



太子建設
Prince Housing & Development Corp.

2023 | SUSTAINABILITY REPORT







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About This Report

GRI 2-2, GRI 2-3, GRI 2-5

■ Reporting Period

This is the 10th Sustainability Report of Prince Housing & Development Corporation (PHDC), mainly disclosing the data and contents in 2023 (January 1 to December 31, 2023). Part of the performance data has been traced back to the information before 2023 or extended to the information in the recent year (2024).

■ 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 referred to as Prince Housing & Development, Cheng-Shi Construction, Prince Utility, and Ta Chen Construction & Engineering (PHDC internal project). Prince Housing & Development includes Academy Hotel (formerly known as Chengda Hotel), Prince House (STSP), and Prince House (NTU), Prince House (NCKU) and Self-sale Sales Center.

■ 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 NTD) 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 the sustainable development of Prince Housing and Development 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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■ Release date and version

Current issue: Published in August 2024
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This report is prepared and issued by the Company's Strategic Planning Office every year, available in Chinese and English and is published on the Company's website.



Message from the Chairman

GRI 2-22

2023 marks the 50th anniversary of Prince Housing & Development. Since we started in Tainan in 1973, we have expanded step by step and have become a listed company with a footprint in northern, central and southern Taiwan. I would like to thank all the shareholders, employees, customers and partners who have accompanied us through the process. Your support and encouragement have made PHDC a source of inspiration for the Company's 50 years of cultivation in Taiwan. As the times have changed as well as the overall environment, the only thing that remains unchanged is that Prince Housing & Development has always been there when needed. Looking into the future, we will continue to move forward steadily on the road to becoming a sustainable enterprise.

Looking back in 2023, the world was facing the impact of international geopolitical conflicts, inflation and interest rate hikes. In terms of Taiwan's real estate operations, we were also faced with fluctuations in wages and raw material prices. Prince Housing & Development is aware of the opportunities for adjusting the business direction and differentiated transformation of the enterprise. In the future, we will integrate multi-faceted market considerations, the resources and advantages of the Group's shopping malls, hotels, and property management. We will aim to develop business strategies with new thinking, actively generate revenue in all aspects of the Group, and establish the goal of steady development. By doing so, we hope to create the value and vision of sustainable business operations.

In recent years, sustainability issues have become a trend of corporate management globally and in Taiwan. Prince Housing & Development actively implements the goals of sustainability and follows the relevant corporate governance plans issued by the Financial Supervisory Commission. We also completed the GHG verification ahead of schedule in 2023, striving for sustainability. In the construction industry, we have actively adopted green building materials, responded to green procurement, solar power generation, and recycled rainwater, which are our unwavering and continuous efforts to achieve green energy footprint. In BOT operation and management, we have also spared no effort to continue to optimize, and priority is given to energy conservation in the replacement of equipment. It is estimated that a total of NT\$ 100 million will be spent on replacing nearly 4,000 indoor air conditioners in the region. The goal is to reduce carbon emissions and implement sustainable environmental protection. Through each step of the enterprise, we will work together to create a sustainable business environment for the common good.

Prince Housing & Development will continue to adhere to the business philosophy of "3Gs and 1F - good location, good design, good construction, and fair price" and quality business notion of "character, brand, taste", and will continue to build the best products in the best locations. At the same time, we strive to cultivate the market and establish good long-term relationships with stakeholders to celebrate the next 50th anniversary of Prince Housing & Development!

Chairman **Chih-Hsien Lo**President **Hong-Chun Lin**

Practicing SDGs



- In 2023, employees received an average of 15.77 hours of internal and external training, totaling 3,833 hours, strengthening the employee base and present a quality team that reassures customers.



- In 2023, female employees accounted for 49% of the total workforce, an increase of 5% from 2022.



- Implementation of green design, solar PV, and rainwater harvesting systems: By the end of 2023, the completed installed capacity of solar PV was up to 359.44KW, and the rainwater harvesting capacity was up to 9,195.16 metric tons.



- In 2023, both the disabling injury frequency rate and disabling injury severity rate were 0.
- No sanction for serious non-compliance with social (including personal information and deceptive adverts), economic, or environmental protection regulations was reported.



- In 2023, the satisfaction rate for the "professionalism of repair personnel" of Prince House was 74.64%; the satisfaction rate for the "professionalism of repair personnel" of Hsiu Chi House was 94.11%.
- In 2023, the satisfaction rate for the speed of execution of Prince House's repair cases was 78.03%, and the satisfaction rate for the speed of execution of Hsiu Chi House's repair cases was 95.42%.
- In 2023, a total of approximately NT\$ 19.46 million was invested in hardware facilities to improve the living quality of staff and students.



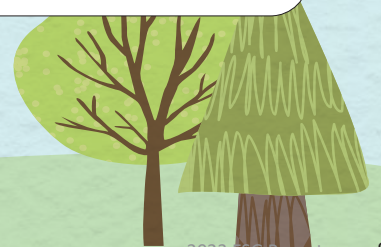
- In 2023, demographic analysis, economic development, environmental impact assessment, and site seismic analysis were implemented in accordance with the internal land development SOPs for all construction projects.



- In response to World Earth Day in 2023, we turned off the balcony lights on the NCKU BOT building and the street lights of the base for one hour. With a total of 286 street lights turned off, 9.525 kWh of electricity and 4.848 Mt CO₂e were saved.
- By the end of 2023, we joined hands with the ASUS Foundation to recycle 77 LCD screens, 28 notebooks, 165 desktops, and 97 other electronic products, reducing 6.388 Mt CO₂e and 532.354 fewer trees cut down.



- 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.



Mapping Sustainable Development



1.1 About PHDC

1.2 Sustainable governance

1.3 Analysis of Material Topics

1.4 Stakeholder Communication

1.1 About PHDC

GRI 2-1, GRI 2-6

Prince Housing & Development Corp. (hereinafter called the “PHDC”) was founded in 1973 and has been in operation for 51 years so far (2024). The Company's primary services include construction, engineering contracting, property management, accommodation, tourism, and their related services. We have always adhered to the business philosophy of “3Gs and 1F - good location, good design, good construction, and fair price” and quality business notion of “character, brand, taste”. 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.

Management philosophy

CBT Business



3Gs and Fair Price



Chairman	Chih-Hsien Lo
President	Hong-Chun Lin
Date of establishment	September 22, 1973
Headquarters location	8F (Tainan Spinning International Tower), No. 398, Section 1, Zhonghua East Road, East District, Tainan City
Main business/ Products and services	Commissioned construction, lease, and sales of public housing and commercial buildings, and investments in tourism hotels and BOT development projects
Paid-in capital	NT\$16.233 billion
Total number of employees of Prince Group	1,499 persons (Note)

