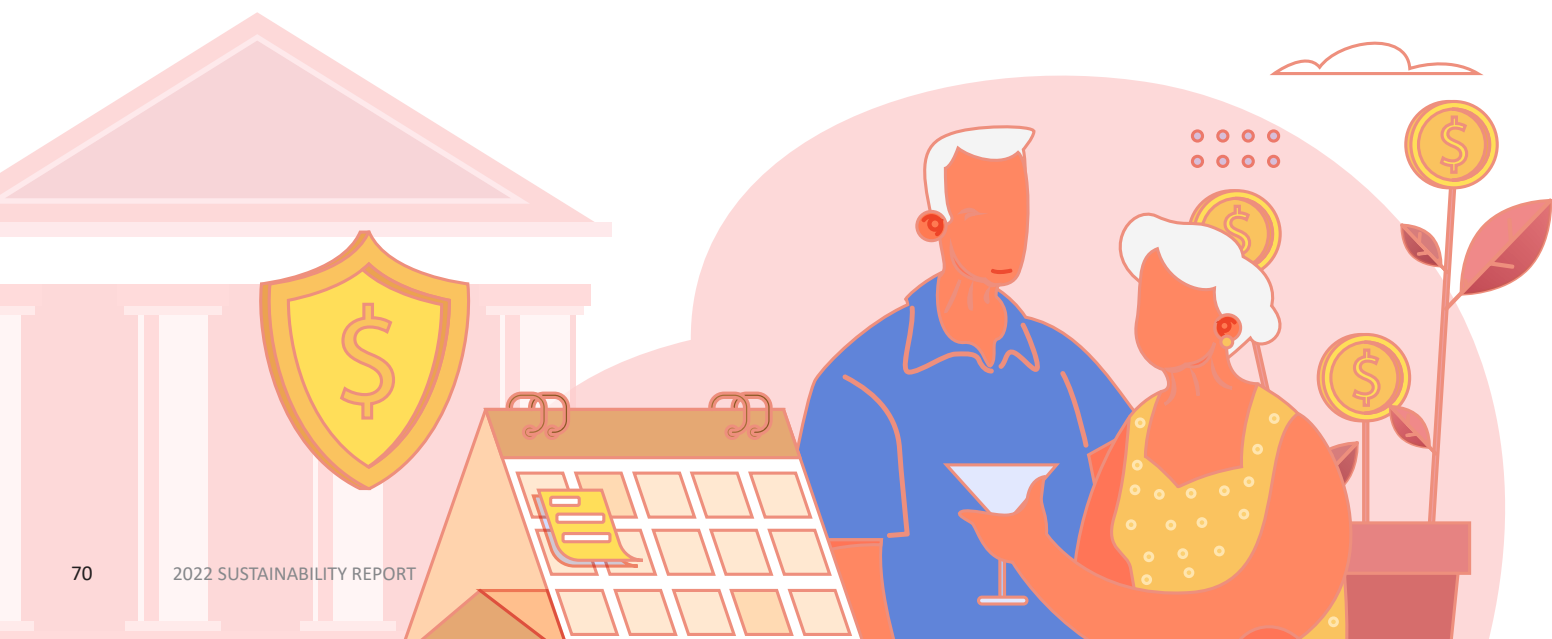
In view of the parenting need of employees, employees after working at PHDC for six months may apply for parental leave of not more than two years to take care of children under three years old in accordance with the *Act of Gender Equality in Employment and Regulations for Implementing Unpaid Parental Leave for Raising Children*. We offer the right to unpaid parental leave to employees in accordance with the *Act of Gender Equality in Employment and Regulations for Implementing Unpaid Parental Leave for Raising Children*. In 2022, the return-to-work rate of employees after the parental leave was 100%.

■ Status of Unpaid Parental Leave in 2022

Item	Number of male applicants	Number of female applicants	Total
Total number of employees entitled to parental leave in 2022 (A)	10	12	22
Total number of employees taking parental leave in 2022 (A)	1	4	5
Total number of employees returning to work after the end of parental leave in 2022 (C)	1	2	3
Total number of employees returning to work in 2022 after the end of parental leave in 2022 (D)	1	2	3
Total number of employees returning to work in 2021 after the end of parental leave in 2021 (E)	1	1	2
Total number of employees returning to work in 2021 after the end of parental leave and still employed 12 months after their return to work (F)	1	0	1
Rate of applications for unpaid parental leave (B/A)	10%	33%	23%
Return to work rate (D/C)	100%	100%	100%
Retention rate (F/E)	100%	0%	50%

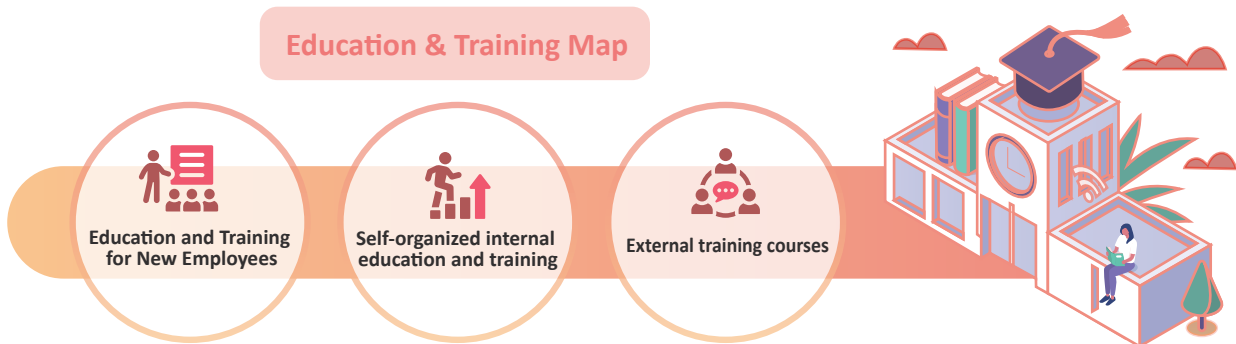
Retirement Plan

At PHDC, there are two types of employee retirement plans: defined benefit obligation (the Old System based on the *Labor Standards Act, LSA*) and the contribution obligation (the New System based on the *Labor Pension Act, LPA*). In accordance with the LSA and LPA, employees hired on and before June 30, 2005 are entitled to the seniority of the Old System. However, they are entitled to the seniority of the New System after selecting the New Plan at free will. Under the Old System, each month we despite 8% of the salary of employees with LSA seniority in the special account at the Bank of Taiwan. Under the New System, each month we contribute 6% of the labor pension grade of employees entitled to the New Plan to their personal pension accounts. In 2022, we appropriated a total of NT\$64,173 thousand as the pension fund for both plans. By December 31, 2022, the amount of recognized labor retirement reserve fund for the Old System was about NT\$26,018 thousand, and the balance as of funds appropriated to the pension special account of the Old System was NT\$143,313 thousand.



5.3 Diversified career development and training

We plan training courses based on the stage needs of employees. From the orientation training that helps new employees get familiar with the corporate culture and environment and understand our business direction and philosophy to the serial in-service training courses based on different job duties and job grades planned to provide employees with systematic learning and development.



Education and Training for New Employees

For employees to understand the corporate culture and regulations more quickly and to enhance their understanding of our services, in addition to the professional training arranged by the hiring unit, we also arrange e-learning general education courses to guide new employees for the best training results.

Self-organized Internal Education and Training

Every year each department establishes the annual education and training plan based on the department’s duty needs to improve the professional competencies of employees through professional courses. In addition to courses on the sustainable development trends of the construction sector, there are also courses on engineering methods and technology report sharing. In response to the rising demand for information security, we arranged awareness education on information security in 2022 to lower the risk of information hazards and prevent internal and external cybersecurity threats. We also organized courses and sharing on communication strategy and negotiation skills for sales personnel to help them solve problems and create advantages through using these communication guidelines and ideas, enrich their soft power, and enable them to understand the demands and needs of residents. In addition to the customer-first service, we also emphasize the health condition of employees. Every year we arrange different health management and health promotion courses, such as correct stretch exercise for resolving disorders from prolonged sitting, the causes and reliefs of common musculoskeletal pain, correct postures in the daily life, and stress relief through diets, spiritual relaxation, and exercise. We also remind employees with high health risk of the importance of self-imposed health management and promote various health promotion activities to create a workplace health culture. In 2022, Prince Construction Business organized a total of 68 classroom training courses for a total of 4,701 hours.