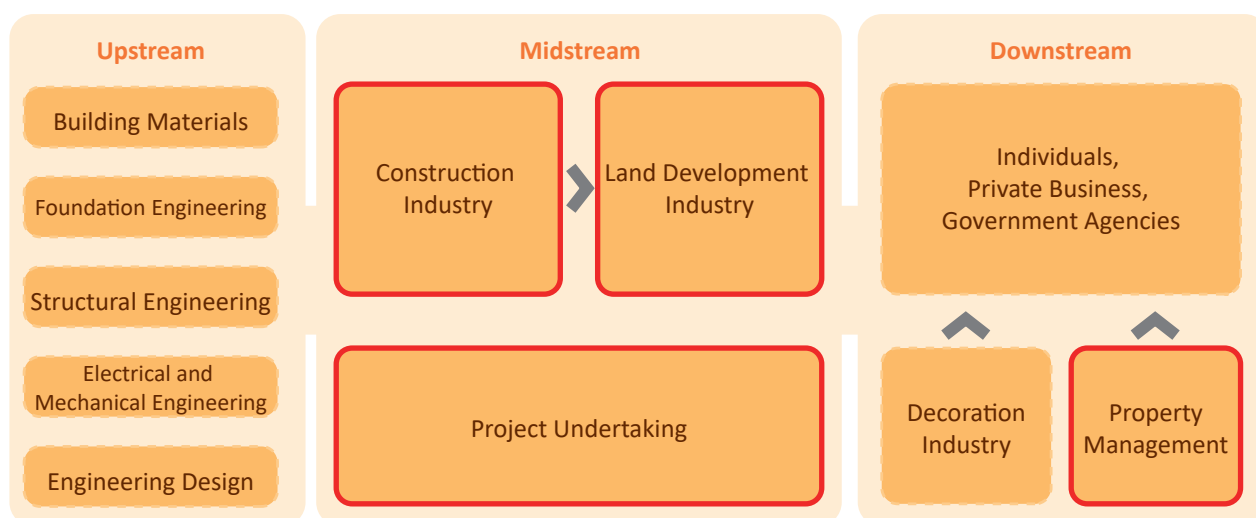
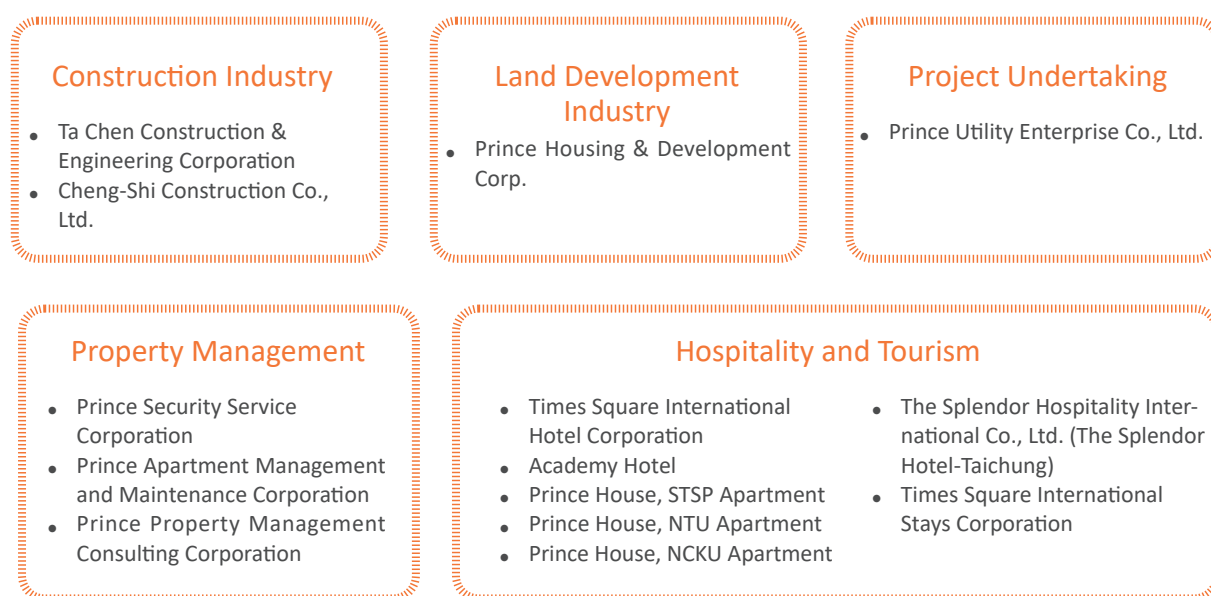
Note: Statistics to 2023/12/31. Statistics coverage: All business units within Prince Construction Group.

■ Upstream and Downstream Value Chain

Our business units fall into three main categories: **construction and land development**, **hospitality and tourism**, and **property management**.

The "Construction and Property Management" business group covers the midstream and downstream of the building material construction industry chain. The midstream includes building, construction, and engineering contracting; the downstream includes property management. In terms of the linkage between the upstream, midstream and downstream of the industry chain, the upstream is mainly the supply of raw materials for land and building materials. 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. Our downstream businesses are mainly self-sales or commissioned professional marketing companies. Meanwhile, we strive to optimize the management level to develop the social housing property management market.

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



Note: The red boxes indicate the main industrial chain positions of the Prince Group.

Future Projects

The highlights of PHDC Business completed in recent years and the expected completion year are listed as follows:



Note 1: The statistics in this table are as of December 31, 2023.

Note 2: The schematic diagram of the construction project is for reference only and is not final.

1.2 Sustainable governance

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-16

From the very beginning, we have always adhered to the business philosophy of “3Gs and 1F - good location, good design, good construction, and fair price” and quality business notion of “character, brand, taste” when launching quality products and services with meticulous planning and rigorous construction. 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, the Office of Operational Planning reports the performance 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.

■ Sustainability Issue Management Organizational Structure



■ Matters reported to the Board in 2023

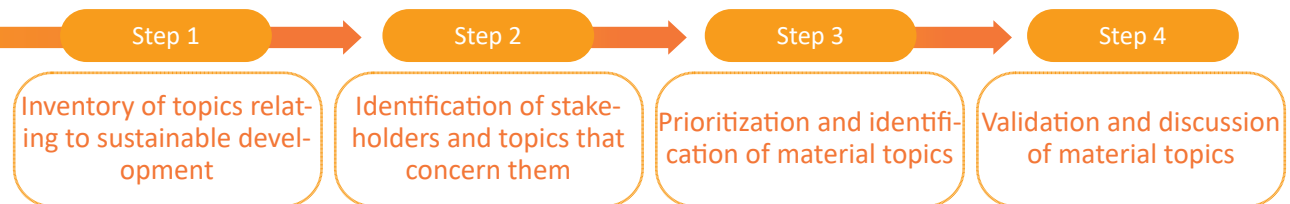


1.3 Analysis of Material Topics

GRI 3-1, GRI 3-2

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:

Material topic assessment process

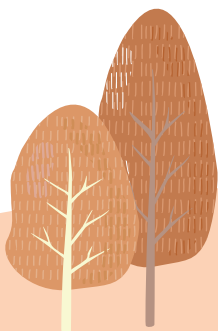


Inventory of topics relating to sustainable development

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 2023 and validated their relevance to the GRI Standards and trends in the industry.