▲ Correct stretch exercise for resolving disorders from prolonged sitting



▲ Perspectives on stress: Methods for relieving different types of stress

External Training Courses

We also encourage employees to take external training courses to make continual self-improvement. Through participation in external city forums, conferences, or related courses, employees learn how the construction industry responds to the trends of and plans targets towards net-zero emissions to achieve the sustainable development goals and to review the internal and external impacts on the Company and counteractions at the rise of climate change and sustainable development. Additionally, we emphasize worksite safety and encourage employees to take external OH&S management courses and engage in health and safety education and training required by their jobs and disaster prevention so as to improve their competency in OH&S management and reduce workplace occupational accidents. We also urge worksite directors to receive recurrent training and take courses relevant to new building management laws and regulations, professional construction and civil engineering practice, quality management, construction management, and worksite governance. Apart from letting them get familiar with new laws, regulations, and technology relating to construction, we also enable them to actually understand the statutory responsibility and authority of worksite directors under the Construction Industry Act and the regulations relevant to duty performance so as to improve their work competency. In 2022, Prince Housing & Development Corp. arranged a total of 310 hours of external training for employees.

Statistics on Internal and External Education and Training

Average Hours of Internal Training Per Employee of Prince Construction Business in 2022

Employee Type	Male			Female		
	Total Hours of Training	Total Number of Employees (persons)	Average Hours of Training	Total Hours of Training	Total Number of Employees (persons)	Average Hours of Training
Management Jobs	1,835	90	20.4	1,251	50	25
Non-Management Jobs	791.5	48	16.5	1,133.5	60	18.9
Total	2,626.5	138	19	2,384.5	110	21.7

Prince Housing & Development Corp. Construction Business 2022



Performance Evaluation

Apart from helping employees improve professional skills, the results of education and training are expected to improve the effectiveness in actual work of employees. We evaluate performance once every six months, and 94% receive performance evaluation. There is no difference due to gender or age. Immediate supervisors evaluate their subordinates with items including attendance and work performance to effectively assess the personal work performance and future developmental potential of employees.

Rate of Performance Evaluation of Employees of Prince Construction Business 2022

Gender	Male			Female		
	Number of Employees Evaluated	Total Number of Employees (persons)	Rate of Evaluation	Number of Employees Evaluated	Total Number of Employees (persons)	Rate of Evaluation
Management Jobs	87	90	97%	49	50	98%
Non-Management Jobs	43	48	90%	53	60	88%
Total	130	138	94%	102	110	93%

(Note) As employees with a service length less than 183 days were not evaluated, the rate of evaluation was below 100%.

5.4 Safe and healthy workplace environment

Occupational Health and Safety (OH&S) Management

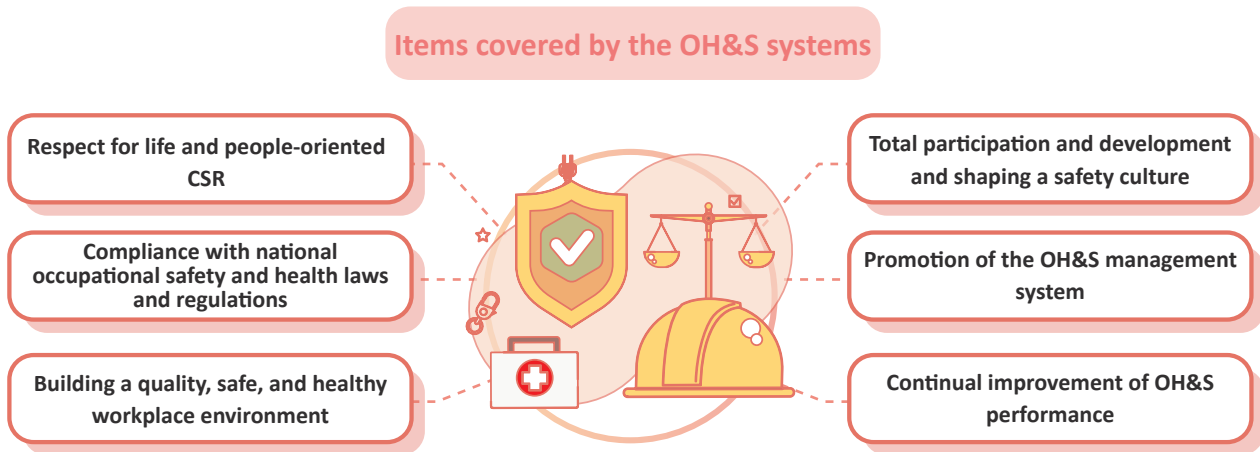
As Cheng-Shi Construction Co., Ltd. (CSCC) and group affiliate Ta Chen Construction & Engineering Corporation (TCCE) take charge of the construction projects of PHDC, it is our responsibility to take care of their industrial safety. Additionally, we have also established OH&S-related programs and regulations and set zero accident as the ultimate goal.

OH&S-related Programs and Regulations



Occupational Health and Safety (OH&S) Policy

To ensure safe operations and employee safety and health and care about the safety of contractors, workers, and workers, TCCE implements total employee safety with strong determination and establishes the OH&S Policy that has been approved by the general manager and chairman. The policy includes the following items:



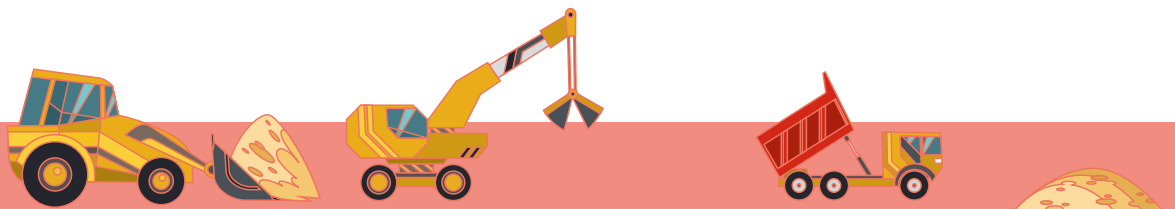
OH&S Coordinative Organization

In each worksite, we establish a labor coordinative organization in accordance with the *Occupational Safety and Health Act* within the scope of contract. We also establish the Code of Labor Safety and Health and include contractors as safety partners to inform contractors of the relevant risks with the Code of Labor Safety and Health. The labor coordinative organization is formed by on-site personnel (PDHC, contractors, and subcontractors) to supervise worksite labor safety and health. The organization also audits the legal compliance of worksite safety and health matters to ensure the safety of employees, contractors and workers, road users, and future customers. As all worksite projects were completed in 2022, no consultative organization was established.

Occupational Health and Safety (OH&S) Management Systems

To develop a more comprehensive management system, TCCE under Prince Construction Business has established the ISO 45001/CNS 45001 Occupational Health and Safety (OH&S) Management Systems and passed the certification in 2018 for the ISO 45001:2018 (CNS 45001:2018) OH&S Management Systems by AFNOR ASIA, with validity until December 23, 2023. The OH&S management systems apply to a total of 334 employees and workers, including 229 PDHC employees and 105 workers of contractors at all levels. The scope of implementation of the OH&S management systems covers the Taipei and Kaohsiung offices, and all employees and workers of TCCE (100%) are covered by the periodic certification of the systems.

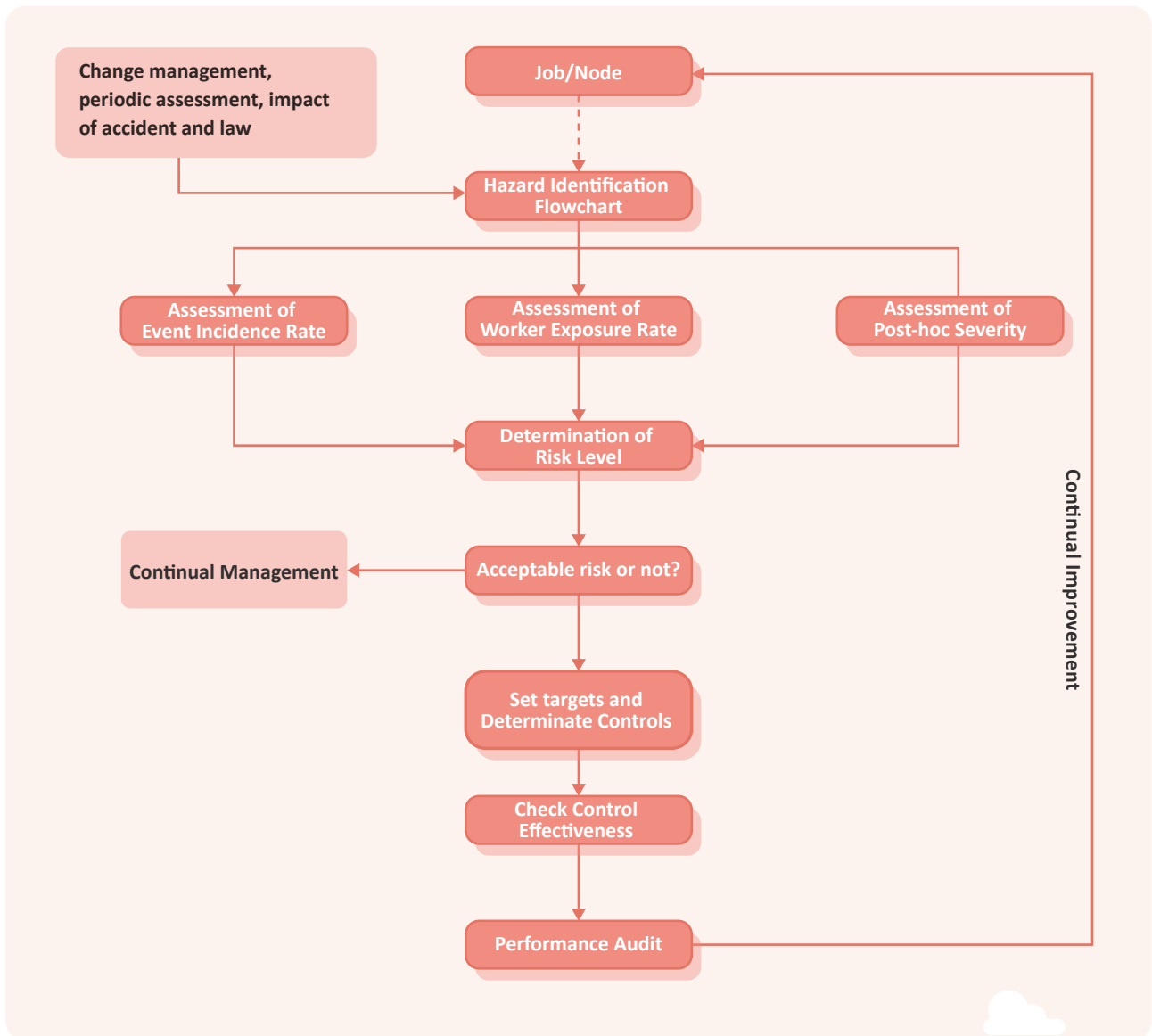
(Note) As all worksite projects were completed in 2022, the scope of re-certification of the OH&S management systems covered only the Taipei and Kaohsiung offices.



Hazard Identification and Risk Management

We value the field health and safety of employees. Hence, we have established the risk assessment process for operational safety. Based on the hazard identification flowchart, we assess the exposure rate and post hoc severity of workers to identify the risk level. By establishing the relevant controls, we effectively control risks. With the annual audit, we optimize hazardous event prevention and the relevant SOPs.

Flowcharts of Hazard Identification, Risk Assessment, and Control Determination



Based on different work conditions, we have identified potential hazards, classified them into 8 categories, and arranged the relevant protective equipment according to the actual status of operation to facilitate project and management control and protection. Additionally, we have run risk assessment in terms of the severity and likelihood of hazard events.

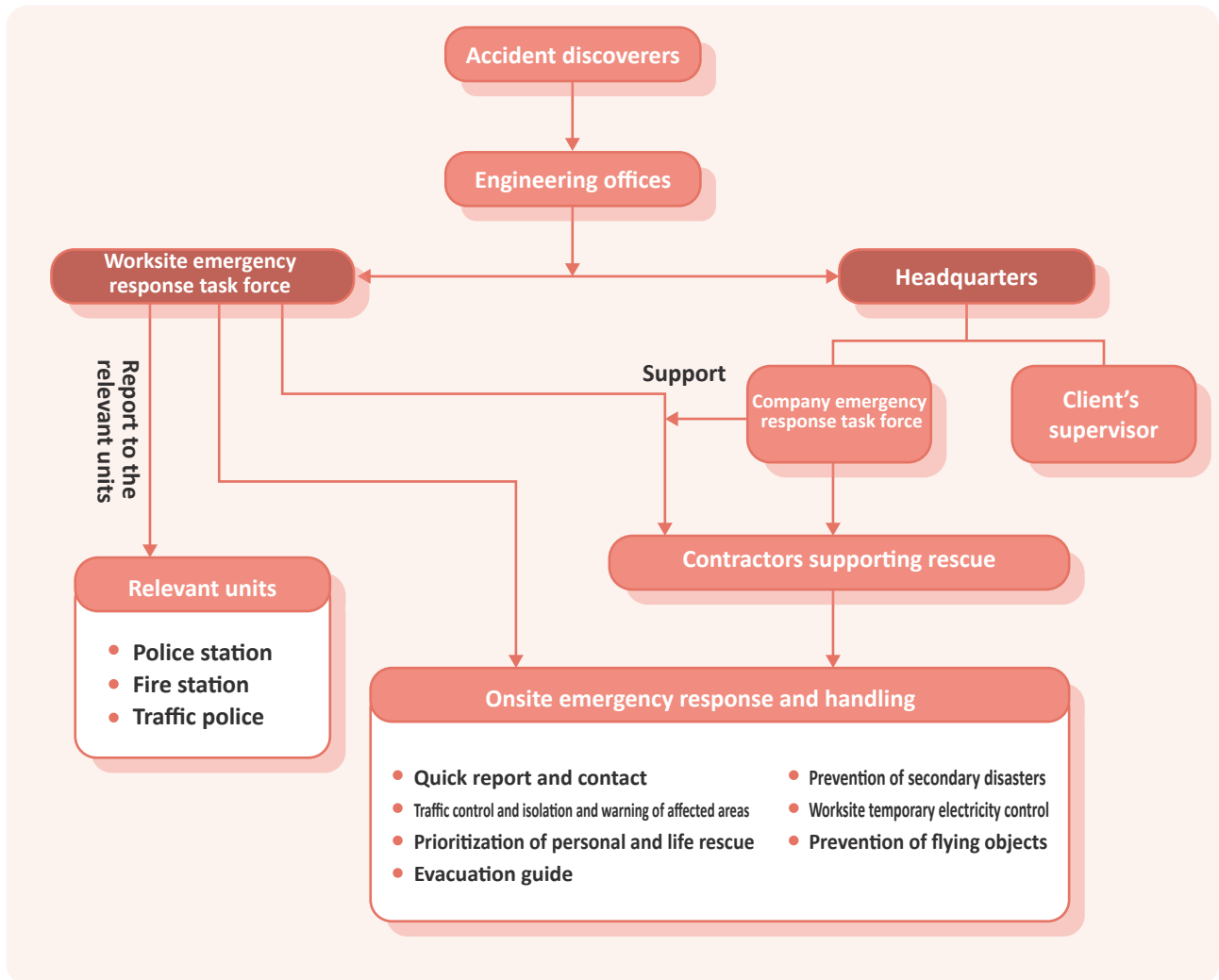
Type	Description	Countermeasures
Drop/Tumble	It refers to falling or dropping off quickly and without control from buildings, scaffolds, machinery, equipment, ladders, and ramps of the human body.	Install railings and covers, use safety nets, wear harnesses, post bills, and prevent entry based on different situations.
Fall	It refers to falling on near the same surface of the human body, i.e., stumbling or slipping.	Maintain the aisles, floors, and stairs in workplaces against fall, slipping, and trampling or take necessary precautionary actions.
Crash	It refers to impacting a static or moving object of the human body in addition to the drop, tumble, or fall.	Administer general safety and health education and training required for work.
Flying Object	It refers to colliding with the human body by a flying or dropping object.	Install equipment for preventing flying objects, warnings, and vacate unrelated personnel with unpermitted entry in the operation area.
Collapse/Crumbling of Objects	It refers to colliding with the human body by collapsing or crumbling deposits (including stacking), scaffolds, and buildings.	Conduct hazard investigation and take appropriate protection before operation.
Impact	It refers to impacting the human body by objects other than flying, falling, collapsing, or crumbling objects.	Administer general safety and health education and training required for work.
Entanglement/Rolling	It refers to the entrapment and rolling after being entrapped or rolled by objects.	Install protective equipment such as shields, guards, casings, and bridges; stop machinery operations; and install lock or warning signs.
Stabbing/Puncture, Cut, Scratch	It refers to scratches and stabbing and cut due to puncturing.	Provide written notification of the operation environment, hazard factors, and the required precautionary actions as stipulated in the <i>Occupational Safety and Health Act</i> and related safety and health regulations.

Additionally, we have also established the relevant prevention plans for preventing ergonomic hazards and heat injury. With checklists and questionnaires, we run operation analysis and hazard identification and assessment and propose corresponding improvement and follow-up measures to reduce or eliminate hazard factors. For example, for ergonomic hazard prevention we plan education and training and ensure that rather complete procedures and complicated tools are implemented by professionally trained personnel; for heat injury prevention we arrange education and publicity for heat injury and illness prevention and provide cool resting areas for workers, such as resting areas with canopy frames.

Emergency Response and Safety Management

We care about emergency response and handling and form an emergency response task force in every construction project to take counteractions in terms of communication/first aid, rescue/firefighting, traffic control/M&E, support, and public relations so as to make perfect response to and handle emergency.

Additionally, to build a safe workplace environment, we install an outdoor CCTV system with infrared cameras connected to the worksite security office and engineering office for real-time on-site monitoring and real-time remote monitoring to capture the worksite status so as to take action on any defects detected to achieve zero blind spots for worksite safety.