Identification of stakeholders and topics that concern them

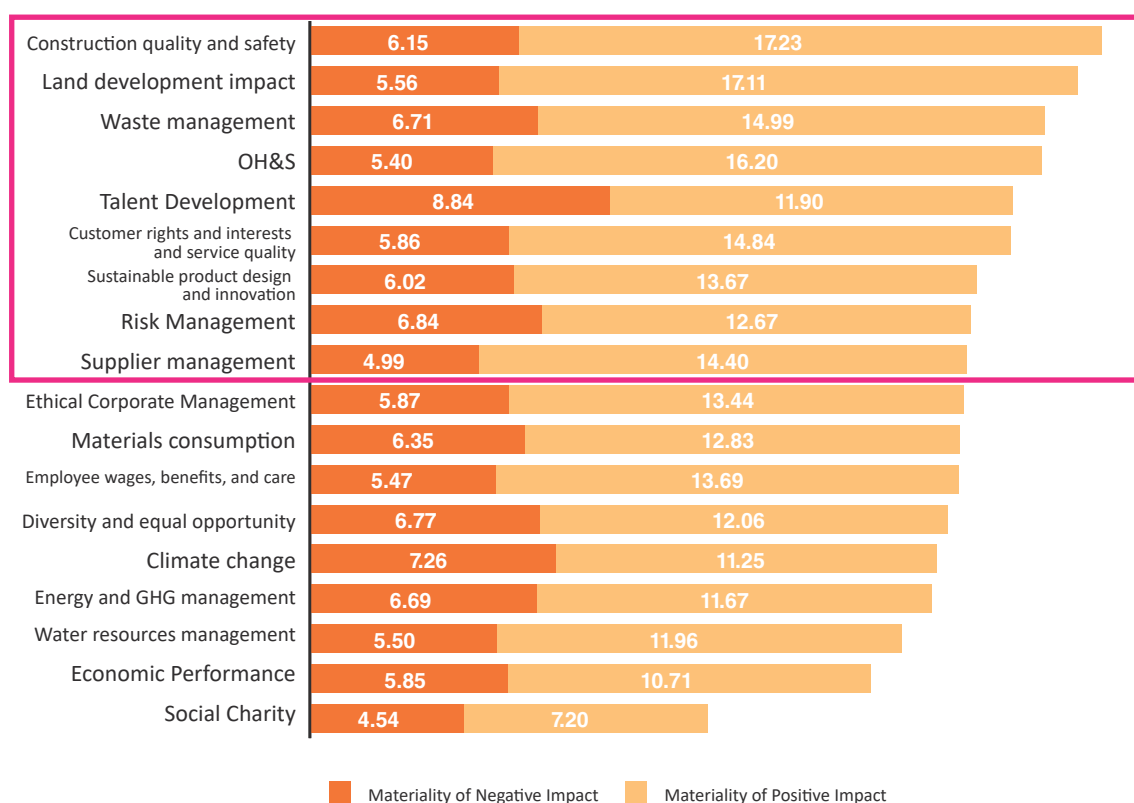
To make more effective communication with the stakeholders of Prince Construction Business, it is first to identify the stakeholders of Prince Construction Business, i.e., entities or individuals under the significant influence of the activities, products, and services of Prince Construction Business, 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. (For the results, see: [1.4 Stakeholder Communication](#)).



■ Prioritization and identification of material topics

Management designed the significance of impact questionnaire based on the inventoried 18 sustainability topics for filling in, assessing, and analyzing 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 2023. 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
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 dispose of after use or with negative environmental impacts.
	Waste management	Negative: 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. 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.

Sustainability Topic		Description of Positive and Negative Impacts
E	Energy and GHG management	<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>
	Water resources management	<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-compliance with laws and regulations and the EIA commitments.</p>
	Climate change	<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>
S	OH&S	<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>
	Employee wages, benefits, and care	<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>
	Talent Development	<p>Positive: 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>Negative: Reduced rate of employee retention due to remuneration inequalities as a result of the unfair performance evaluation system.</p>
	Diversity and equal opportunity	<p>Positive: 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>Negative: Difficulty in employee retention and increased rate of employee turnover due to discrimination from workplace inequalities.</p>
	Social Charity	<p>Positive: 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>Negative: 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>

Sustainability Topic		Description of Positive and Negative Impacts
G	Economic Performance	<p>Positive: Increased revenues, enhanced operational stability, increased investments from shareholders and investors.</p> <p>Negative: Damage on corporate image and reduced resources due to operational deficits.</p>
	Ethical Corporate Management	<p>Positive: 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>Negative: Damage on corporate image and even facing litigations due to negative incidents.</p>
	Risk Management	<p>Positive: Reduced operational risks by minimizing costs and losses through advance assessment and planning of high-likelihood risks.</p> <p>Negative: Financial losses and even operational interruption for failure to predict or plan potential future risks.</p>
P	Customer rights and interests and service quality	<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 Personal Data Protection Act due to information leakage and customer data losses and reduced customer trust due to low-quality customer service.</p>
	Land development impact	<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>
	Sustainable product design and innovation	<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>
	Construction quality and safety	<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>
	Supplier management	<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>

Validation and discussion of material topics




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	
			PHDC	CSCC	PUEC	TCCE (PHDC internal projects)	Cus-tomers	Local com-muni-ties
Waste management	306-2	3.6 Climate and environmental management	●	●	●	●	●	●
OH&S	403-1~403-10	5.4 Safe and healthy workplace environment	●	●	●	●		
Talent Development	404-1~404-3	5.3 Diversified career development and training	●	●	●	●		
Risk Management	NA	2.2 Careful risk management	●	●	●	●	●	●
Customer rights and interests and service quality	417-1	4.1 Quality customer communication and service	●	●	●	●	●	
	418-1	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	308-1~308-2 414-1~414-2	3.5 Supplier management and procurement practices	●	●	●	●	●	

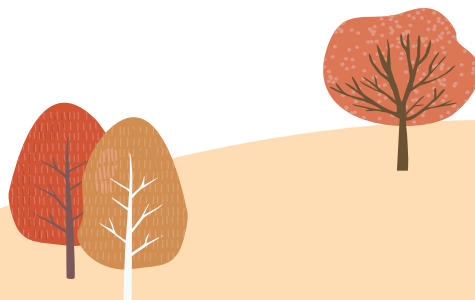
1.4 Stakeholder Communication GRI 2-29

Through the interaction and communication with stakeholders, we have a better understanding of the topics they are concerned about and care about. With the annual sustainability report released, we will regularly identify material topics in the future to communicate with stakeholders more fully and to provide a more complete response to the topics of concern to various stakeholders. Methods and frequency of communication between PHDC and stakeholders are tabulated below.

Stakeholder	Major Concerned Topics (Note)	Communication Method	Frequency and Times of Communication in 2023
 Employees	<ul style="list-style-type: none"> • Construction quality and safety • Economic Performance • OH&S • Ethical Corporate Management 	Enterprise Information Portal (EIP) system	Irregular: 24 notices in total
		Internal education and training	Irregular: 65 education and training lessons in total
 Customers	<ul style="list-style-type: none"> • Customer rights and interests and service quality • Construction quality and safety • Economic Performance • Ethical Corporate Management 	Call center	Real-time: 581 times of after-sales service in total
		Questionnaire (Prince House)	Annually: 2 times of questionnaire surveys in total
		Online guestbook	Real-time: 72 messages in total (Prince House System)
 Shareholders	<ul style="list-style-type: none"> • Economic Performance • Construction quality and safety • Ethical Corporate Management • Risk Management 	Board of Directors	Quarterly/Annually: 5 times in total
		Meetings of Shareholders	Annually: 1 time
		Investor conference	Irregularly: 2 times in total (March and September 2023)
		Annual report	Annually: 1 time
 Competent Authorities	<ul style="list-style-type: none"> • Economic Performance • Ethical Corporate Management • Customer rights and interests and service quality • Risk Management 	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