Statistics on Occupational Accidents and Attendance

We care about the safety and health condition of on-site personnel, particularly worksite workers working in higher-risk work environments. After all, zero worksite accident is our ultimate goal. In 2022, the total number of hours worked of employees and workers who are not employees of Prince Construction Business was 502,936 hours and 3,984 hours respectively.

Employees/workers ¹	Total hours worked	Rate of recordable work-related injuries ²	Rate of high-consequence work-related injuries ³	Rate of fatalities as a result of work-related injury ⁴	Number of cases of work-related ill health	Rate of fatalities as a result of work-related ill health
Employees of Prince Construction Business	502,936	0	0	0	0	0
Workers of Prince Construction Business	3,984	0	0	0	0	0

OH&S Education and Training

We offer professional training courses according to the required competencies of workers. In 2022, we organized or sent personnel to participate in external OH&S-related education and training courses, such as personnel safety and health training, CPR and AED first aid teaching, and firefighting management personnel training. The Engineering Department also actively send personnel to participate in the Construction Safety and Health Family education and training, site director recurrent training, and firefighting management personnel training.

Training Item	Content Description
Personnel Safety and Health Training	The “Workplace Health and Safety Rules” and SOPs were explained to equip employees with good OH&S concepts and enable them to learn how to check and maintain firefighting equipment and administer first aid (CPR and AED) to provide a safer housing environment.
Construction OSH Family Education and Training	Construction safety and health concepts, work rules, and related legal and regulatory requirements. Equipped employees with the capability of emergency response, firefighting, and first aid.
Firefighting Management Personnel Training	Site directors and all personnel must be equipped with the correct firefighting knowledge and high awareness of fire prevention. By optimizing fire source management and environmental safety maintenance and well-implementing simulated disaster drills and emergency response can effectively minimize fire occurrences.
Worksite Director Recurrent Training	To obtain the site director certificate in compliance with Article 31 of the <i>Construction Industry Act</i> , site directors must take courses relating to the latest construction management laws and regulations, architecture and civil engineering practices every 4 years to ensure that they are familiar with the latest laws and regulations and technologies and exactly understand the role and responsibility of site directors as stipulated in the <i>Construction Industry Act</i> and the regulations relating to duty implementation so as to improve their work competency.
Food Hygiene Training	Catering workers should receive education and training on food safety and hygiene and quality management. We send kitchen staff to take food hygiene training at competent authorities at all levels or the accredited catering-related institutions..

As all worksite projects were completed in 2022, there was no work-related injury, work-related ill health, or fatality as a result of work-related injury of employees and workers who are not employees. Hence, both the disabling injury frequency rate and disabling injury severity rate of 2022 were 0, achieving the core goal of zero accident.

(Note 1) The definition of “direct employee” in SASB IF-HB-320a.1 is similar to that in GRI 2-7 Employees, including the full-time and part-time employees of PHDC, CSCC, PUEC, and TCCE (internal projects). The definition of “contract employee” is similar to that in GRI 2-8 Workers who are not employees, including workers, such as contractors, sub-contractors, and cleaners, security guards, and other dispatched workers of PHDC, CSCC, PUEC, and TCCE.

(Note 2) Number of recordable work-related injuries includes the number of fatalities as a result of work-related injury. Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/Number of hours worked) x 1,000,000.

(Note 3) High-consequence work-related injury refers to work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 180 days, excluding fatality. Rate of high-consequence work-related injuries = Number of high-consequence work-related injuries/Number of hours worked) x 1,000,000.

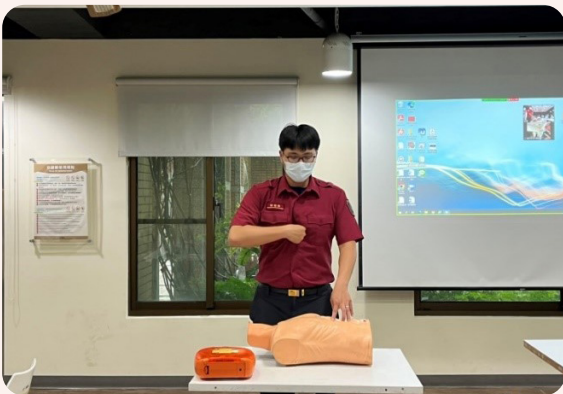
(Note 4) Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/Number of hours worked) x 1,000,000.

Training Target	2022 Effectiveness
Employees of Prince House and Zenda Suites	2 sessions were organized in-house for 36 personnel. 1 staff member were sent to external Training. The total hours of training were 90 hours.
Engineering Personnel	1 session was organized in-house for 34 personnel. 1 staff member were sent to external Training. The total hours of training were 71 hours.
Employees of Prince House and Zenda Suites	1 session was organized in-house for 19 personnel. 5 staff members were sent to external Training. The total hours of training were 74 hours.
Engineering Personnel	1 staff member was sent to external training. The total hours of training were 32 hours.
Kitchen Staff	3 staff members were sent to external training. The total hours of training were 24 hours.

Additionally, in view of the subcontracting tradition of the construction industry and that base-level workers are usually short-term and temporary works of high turnover without regular employers, they often have a lower awareness of construction safety and do not receive the necessary OH&S education and training before operation, leading to a higher risk of work-related injuries. To improve the competency in construction safety and accident prevention and protect the occupational safety of workers, the Ministry of Labor introduced the “Taiwan Occupational Safety and Health Card” in July 2019 to enhance the construction safety education and training of construction workers and facilitate them to capture OH&S-related information so as to reduce repeat training, strengthen worksite management, and indirectly increase the employment opportunities for workers passing the training. By the end of 2022, 14 employees of Prince Construction Business obtained the “Taiwan Occupational Safety and Health Card”.







▲ Prince House Firefighting Drill



▲ CPR and AED first-aid education for Prince House

Health Promotion

Employees are the bedrock of the company, and health is the foundation of everything. Hence, we care about the workplace physical and mental health of employees. We arrange (2 times every 3 years) employee health checkups and follow-up management of employees with abnormal checkup results. We also arrange health consultation and care for them as necessary to ensure that employees understand their own health condition.

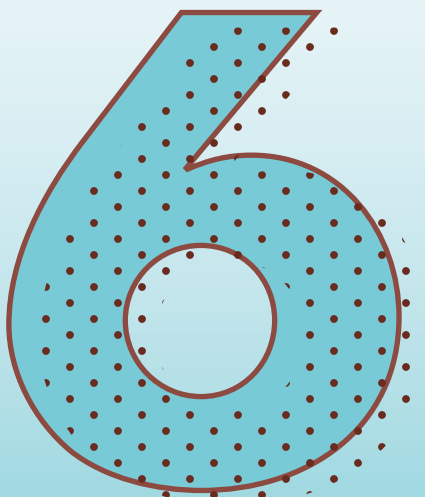
Item	
 <p data-bbox="1171 790 1410 846">Health Checkup and Follow-up of Employees</p>	
 <p data-bbox="1193 999 1388 1025">Nurse Consultation</p>	
 <p data-bbox="1174 1189 1407 1216">Health Promotion Talks</p>	
 <p data-bbox="1216 1395 1366 1422">Balanced Diets</p>	



In addition to the periodic health checkups, we equip the blood pressure meter (sphygmometer) at all branches for employees to check their physical condition at any time. Apart from supplying balanced diets in the canteens of Taipei, Taichung, and Tainan and Kaohsiung branches, we also post health information on the canteen walls to share new health concepts with employees, such as less sugar-containing beverages and five parts of vegetables and fruits every day.

Description	Performance in 2022
<p>Arrange checkups at professional checkup institutions with precision equipment for permanent employees. Help employees understand their own physical condition and follow up on employees with hypertension, hyperglycemia, and hyperlipemia.</p>	<ul style="list-style-type: none"> In 2022, we funded a total of NT\$601,800 for the health checkups of 250 employees.
<p>Offer 6 hours of onsite service each month, including graded management based on the checkup reports of employees, health education, follow-up, and assistance in implementing the four projects on labor health service.</p>	<ul style="list-style-type: none"> During September to December 2022, a total of 14 employees received consultation. Environment inspection at Zenda Suites, Prince House NCKU, Taipei Branch, and Hsiu Chi House to help identify hazard factors.
<p>Create a workplace culture for LOHAS, health, and work-life balance to achieve the goal of workplace labor health. (Note) Please refer to the self-organized internal education and training section for the details of health promotion talks.</p>	<ul style="list-style-type: none"> In 2022, we arranged three courses related to health promotion of 3 hours in total for 167 employees.
<p>To reduce the risk of chronic or metabolic diseases due to unbalanced diets from habitual dining out of office employees and prevent decline in physical function or emotional disorders of employees due to over or prolonged diet control.</p>	<ul style="list-style-type: none"> In 2022, up to 66% of employees signed up to the employee meal program (a low percentage of employees dining out, cooking at home, or dining at home) We change the menu of the convenient and budget employee meals with appropriate seasonings and high employee satisfaction. When COVID-19 was serious in 2022, we arranged take-away service and alternate dining for employee meals to ensure absolute dining safety.