Stakeholder	Major Concerned Topics (Note)	Communication Method	Frequency and Times of Communication in 2023
 Local communities	<ul style="list-style-type: none"> • Customer rights and interests and service quality • Ethical Corporate Management • Construction quality and safety 	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	<ul style="list-style-type: none"> • Customer rights and interests and service quality • Water resources management • Materials consumption • Waste management • Climate change • Energy and GHG management • Supplier management • Construction quality and safety • Diversity and equal opportunity • OH&S 	Phone, email	Real-time
		Supplier assessment/evaluation	Real-time
		Factory inspection	Irregularly
		(Video) Conference	Irregularly
 Banks	<ul style="list-style-type: none"> • Ethical Corporate Management • Economic Performance • Risk Management • Construction quality and safety • Sustainable product design and innovation 	Regular business communication calls, emails	Irregularly

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



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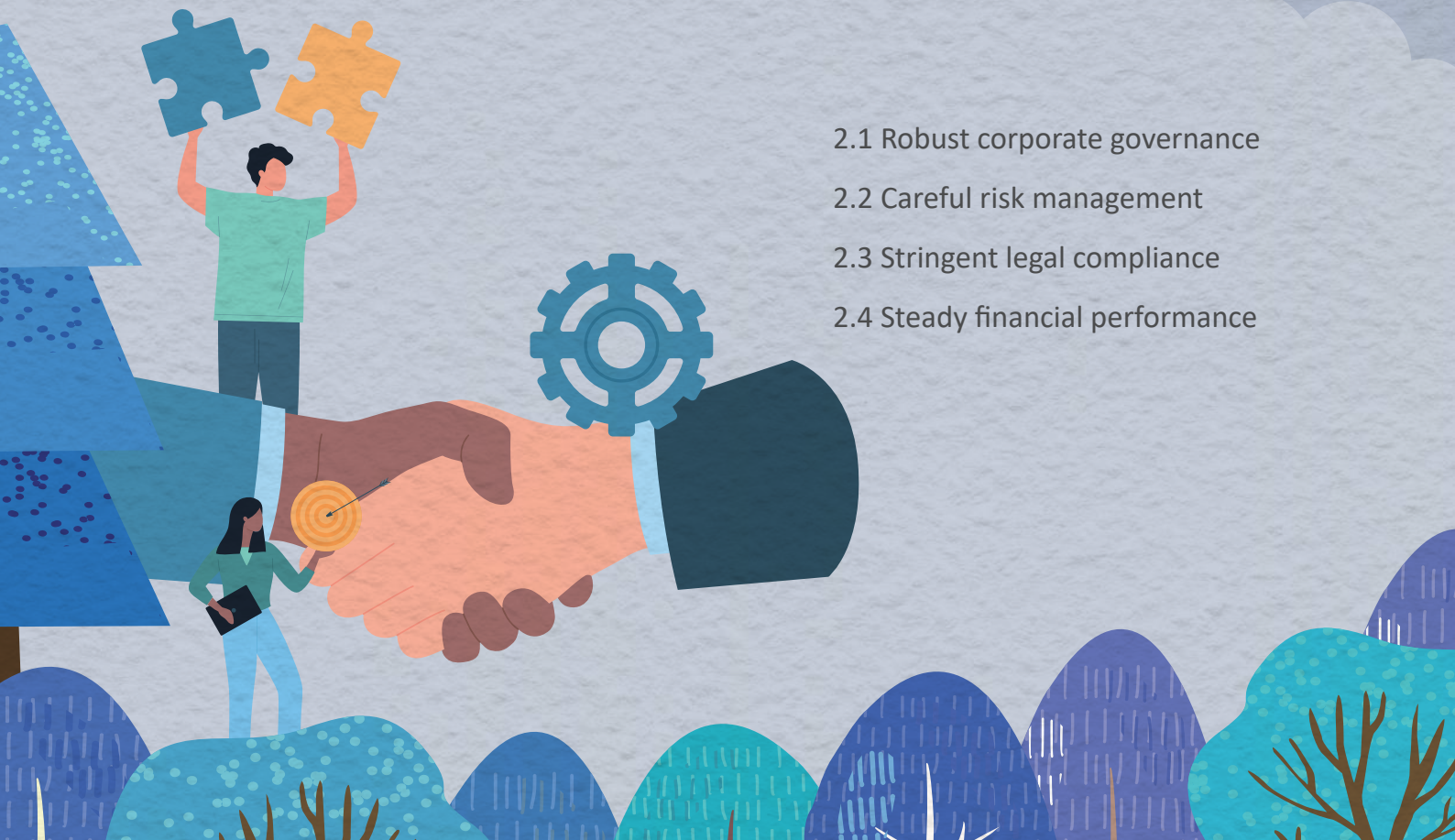
Business Integrity and Brand Value

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

Risk Management

Material Topics	Risk Management
GRI Indicators	GRI 3-3
Impact Description	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.
Policies and Commitments	PHDC's risk management policy has been formulated as the highest guiding principle for the Company's risk management. By clarifying the policy and implementation, it helps the Company prudently assess each risk and the countermeasures in the face of each risk, so as to turn a crisis into a turning point. This not only meets the expectations of the stakeholders but it also helps the Company maintain resilience and achieve the goal of sustainable corporate management.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> 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 in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies". At the same time, we implement the risk management and supervision process to manage and adjust in response to various risks. In terms of information security, the PDCA approach is adopted for management. Before the end of each year, we propose the information security plan for the following year, and report the implementation progress to the Chief Information Officer, the Information Security Committee, and the President every quarter of the following year. In addition, information security audits are also included in the annual audit plan, mainly to prevent virus infection, hacker intrusion, and risk response related to data damage. <p>Negative impact management:</p> <ul style="list-style-type: none"> PHDC has established a "Risk Management Team" with the President as the convener to coordinate and direct all responsible units to promote the Company's risk management matters. Pre-assessment and planning of possible risks are conducted with possible risks managed and responded to through appropriate procedures. We aim to ensure that risks can be effectively managed to reduce corporate operational risks.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> Convene at least one meeting of the Risk Management Committee every quarter. Continue to strengthen the Company's internal control mechanism and eliminate any violations of business ethics and integrity. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> Provide education and training related to risk management for all employees to participate in.
Effectiveness Assessment	<ul style="list-style-type: none"> Convene one meeting of the Risk Management Committee every quarter. There were no violations of integrity during the year. All employees participated in the risk management education and training courses, with a participation rate of 100%.
Resources	Risk Management Team and responsible units
Responsible Unit	Risk Management Team
Grievance Mechanism	A grievance can be reported to the employee grievance unit for handling according to the Company's internal rules.