Sustainable Campuses and Communities

6.1 Building happiness for students and staff

6.2 Supporting social welfare

Believing in “giving back to society”, we often consider how to help society with the strengths of Prince Construction Business in our operations. Upholding the dedication of customer reception, we include the mansion building experience in campuses and communities to bring students and residents safe and comfortable housing quality. For dormitory students to experience a different lifestyle after school, we organize various activities in the dormitory area every year and prepare refreshments at different folk festivals for students to experience the charming, energetic, and diversified dormitory life.



Management approaches

Apart from setting sufficient space, affordable rates, comfortable environment, and safe facilities as the planning mission, we also measure the satisfaction of and get feedback from residents with the periodic satisfaction survey. We further support diversified social welfare activities with the campus.



Goals

The average satisfaction with all Prince Houses is 77.3%.

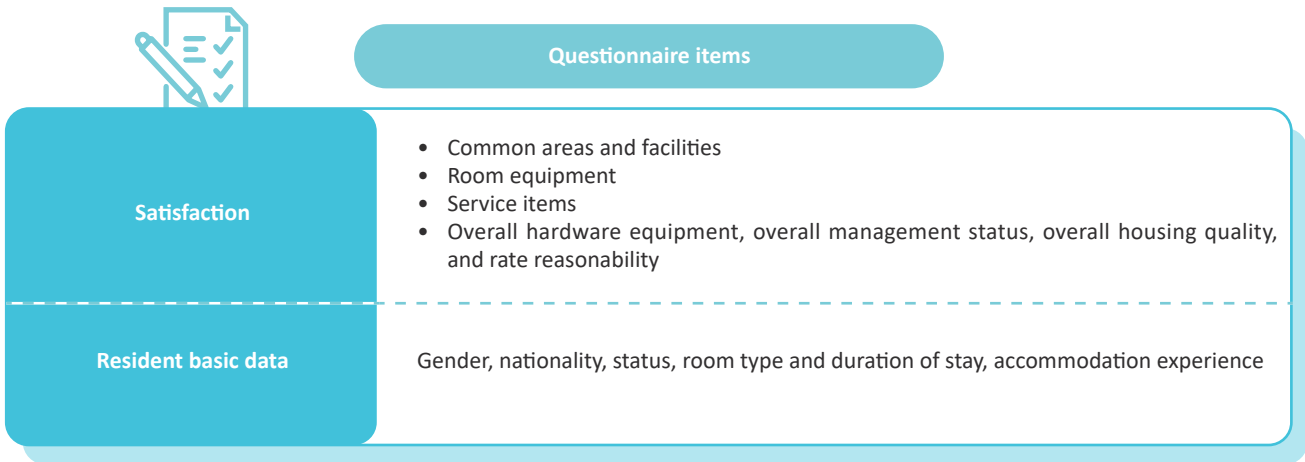
6.1 Building happiness for students and staff

Students and staff are the two major groups in campus life. How to let students focus on learning to ease the worries of parents living far away and how to let staff enjoy a stable life and concentrate on creating academic achievements are the main aims of our participation in the Prince House Project. To provide housing with sufficient space in a comfortable environment with safe facilities at affordable rates are our planning mission. We combine our past experience in mansion development, strengthen management and service, shape gorgeous landscapes, protect the safety of teachers and students with professional security service, and plan activities for students and staff to enjoy a dormitory life with a quality residential environment and various leisure activities.

In addition to building a quality residential environment for students and staff to enjoy a stable and worry-free dormitory life, we also listen to the needs of residents. Every year we conduct a satisfaction survey to understand the residential experience and feedback on student dormitories and houses so as to provide an important reference for quality improvement and optimization. Continuing the aspects and scope of the said survey contents, we periodically survey satisfaction in the previous year in early alternate years on Prince House and Hsiu Chi House, with contents covering the living environment, hardware facilities, front desk service, and works to improve our hardware and service. The service satisfaction of 2022 was surveyed from March 24 to April 11, 2023.

Results of annual satisfaction survey

Aligning with the spirit of the “permanent after-sales service”, we constantly survey and analyze the satisfaction with student dormitories in various aspects and conducted the annual satisfaction survey on the residents of Prince House and Hsiu Chi House. During the annual dormitory satisfaction survey conducted in 2022, a total of 494 valid responses were collected from Prince House and 118 valid responses from Chiu Chi House.



Overall, residents were satisfied (4-5 points) with the lighting in common areas and lobby cleanliness. For items that satisfied residents, we will keep them. For items that did not satisfy residents, we will discuss how to make improvements and continuously follow up on the effectiveness of improvement.

For the public health and safety of all residents, we adjusted the content of some services in line with the public health policy during the pandemic. For example, we shut down the gym and common areas and minimized the dining and exchange opportunities in the common rooms. Additionally, both the internal and external workforces were also affected during this period. When contractor assistance was required for maintenance and repair, timeliness was sacrificed. We also reviewed our service inadequacy with a humble heart and endeavored to make improvements. As COVID-19 began to slow, we also resumed normal dormitory services progressively so as to keep going to deliver a high-quality housing environment.

Most Satisfactory Services (top 3)	Prince House Satisfaction
Lighting in common areas	74.49%
Lighting in pantries	72.87%
Lobby cleanliness/laundry room lighting	71.66%

Most Satisfactory Services (top 3)	Hsiu Chi House Satisfaction
Lobby cleanliness/lobby lighting	98.31%
24-hour front desk service/handling efficiency of calls for service	96.61%
Professional attitude to service personnel	95.76%

Complete Non-disruptive Front Desk Service

Prince House makes continual improvement and adjustment based on resident feedback for residents to feel safe and happy to live in the dormitory. We provide 24-hour front desk service, electricity card reloading, electric iron and dehumidifier lending, room repair report, laundry receipt and delivery, and parcel receipt services to help residents solve the daily necessities. We also continuously optimize the service contents according to the actual needs, progressively replace old equipment in common areas, and enhance repair and maintenance efficiency to reduce inconveniences. We enhance personnel education and training and improve the response and professional skills of front desk personnel to provide more convenient and more comfortable dormitory life by serving residents with a better and more comprehensive management model. In 2022, the front desk serviced a total of 174,146 persons. The 2022 satisfaction survey of the Prince House and Hsiu Chi House shows that the front desk service satisfaction is up to 66.8% and 96.61% respectively.

Unsatisfactory Services	
Item	PHDC Responsive Action
Indoor and Outdoor Noise Insulation	The “Keep Quiet” bill is posted in all common areas. Residents can report noise nuisance in the nighttime to the front desk to remind those making noise to keep quiet. The front desk will also inform the advisor to counsel noise makers to make improvements. When big events or construction activities are held in the dormitory area, the organizers are requested to advise the time and date in advance to notify residents.
Room ventilation performance	If the room is wet, residents can borrow the dehumidifier from the front desk with their IDs. Additionally, the house also send humid weather notices periodically to remind residents of the methods of indoor ventilation, anti-mildew, and mildew removal to help improve indoor ventilation.
Room refrigerators, water heaters, and air-conditioners	Aircon replacement is under evaluation and planning and will be completed by 2029. The replacement of new-typed water heaters was completed during 2019-2020. Residents can call for service over the house’s website when water heaters are out of order. Residents can call for service when any indoor equipment is out of order. Mechanics will proceed with the maintenance and repair according to the relevant SOPs to reduce the inconveniences of residents.