2.1 Healthy corporate governance

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-17, GRI 2-18, GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-28, GRI 205-3

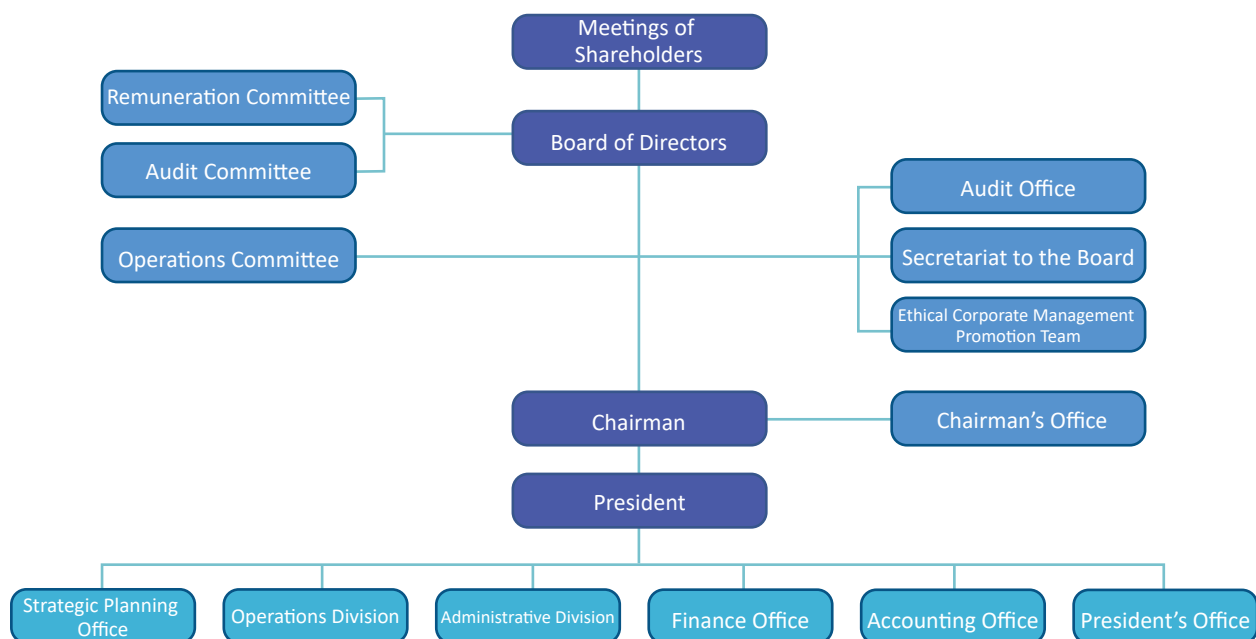
To build a robust corporate governance system, we established the “[PHDC Corporate Governance Best Practice Principles](#)” with reference to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies co-established by the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) 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.

In the past, Prince Housing & Development has actively responded to the planning matters of "Corporate Governance 3.0 - Sustainable Development Blueprint" released by the FSC. In 2024, we will continue to follow the "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" to inventory and plan our actions in corporate governance and corporate social responsibility. Moreover, to introduce the business model and strategy of Prince Housing & Development, we will focus on governance, transparency, digitalization, and innovation to promote "net zero", "deepen corporate sustainability governance culture", "reinforce sustainability information disclosure", "enhance stakeholder communication", and "promote ESG evaluation and digitization".

■ 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. The Remuneration Committee, Audit Committee, Management Committee, and Audit Office have been established under the Board of Directors to assist the Board of Directors in fulfilling their supervisory responsibilities. 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 to ensure the effectiveness of risk management and internal control.



PHDC has adhered to the principle that half of the directors shall not be spouses or relatives within the second degree. In addition, an appropriate diversity policy is formulated based on the Company's operations, business model and development needs. The policy and specific management goals of board diversity have also been established. The goal is to consider diversity in the composition of members, including but not limited to basic conditions or values such as the director's gender, age, nationality, and culture, as well as professional background, skills, or industry experience. In general, Board members shall possess the knowledge, skills, and accomplishments required to perform their duties, such as operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook and leadership decision-making to achieve the desired corporate governance objectives.

In order to avoid conflicts of interest, we have established a system for directors to avoid conflicts of interest. Directors shall exercise a high degree of self-discipline and explain the important details of their interests or the legal entity they represent when they have a stake in a motion at 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.

The performance evaluation of the Board of Directors in 2023 was mainly based on their participation in the Company's operations, improvement of the quality of decision-making by the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, and internal control. In addition to the performance evaluation of the Board of Directors, the self-evaluation of the board members and the performance of the functional committees are also evaluated, and the performance results of the current year are reported to the Board of Directors. The evaluation results in 2023 were that the overall operation was good and complied with the relevant provisions of the Corporate Governance Best Practice Principles.

In 2023, the Board had 17 directors, including 5 independent directors (accounting for 29.4%). All were given a 3-year tenure. Currently it is the 17th term of the Board (the term of office is from June 17, 2022 to June 16, 2025). All directors hold a ROC citizenship. There are 3 female directors, accounting for 17.6% 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. The Board members have professional backgrounds, and they come from diverse fields such as law, accounting, industry, finance, marketing, or technology. A total of 8 members have a master's or doctoral degree or above. In 2023, a total of 5 Board meetings were held, with an attendance rate of 93%.

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	2	0	12	3	17

To strengthen Board competence, directors receive continuing education of different courses every year. In 2023, directors took continuing education courses up to 135 hours in total, and the each director took 7.94 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. 28 of the 2023 annual report for the details of Board members and continuing education.

■ Remuneration Committee

We established the Remuneration Committee on September 30, 2011 with five independent directors with the same term as that of directors. Currently, it is the 5th term of the committee. In 2023, the Remuneration Committee held 2 committee meetings, with an attendance rate of 100%.

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 5 independent directors with the same term as that of directors. Currently, it is the third term of the committee. In 2023, a total of 4 committee meetings were held, with an attendance rate of 100%.

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

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

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.

■ 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 Committee is composed of five directors who are appointed by the chairman and the directors' representatives who hold regular meetings to discuss important decisions of the Company. In 2023, the Operations Committee held 12 committee meetings, with an attendance rate of 95%.

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 interest 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 2023, 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 2023, there was no sanction for non-compliance with the internal control system by either the Company or employees.

- **Annual audit:**

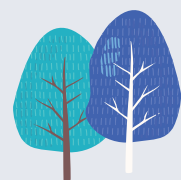
The annual audit program established according to the results of risk assessment provides a basis for audit implementation, audit report composition, improvement follow-up, and results reporting for approval. Audit items shall be submitted to the Board for review by the end of the next month after the 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 2023 annual audit report, no significant corruption was detected at PHDC.

- **Annual evaluation of senior executives:**

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

- **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 2023, 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	PHDC	Director
The Real Estate Development Association of Taipei	PHDC	Member
Taoyuan Real Estate Development Association	PHDC	Member
Taichung Real Estate Development Association	PHDC	Member
The Real Estate Development Association of Tainan	PHDC	Member
Real Estate Development Association of Tainan City	PHDC	Member
The Real Estate Development Association of Kaohsiung	PHDC	Member
The Estate Development Association of Kaohsiung City	PHDC	Member
FIACBI-Taiwan	PHDC	Member
Chinese National Association of Industry and Commerce, Taiwan	PHDC	Member
The Institute of Internal Auditors-Chinese	PHDC	Member
Taiwan Architectural Aesthetics Cultural Economics Association	PHDC	Member
Taiwan Regional Engineering Contractors Association	TCCE	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: No participation in any national or international initiative in 2023.

2.2 Careful risk management





Risk management not only affects the Company's operations, but also has a significant impact on the reputation. To ensure the integrity of the Company's risk management system and improve risk management operations, the "[Risk Management Policy](#)", approved by the Board of Directors, was formulated in 2021 as the highest guiding principle of the Company's risk management. We periodically assess and identify relevant risks that may affect the sustainable development of the Company every year. With management policies formulated, covering management objectives, organizational structure, and attribution of authority and responsibility, and the mechanism of the risk management procedures implemented, we manage to control the risk within the acceptable range.

PHDC established the "Risk Management Team" in 2021, with the President as the convener to coordinate and direct all responsible units to promote the Company's risk management matters. Each responsible unit identifies, analyzes, and evaluates the potential risks, distinguishes the risk categories, and manages and supervises the possible risks and impacts through appropriate procedures to effectively control the risks. We actively promote the risk management mechanism and regularly report the implementation status of the current year to the Board of Directors every year. 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 2023 to enhance the risk awareness of employees. A total of 95 persons received a total of 128.5 hours of training.

■ Risk Management Organizational Structure



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. In 2023, the scope of risk management covered three aspects of ESG, and seven different risks were identified as follows:

Risk	 Land Development	 Environment and Climate Change	 Planning and Design	 Construction Quality and Safety
Risk Impact and Description	<p>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.</p>	<p>Due to the impact of global warming and GHGs, extreme weather events may cause damage to construction sites and buildings, and lack of work and materials, resulting in financial losses to the Company.</p>	<p>Unmatched building bulk ratio bonus adjusted by the competent authorities with the Company's demands.</p>	<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. 5. Severe climate changes cause construction and housing hazards.
Responsible Unit	Land Development	Strategic Planning Office	Planning and Design	Engineering Management
Management Procedures and Operation	<p>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.</p>	<p>Establish a management framework for corporate climate risks and opportunities in accordance with the International Task Force on Climate-Related Financial Disclosures (TCFD) principles, identify climate risks and opportunities, and plan and implement response strategies. Conduct GHG inventory in accordance with the ISO 14064-1 standard to inventory and grasp the Company's GHG emissions equivalent to respond to carbon management trends.</p>	<p>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.</p>	<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. Personnel entering the site must sign a hazard notice every day, inspect and manage safety facilities in the work area, contract contractors to require contractors to comply with laws and regulations, provide regular safety and health education and training for employees, and hold periodic site safety and health agreement organization meetings. 3. The Company implements health control measures for construction site personnel in accordance with government laws and disease prevention regulations. Furthermore, construction site disinfection operations are regularly carried out to maintain the cleanliness of the operating environment in the construction area.

 Sales Service	 Information Security	 Financial Management
<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>
Sales	Information	Finance
<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. Users' computers are equipped with various anti-virus software, virus codes are updated automatically, and computer management privileges are limited to reduce the chance of hackers and virus intrusions. 2. Set up a firewall to block the random distribution of hackers and malware, and constantly review the security of the intranet architecture to improve the ability to block viruses and spam. 3. Important files are stored on the server, and permissions are strictly controlled. Regularly perform recovery drills on key servers to confirm recovery procedures and backup integrity. 4. Cybersecurity is listed as an annual compulsory course to educate employees to prevent the Company's computers from being infected by viruses. 5. Establishment of an information security unit and procedures for internal control of authority and responsibility. 	<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.

■ Information security

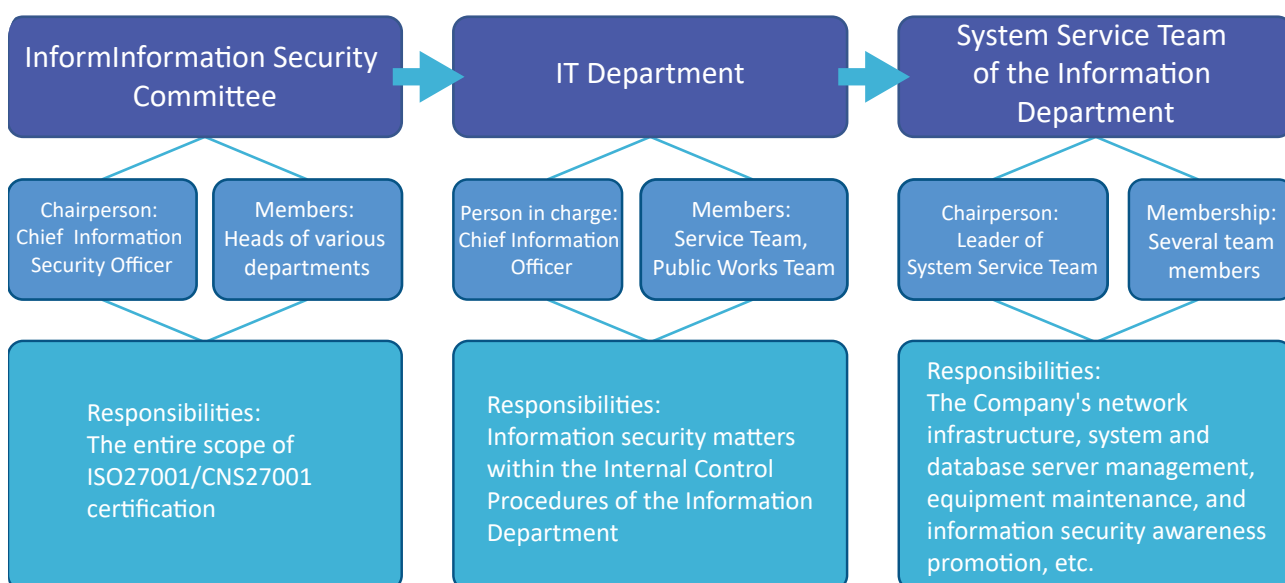
PHDC has established the information security policy, which mainly covers three aspects:

1. **System specifications:** The Company's information security management system has been established with the operation and behavior of personnel regulated. Whether the relevant system is in compliance with laws and regulations and changes in the operating environment are reviewed every year and adjusted at any time according to the needs.
2. **Hardware:** The information security management system is mainly to prevent various external information security threats. In addition to adopting a multi-layered network architecture design, various information security protection systems are used to enhance the security of the information environment to implement information security management measures.
3. **Personnel training:** Information security education and training are held on a regular basis. Information security education and training courses are organized every six months. All employees are required to take courses at least once a year. If they are unable to participate in the course, online courses are provided to enhance the information security awareness of all employees.

PHDC adopts the Plan-Do-Check-Act (PDCA) approach for management of information security operations. In 2022, an Information Security Committee was established chaired by the Chief Information Security Officer, composed of the heads of each division. The Committee oversees the entire scope of ISO 27001 or CNS 27001 certification, and to be the unit with the highest authority and responsibility for the Company's information security. The Information Department has a head and subordinate teams such as the System Service Team, the Public Works Team, and the Sales Department, who are mainly responsible for the information security matters specified in the Internal Control Procedures. The person in charge of the System Service Team of the Information Department is the team leader, responsible for the Company's network infrastructure, system and database server management, equipment maintenance, and information security awareness education. Based on this, the information security management of PHDC is divided into three levels from top to bottom, namely, the Information Security Committee, the Information Department, and the System Service Team of 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. After the Information Department, Information Security Committee, and president review and approve the plan, the implementation progress is reported to the President, the Information Security Committee, and the Chief Information Officer on a quarterly basis for the following year. In addition, according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the Audit Office incorporates the "Control of Information Security Inspection" into the annual audit plan. If any deficiencies or risks are found in a regular audit, the relevant units will be requested to conduct a review. Specific improvement plans and schedules are proposed, and improvement progress is regularly tracked to implement the Company's information security policy. In 2024, vulnerability scanning and social engineering drills will be performed.