Hardware facilities better than contractual requirements

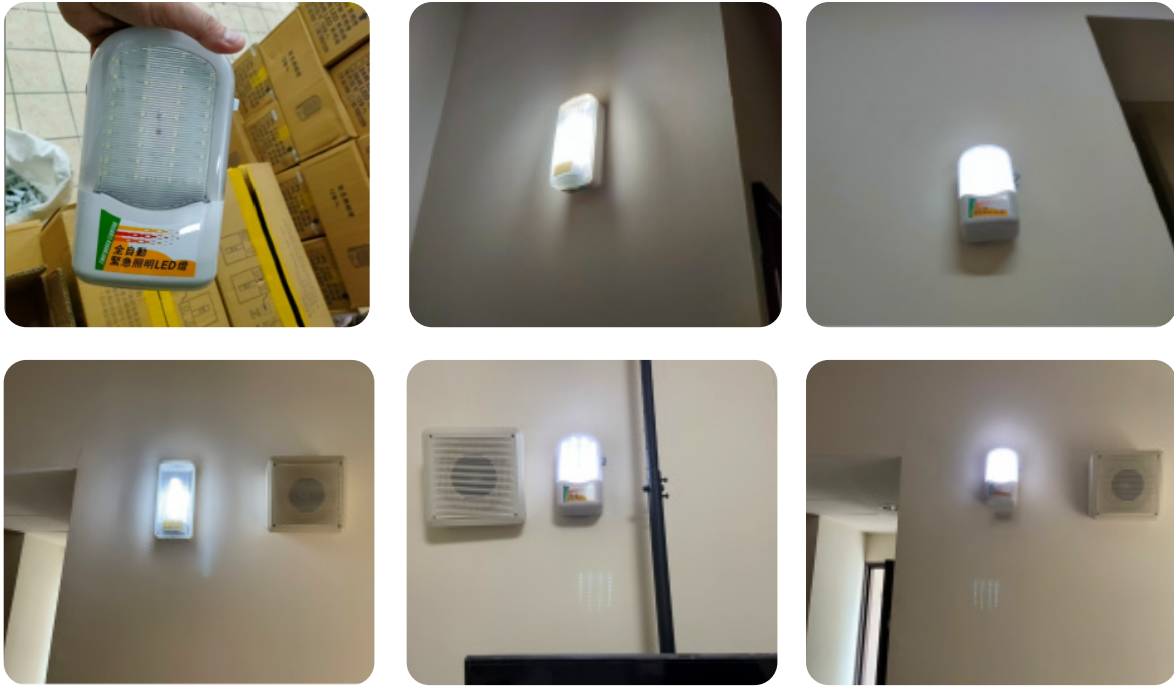
Apart from building various facilities at the minimum functional requirements according to the contract, we also review the actual everyday life needs and facility use status of teaching and administrative staff from time to time, replace facilities required retirement, and add facilities according to the everyday life needs of teaching and administrative staff. To improve the living quality of teaching and administrative staff and students living the house, we invested about NT\$2.82 million in replacing lighting equipment in 2022 in addition to the “better than the contract” hardware items. The 2022 satisfaction survey of Prince House and Hsiu Chi House shows that 69.84% and 95.76% of residents were satisfied respectively with the professional repair of works personnel, and 69.43% and 96.61% of residents were satisfied respectively with the handling efficiency of calls for service. Due to the labor shortage during the pandemic, it took a long time for the maintenance and repair of some items, leading to the slight fall of repair satisfaction. We will learn from the resident feedback, make continuous review, and enhance contractor supervision to continuously improve service quality.

The proportion of residents satisfied or highly satisfied with the “Professional Repair of Works Personnel” provided by Prince House	
Prince House: 69.84%	Hsiu Chi House: 95.76%

The proportion of residents satisfied or highly satisfied with the “Handling Efficiency of Calls for Service” provided by Prince House	
Prince House: 69.43%	Hsiu Chi House: 96.61%

Emergency Lighting Equipment Replacement of 3,898 units

To provide residents with a quality housing environment, we replaced a total of 3,898 units of emergency lighting with a total of NT\$2.66 million for all Prince Houses. The replacement included 2,274 units in Prince House Shuiyuan during March 1 to April 28, 2022; 678 units in Hsiu Chi House during August 15 to 18, 2022; and 946 units in Prince House Changxing during February 7 to 26, 2023.



▲ Emergency Lighting Replacement of Prince House Shuiyuan, Prince House Changxing, and Hsiu Chi House

Repair of lifting floor tiles

Prince House is like the home of students during the semester. To provide students with a safe and comfortable environment, we check floor tiles and replace the lifting floor tiles in Prince House so as not to affect the housing safety and comfort of students. In 2022 we replaced lifting floor tiles in 4 areas at Prince House Changxing, Prince House Shuiyuan, and Hsiu Chi House with a total of NT\$160,000.



▲ Replacement of lifting floor tiles in Room A1140 of Prince House Changxing.



▲ Replacement of lifting floor tiles of the electrical room in Zone B, 5F, Block A, Prince House Changxing.



▲ Replacement of lifting floor tiles in Room A232 of Prince House Shuiyuan.

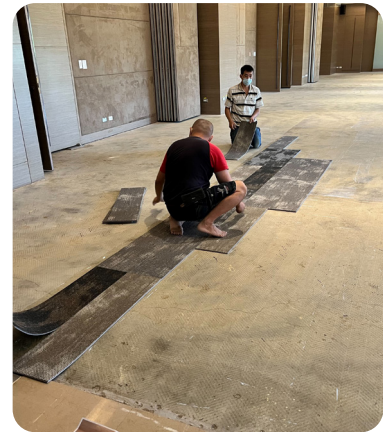


▲ Replacement of lifting floor tiles in Room A252 of Prince House Shuiyuan.

Zenda Suites Hardware Equipment Replacement

We replaced the rugs of rooms and conference rooms and the projection equipment of conference rooms in 2022 to provide better-quality hardware service.

Name	Quantity	Amount	Description	Location
Projector	1 unit	\$97,000	EPSON EB-L530U (labor plus wires)	Conference Room B on 3F
Rug	1 set	\$4,650,000	Guestrooms (whole area), conference rooms (selected areas)	90 guestrooms and 3 conference rooms



Diversified House Activities

In addition to provide a safe residence for students of NTU and NCKU, Prince House also hopes to turn Prince House into a venue for residents to develop socialization skills and character. Hence, we offer 24x7 diversified services. Upholding the aim of education, we carefully plan diversified and creative activity contents, create house culture, enliven the vibe in the house, and build a warm and relaxing housing environment.

Activity Trilogy of Prince House NCKU and NCKU Counseling and Wellness Services Division

2022.11.30 - 2021.12.8

Participants: 30 persons in total

At the Workshop Trilogy, organizer NCKU Counseling and Wellness Services Division specifically hired several psychologists to lead students to discuss and share opinions on different topics. Apart from allowing students to relax themselves from the busy schoolwork, the workshop also helped students to improve the capability in self-exploration in interpersonal relationships and thereby enrich the learning styles in the campus life.



▲ 2022.11.30 Picnic en Route: Meeting A Different Self



▲ 2022.12.01 Joy with Oneself Tonight: Training for Loving Ourselves



▲ 2022.12.08 Get a Grip On the Verge of Inferiority Complex: Sense of Inferiority and Sense of Achievement

Prince House NTU Table Tennis Competition

2022.4.16

Participants: 20 persons

Prince House co-organized the event and sponsored the prizes. By combining the school resources to organize dormitory events, we organize comprehensive competitions and other events that can promote interaction for residents.



Herbarium DIY of NCKU Counseling and Wellness Services Division

2022.5.26

Participants: 20 persons

We co-organized a series of activities with the NCKU Counseling and Wellness Services Division. In addition to talks, DIY activities were also arranged for residents to relax themselves after school and relieve study stress.



6.2 Supporting social welfare

Apart from the periodic house activities, we never stop organizing charitable activities by introducing the donation of used beddings, furniture, and household products. We even set a uniform invoice (receipt) donation box in the lobby for students to engage in social welfare while living in the house so as to contribute to society with house residents.

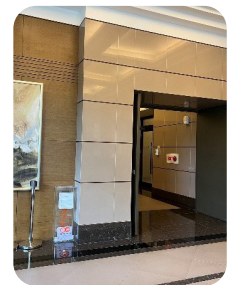
[Prince House] Used goods donation

During the resident alternation at the end of semester each year, many beddings and household products left behind by check-out students are still in good condition. Direct disposal will produce lots of waste and waste lots of reusable materials. After collation Prince House donates them to organizations in need so as to bring a second life to these beddings and household products and spread fraternity. In 2022, we donated 64 used mattresses to Fengshan Temple to extend the life of materials.



[Prince House] Uniform Receipt Donation

To encourage teaching and administrative staff and students to support vulnerable groups, we install a uniform receipt donation box in the lobby on the first floor of each of Prince House and Hsiu Chi House. Volunteer workers of the Eden Social Welfare Foundation will collect them periodically to demonstrate the different value of receipts and provide an opportunity for residents to engage in social welfare. In 2022, a total of 4,228 uniform receipts were donated to the Eden Social Welfare Foundation.



[Prince House NCKU] Sponsoring Blood Donation Truck

To support NCKU's blood donation activity, in 2022, Prince House NCKU sponsored 7-ELEVEN Shopping Cards and 20 7-ELEVEN City Cafe Card valued NT\$4,000 in total as the prizes for two blood donation activities to enrich the prizes and to encourage students to stand out and donate blood.



[Zenda Suites] Blood donation of Tainan City Blood Donation Center

Teaming up with the Tainan City Blood Donation Center, Zenda Suites offered space for the blood donation truck. The event attracted many NCKU students and suite guests to donate blood for social welfare.



[Zenda Suites] Let Love Flip

To celebrate the 90th anniversary of NCKU, Zenda Suites let love continue for four consecutive months.

We invited NCKU alumni across Taiwan and suite guests to join the event to help youth with disabilities get a job. During November 2021 to the end of February 2022, Zenda Suites organized the "Let Love Flip" for four consecutive months and recruited guests across Taiwan to the event. The event successfully raised a sum of NT\$126,888 to support the youth with disabilities vocational training program. By organizing this kind of activity every year, we hope that the public can see the needs of children with disabilities. Through the hotel practice courses, we enable persons with disabilities to have dreams to face the unlimited impossibility in the future.



感謝狀

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財團法人伊甸社會福利基金會
董事長 **羅紀琮**

中華民國 111 年 3 月 23 日
服務弱勢 見證基督 推動雙福 領人歸主





Appendices

1. GRI Content Index
2. SASB Index
3. Index of Climate-Related Information of TWSE- and TPEX-Listed Companies
4. GHG Inventory and Verification
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6. CPA Limited Assurance Statement

1. GRI Content Index

General Disclosures				
Topic	Disclosure Item	Page	Corresponding Sections and Special Explanation	
GRI 2: General Disclosures 2021	Organization and Reporting Practices			
	2-1	Organizational details	11	1.1 About PHDC
	2-2	Entities included in the organization’s sustainability reporting	6	About this report
	2-3	Reporting period, frequency and contact point	6	About this report
	2-4	Restatements of information	101	Appendix 2 SASB Index
	2-5	External assurance	6	About this report
			105	Appendix 5 Summary Sheet of Assurance Items
			106	Appendix 6 CPA Limited Assurance Statement
	Activities and Workers			
	2-6	Activities, value chain and other business relationships	12	1.1 About PHDC
			45	3.5 Supplier management and procurement practices
	2-7	Employees	66-67	5.1 Friendly and equal workplaces
	2-8	Workers who are not employees	66	5.1 Friendly and equal workplaces
	Governance			
	2-9	Governance structure and composition	24	2.1 Healthy corporate governance
2-10	Nomination and selection of the highest governance body	24	2.1 Healthy corporate governance	
2-11	Chair of the highest governance body	27	2.1 Healthy corporate governance	
2-12	Role of the highest governance body in overseeing the management of impacts	13	1.2 Sustainable governance	
2-13	Delegation of responsibility for managing impacts	13	1.2 Sustainable governance	
2-14	Role of the highest governance body in sustainability reporting	13	1.2 Sustainable governance	
2-15	Conflicts of interest	24	2.1 Healthy corporate governance	

General Disclosures				
Topic	Disclosure Item	Page	Corresponding Sections and Special Explanation	
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	13	1.2 Sustainable governance
	2-17	Collective knowledge of the highest governance body	24-25	2.1 Healthy corporate governance
	2-18	Evaluation of the performance of the highest governance body	26	2.1 Healthy corporate governance
	2-19	Remuneration policies	25-26	2.1 Healthy corporate governance
	2-20	Process to determine remuneration	25-26 69	2.1 Healthy corporate governance 5.2 Well-designed salary and benefits
	2-21	Annual total compensation ratio	-	Omission of disclosure: The annual total compensation for the organization's highest-paid individual is an organizational secret
	Strategy, Policies and Practices			
	2-22	Statement on sustainable development strategy	7	Message from the Chairman
	2-23	Policy commitments	27 65-66	2.1 Healthy corporate governance 5.1 Friendly and equal workplaces
	2-24	Embedding policy commitments	27	2.1 Healthy corporate governance
	2-25	Processes to remediate negative impacts	30-31 68 76	2.2 Careful risk management 5.1 Friendly and equal workplaces 5.4 Safe and healthy workplace environment
	2-26	Mechanisms for seeking advice and raising concerns	27	2.1 Healthy corporate governance
	2-27	Legal compliance	33	2.3 Strict legal compliance
	2-28	Membership associations	28	2.1 Healthy corporate governance
	Stakeholder Engagement			
	2-29	Approach to stakeholder engagement	14-15	1.3 Stakeholder communication and material topics
2-30	Collective bargaining agreements	-	Prince Construction Business does not have labor union of any kind.	

Topic Specific Disclosures: Material Topics				
Topic		Disclosure Item	Page	Corresponding Sections and Special Explanation
GRI 3: Material Topics 2021	3-1	Process to determine material topics	14-20	1.3 Stakeholder communication and material topics
	3-2	List of material topics	20	1.3 Stakeholder communication and material topics
Waste Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	37 55	3 Sustainable Environment and Products 3.6 Climate and environmental management
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	55	3.6 Climate and environmental management
Supplier Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	37 45-46	3 Sustainable Environment and Products 3.5 Supplier management and procurement practices
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	45-46	3.5 Supplier management and procurement practices
	308-2	Negative environmental impacts in the supply chain and actions taken	45-46	3.5 Supplier management and procurement practices
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	45-46	3.5 Supplier management and procurement practices
	414-2	Negative social impacts in the supply chain and actions taken	45-46	3.5 Supplier management and procurement practices
OH&S				
GRI 3 : Material Topics 2021	3-3	Management of material topics	65	5 Creating A Happy Workplace
GRI 403: OH&S 2018	403-1	Occupational health and safety (OH&S) Management Systems	74	5.4 Safe and healthy workplace environment
	403-2	Hazard identification, risk assessment, and incident investigation	75-77	5.4 Safe and healthy workplace environment

Topic Specific Disclosures: Material Topics				
Topic	Disclosure Item	Page	Corresponding Sections and Special Explanation	
GRI 403: OH&S 2018	403-3	Occupational health services	80-81	5.4 Safe and healthy workplace environment
	403-4	Worker participation, consultation, and communication on occupational health and safety	-	Not applicable: All worksite projects were completed in 2022, no consultative organization was established.
	403-5	Worker training on occupational health and safety	78-80	5.4 Safe and healthy workplace environment
	403-6	Promotion of worker health	80-81	5.4 Safe and healthy workplace environment
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	74	5.4 Safe and healthy workplace environment
	403-8	Workers covered by an occupational health and safety management system	74	5.4 Safe and healthy workplace environment
	403-9	Work-related injuries	78-79	5.4 Safe and healthy workplace environment
	403-10	Work-related ill-health	78-79	5.4 Safe and healthy workplace environment
Talent Development				
GRI 3 : Material Topics 2021	3-3	Management of material topics	65	5 Creating A Happy Workplace
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	72	5.3 Diversified career development and training
	404-2	Programs for upgrading employee skills and transition assistance programs	71	5.3 Diversified career development and training
	404-3	Percentage of employees receiving regular performance and career development reviews	73	5.3 Diversified career development and training
Construction quality and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	37 41-43	3 Sustainable Environment and Products 3.3 Quality control for excellent buildings
Customer rights and interests and service quality				
GRI 3: Material Topics 2021	3-3	Management of material topics	57- 58	4 Improving Quality for Customer Service 4.1 Quality customer communication and service

Topic Specific Disclosures: Material Topics				
Topic		Disclosure Item	Page	Corresponding Sections and Special Explanation
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	58-61	4.1 Quality customer communication and service
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	62-63	4.2 Insistence on maintaining customer rights and interests
Risk Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	23	2 Business Integrity and Brand Value 2.2 Careful risk management
Land development impact				
GRI 3: Material Topics 2021	3-3	Management of material topics	37-40	3 Sustainable Environment and Products 3.1 Land development assessment
Sustainable product design and innovation				
GRI 3: Material Topics 2021	3-3	Management of material topics	37-38 41	3 Sustainable Environment and Products 3.2 Sustainable architectural design and innovation
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	41-43	3.3 Quality control for excellent buildings
Topic-specific disclosures: Other voluntary disclosure topics				
Topic		Disclosure Item	Page	Corresponding Sections and Special Explanation
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed within the organization	34	2.4 Steady financial performance
	201-3	Defined benefit plan obligations and other retirement plans	70	5.2 Well-designed salary and benefits
GRI 203: Indirect Economic Impacts 2016	203-1	Development and impact of infrastructure investments and services supported	90-91	6.2 Supporting social welfare
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	27	2.1 Healthy corporate governance
GRI 302: Energy 2016	302-1	Energy consumption within the organization	50-51	3.6 Climate and environmental management
	302-4	Reduction of energy consumption	52-53	3.6 Climate and environmental management
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	53	3.6 Climate and environmental management
	303-3	Water withdrawal	53-54	3.6 Climate and environmental management

Topic-specific disclosures: Other voluntary disclosure topics

Topic	Disclosure Item	Page	Corresponding Sections and Special Explanation	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	50-51	3.6 Climate and environmental management
	305-2	Energy indirect (Scope 2) GHG emissions	50-51	3.6 Climate and environmental management
	305-3	Other indirect (Scope 3) GHG emissions	50-51	3.6 Climate and environmental management
	305-4	GHG emissions intensity	50-51	3.6 Climate and environmental management
	305-5	Reduction of GHG emissions	52-53	3.6 Climate and environmental management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	68	5.1 Friendly and equal workplaces
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	69	5.2 Well-designed salary and benefits
	401-3	Parental leave	70	5.2 Well-designed salary and benefits
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	68	5.1 Friendly and equal workplaces
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	25 67	2.1 Robust corporate governance 5.1 Friendly and equal workplaces
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	83-89	6.1 Building happiness for students and staff