Management structure of the information security unit:

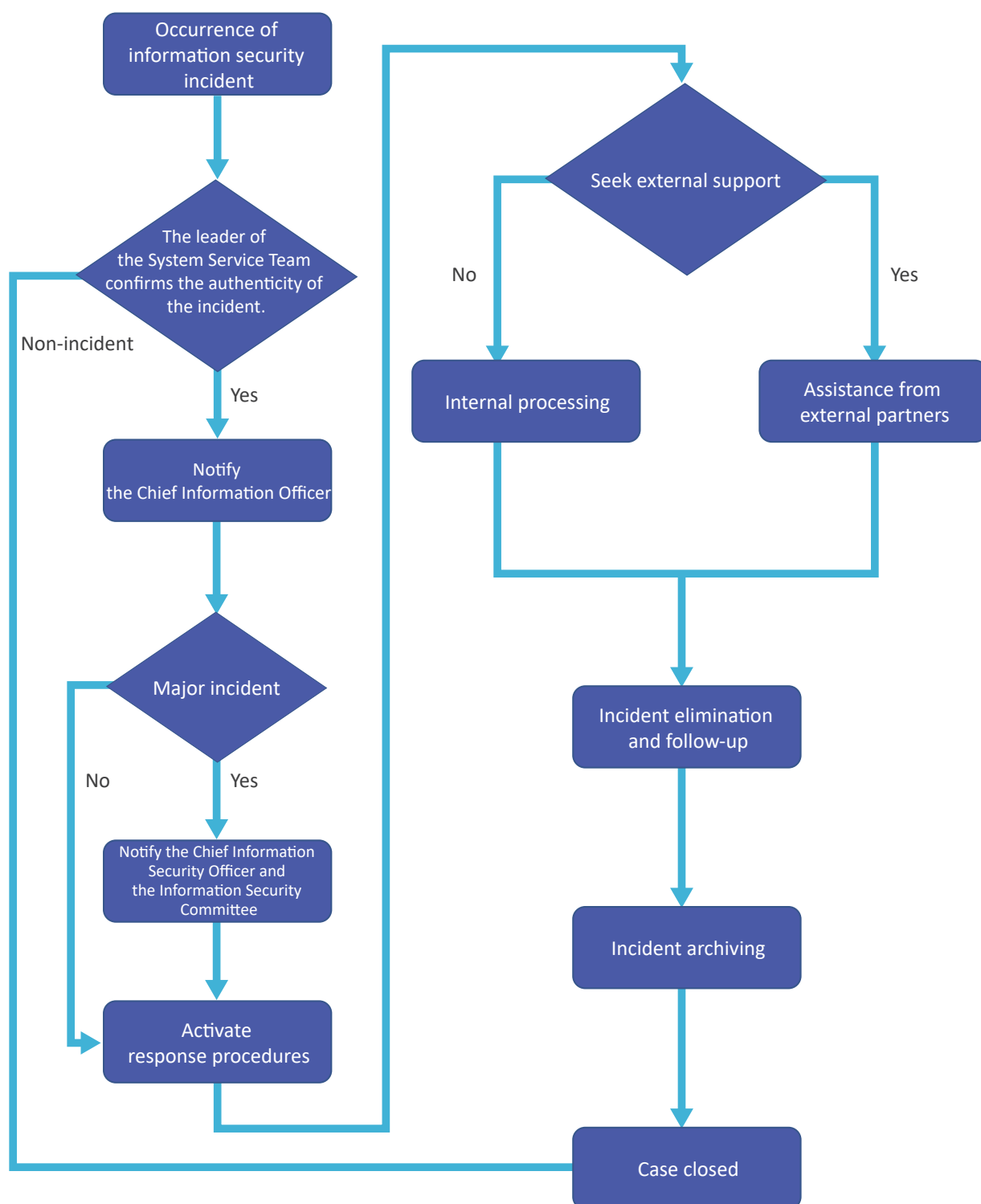


Specific counteractions related to information security are as follows:

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	<ul style="list-style-type: none"> • Use different types of antivirus software and automatically update virus patches to lower the risk of virus infection.
Updating operating systems	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The backup copies of servers and various IT systems are stored at different branches.
Sever storage of important files	<ul style="list-style-type: none"> • Important files of all departments are uploaded to the servers for centralized storage by the IT Department.
Datacenter log examination	<ul style="list-style-type: none"> • A datacenter log records the temperature and humidity of the server room, data backup, antivirus updates, and network traffic.
Information security joint defense	<ul style="list-style-type: none"> • 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.

■ Information security reporting process

PHDC has planned a complete information security reporting process. When an information security incident occurs, the leader of the System Service Team verifies the authenticity of the incident and notifies the Chief Information Officer. A major incident will be further reported to the Chief Information Security Officer and the Information Security Committee members to be further evaluated whether it is necessary to seek assistance from external partners. After the incident is eliminated, follow-up tracking is conducted, and the incident is archived and closed.



2.3 Strict legal compliance GRI 2-27

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 2023 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.

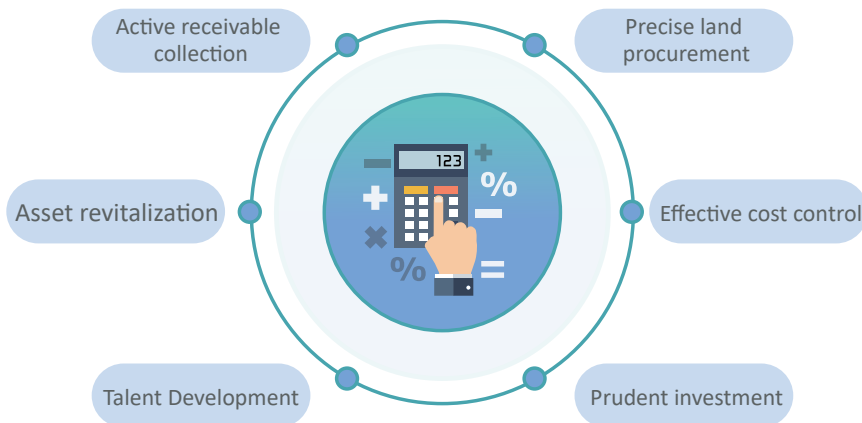
In response to changes in laws and regulations, we will announce on the homepage of the Company's internal EIP website about major laws and regulations issued by the competent authority and facilitate the understanding of the employees through education and training and officer meetings. The audit department 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. In addition, the President requires all regions to report the current fines during regular meetings, so that all regions can implement legal compliance.



In 2023, 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 GRI 201-1

At Prince Group, 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.