2. SASB Index

TOPIC	CODE	ACCOUNTING METRIC	CONTENT	Remarks
Land Use & Ecological Impacts	IF-HB-160a.1	Number of lots delivered on redevelopment sites	320 lots	Redevelopment sites are defined as sites that were previously developed, including the replacement, remodeling, or reuse of existing structures to accommodate new development.
		Number of homes delivered on redevelopment sites	0 homes	
	IF-HB-160a.2	Number of lots delivered in regions with High or Extremely High Baseline Water Stress	0 lots	In accordance with WRI’s categorization as requested by SASB, PHDC does not possess lands and homes delivered on High Baseline Water Stress. However, in consideration of the water stress in Taiwan, “Geologically Sensitive Areas for Groundwater Recharge” has been applied to judge regions with high baseline water stress.
		Number of homes delivered in regions with High or Extremely High Baseline Water Stress	0 homes	
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	NT\$0	--
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	Please refer to the description of PHDC’s building life cycle management strategy in Chapter 3 Sustainable Environment and Products Management Approach.	--	
Workforce Health & Safety	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees	0	--
		Total recordable fatality rate for direct employees	0	--
		Total recordable incident rate (TRIR) for contract employees	0	--
		Total recordable fatality rate for contract employees	0	--

TOPIC	CODE	ACCOUNTING METRIC	CONTENT	Remarks
Design for Resource Efficiency	IF-HB-410a.1	Number of homes that obtained a certified HERS®	0	As HERS® does not apply to Taiwan, statistics for 2022 were produced with the construction projects carrying the Green Building Label issued by the Taiwan Architecture & Building Center. In 2022, no PHDC construction project was awarded the Green Building Label.
		Number of homes that obtained a certified HERS® average score	0	
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	100%	As WaterSense® does not apply to Taiwan, statistics for 2022 were produced as per the installation quantity of equipment carrying the Taiwan Water Efficiency Label.
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	0 homes	Statistics for 2022 were produced with the homes delivered carrying the Green Building Label issued by the Taiwan Architecture & Building Center.
	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 the introduction of sustainable design factors in 3.2 Sustainable architectural design and innovation and the description of show house on-site supervision mechanisms in 4.1 Quality customer communication and service and on the PHDC corporate website.	--
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 the description of land analysis and investigation in 3.1 Land development assessment	--
	IF-HB-410b.2	Number of lots delivered on infill sites	2 lots	Infill sites are defined as sites that were previously developed, and there is vacant land for construction between two buildings.
		Number of homes delivered on infill sites	0 homes	--
	IF-HB-410b.3	Number of homes delivered in compact developments	805 homes	--
		Average density of compact developments	0.127 home/pings	Average density of compact developments = Total number of residential units in all compact developments /Net residential site area (pings) of all compact developments.

TOPIC	CODE	ACCOUNTING METRIC	CONTENT	Remarks
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	0 lots	National Science & Technology Center for Disaster Reduction tool: 3D Disaster Potential Map. Analysis of the number of lots located in 650mm/24H flood potential zones by the end of 2021.
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please refer to the description of climate strategy in 3.6 Climate and environmental management	--
Activity Metrics	IF-HB-000.A	Number of controlled lots	527 lots	--
	IF-HB-000.B	Number of homes delivered	494 homes	--
	IF-HB-000.C	Number of active selling communities	10 projects	--

Information Errata

Regarding the land in the redevelopment area and held by the Company, to ensure compliance with the SASB Standards and data consistency, the 2021 data has been corrected after the 2022 inventory as follows:

TOPIC	CODE	ACCOUNTING METRIC	2021 Data Update
Land Use & Ecological Impacts	IF-HB-160a.1	Number of lots delivered on redevelopment sites	383 lots
Activity Metrics	IF-HB-000.A	Number of controlled lots	584 lots

3. Index of Climate-Related Information of TWSE- and TPEX-Listed Companies

Recommended Disclosures of TCFD	Climate-Related Information of TWSE- and TPEX-Listed Companies	Page	Corresponding Section
Governance			
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities	47	3.6 Climate and environmental management
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.		
Strategy			
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	50, 51	3.6 Climate and environmental management
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	50, 51	3.6 Climate and environmental management
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	-	No climate scenario analysis was conducted in this year.
Risk Management			
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	47, 48, 49	3.6 Climate and environmental management
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.		
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		

Recommended Disclosures of TCFD	Climate-Related Information of TWSE- and TPEX-Listed Companies	Page	Corresponding Section
Metrics and Targets			
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	6. When transition plans relating to management of climate-related risks are in place, state their contents and the metrics and targets used for identifying and management physical risks and transition risks.	9, 50, 51, 104 SDGs Practice 2022 3.6 Climate and environmental management Appendix 4. GHG Inventory and Verification
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	9. GHG inventory and verification.	50, 51, 104 3.6 Climate and environmental management Appendix 4. GHG Inventory and Verification
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	8. If climate-related metrics are in place, state the activities, the scopes of GHG emissions, planning schedule, and the annual targets. When carbon offset or renewable energy certificates (RECs) are used to achieve the relevant targets, state the sources of carbon credit for offset or the quantity of RECs.	9, 50, 51, 104 SDGs Practice 2022 3.6 Climate and environmental management Appendix 4. GHG Inventory and Verification
--	--	7. When internal carbon pricing is used as the planning tool, state the basis of pricing.	- No internal carbon pricing was used as the planning tool this year. It is under discussion, assessment, and planning.

4. GHG Inventory and Verification

Company Basic Data

- Companies, steelworks, cement plants with an authorized capital of NT\$10 billion or above
- Companies with an authorized capital over NT\$5 billion but below NT\$10 billion.
- Companies with an authorized capital below NT\$5 billion

In accordance with the Sustainable Development Roadmap for Listed Companies, disclosures shall include at least:

- The individual inventory of the parent company
- The inventory of subsidiaries included in the consolidated financial statement
- Individual verification of the parent company
- Verification of subsidiaries included in the consolidated financial statement

Scope 1	Total Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/NT\$ thousands)	Verification Body	Description of Verification
Parent Company	495.6440	0.000073	SGS Taiwan	We have completed inventory and verification through the certification body. Please refer to our corporate website for the statement of verification.
Scope 2	Total Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/NT\$ thousands)	Verification Body	Description of Verification
Parent Company	3,380.8146	0.000500	SGS Taiwan	We have completed inventory and verification through the certification body. Please refer to our corporate website for the statement of verification.
Scope 3 (Allowed for voluntary disclosure)	Total Emissions (tCO ₂ e)	Emission Intensity (tCO ₂ e/NT\$ thousands)	Verification Body	Description of Verification
Parent Company	626.5939	0.000092	SGS Taiwan	We have completed inventory and verification through the certification body. Please refer to our corporate website for the statement of verification.

Note: GHG emissions intensity = Emissions/revenues. Emissions covered all engineering offices, offices, and Prince House. The 2022 revenue was NT\$6,761,955 thousand.

5. Summary Sheet of Assurance Items

No.:	Key Performance Indicator	Criteria
1	In 2022, the Operations Committee held 11 committee meetings.	The number of meetings was calculated according to the minutes and sign-in lists of the Operations Committee meetings in 2022.
2	In 2022, the total number of hours worked of employees and workers of Prince Construction Business was 502,936 hours and 3,984 hours respectively.	Total hours worked = Number of workdays each month Prince Construction Business in 2022 x Number of employees worked each month x Number of working hours each day (The number of workdays of Prince Construction Business is subject to the summation of workdays each month reported to the Occupational Accident Report System of the Ministry of Labor)
3	The return-to-work rate of employees after parental leave of PHDC in 2022 was 100%.	Return to work rate after parental leave = Total number of employees that did return to work in 2022 after parental leave in 2020-2022/Total number of employees due to return to work in 2022 after taking parental leave in 2020-2022.
4	During 2019 to 2022, we supported The Second Life for Computers project of ASUS Foundation to recover a total of 293 equipment accumulatively, reducing emissions by 4.983tCO2e.	After verifying for retirement by the Information Department, we donated the computers and related 3C products with lower performance through The Second Life for Computers project of ASUS Foundation, which also provided us the predicted environmental benefits over the years.
5	In 2022, the average hours of training per employee at Prince Construction Business were 20.21 hours.	Average hours of training = Total hours of education and training in 2022/Total number of employees in 2022

6. CPA Limited Assurance Statement



會計師有限確信報告

資會綜字第 23004243 號

太子建設開發股份有限公司 公鑒：

本事務所受太子建設開發股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定 2022 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司 2022 年度永續報告書第 105 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 6 頁之「報告書範疇與邊界」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準，以編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

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會計師之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

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

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

- 對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

此報告不對 2022 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管理規範

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

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，因此維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。



先天限制

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

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives, GRI)發布之最新版 GRI 準則(GRI Standards)與行業補充指南，以及貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準編製而須作修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 王 國 華



2 0 2 3 年 9 月 1 5 日





太子建設

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