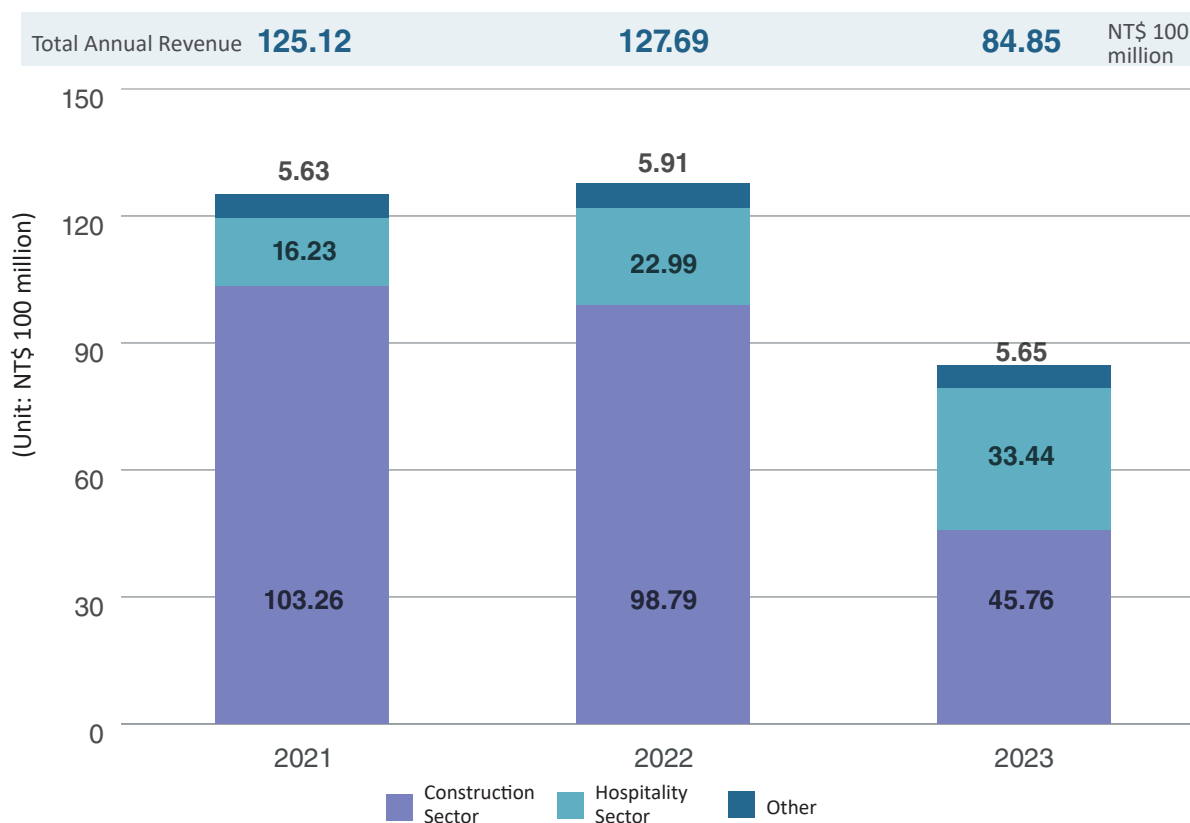


In response to the potential impacts of changes in policies and the macro environment, the construction sector periodically assesses land and its neighboring environment and launches products that meet regional needs according to the regional attributes so as to fulfill the market demand. Additionally, 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 2023 the consolidated revenue and consolidated net income after tax were NT\$8.485 billion and NT\$585 million respectively. Among them, the operating revenue of the Construction Department was NT\$ 4.576 billion, and the operating revenue of the Travel & Accommodation Department was NT\$ 3.344 billion.



Note 1: The figures are based on the consolidated statement of comprehensive income and consolidated balance sheet certified by CPAs. The revenue of each business group is quoted from the segment profit and loss asset information disclosed in the notes.

Note 2: Please refer to the consolidated financial statements of Prince Group and the individual financial statements of Prince Group 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.

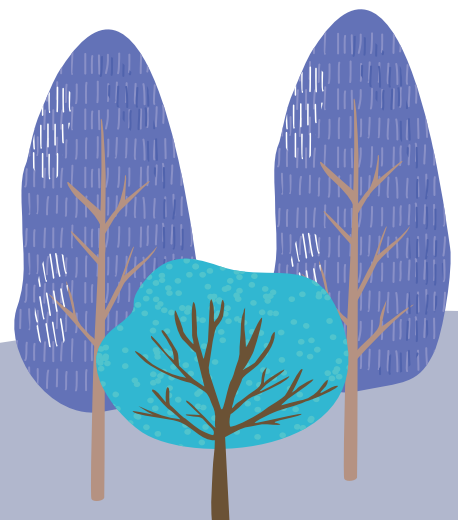
The individual annual revenue of PHDC was NT\$1.172 billion, and the net income of the period was NT\$ 593 million. The operating costs and expenses reduced over 2022 because of the annual revenue reduction in 2023. The economic value generated and distributed in 2023 is as follows:

	Amount in 2023 (Unit: NT\$ thousands)
Direct economic value generated: Revenues ^(Note 1)	1,171,918
Economic value distributed: Operating costs and expenses ^(Note 1)	1,086,321
Economic value distributed: Employee wages and benefits ^(Note 1)	245,973
Economic value distributed: Payments to providers of capital ^(Note 1)	811,663
Economic value distributed: Amounts paid to the government ^(Note 2)	167,548
Economic value distributed: Community investments ^(Note 3)	1,230

Note 1: Extracted or summed up from the 2023 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

Building quality and safety, sustainable product design and innovation, impact of land development, supply chain management, waste management

Material Topics	Construction quality and safety
GRI Indicators	GRI 3-3
Impact Description	Building quality and safety is one of the aspects that PHDC attaches great importance to. We have implemented strict safety and quality requirements and control during the construction and completed house inspection stages to produce high-quality and high-safety construction products.
Policies and Commitments	We have designated internal construction quality audit items to thoroughly monitor all stages of the building's life cycle through the safety and quality control at each stage to the post-completion building quality safety verification. In terms of reinforcing construction safety knowledge, we encourage our colleagues to participate in external education and training courses to improve their construction safety and professional capabilities.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> Through offering building safety and quality education and training, implementing internal quality audits, and developing the Eagle Eye real-time monitoring system, we improve the quality and yield of buildings to maintain customer health and safety. <p>Negative impact management:</p> <ul style="list-style-type: none"> Orderly and rigorously implement internal construction quality audit items.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> Continue to hold the Company's construction quality education and training courses and external quality control training courses. Self-inspection mechanism and internal audit for each project. Over 50 hours of internal and external training courses. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> The internal audit rate of the Company's construction quality to reach 100%. Over 75 hours of internal and external training courses.
Effectiveness Assessment	A total of 156.5 hours of internal and external education and training courses were organized in 2023, with a total of 293 participants.
Resources	There are a total of 42 people in the northern, central, and southern regions, including employees from the Engineering Division and the Project Management Department, who are responsible for building quality and safety management.
Responsible Unit	Project Construction Office, Engineering Division, Engineering Management Department, Audit Office
Grievance Mechanism	<p>We value the opinions and ideas of our employees and customers. Employees can submit their views and suggestions through the Company's email and hotline. After-sales services are reported to the sales supervisors of the operations division in each region, and department heads of various regions will discuss the problems and discuss the solutions before reporting to the group head or President to approve the handling method.</p> <ul style="list-style-type: none"> Northern Region: 02-2758-9599 or 0800-025555 Central Region: 04-2242-7376 or 0800-423153 Southern District: 06-282-1155#1305 or 1306 <p>https://www.prince.com.tw/contactus.php</p>

Material Topics	Sustainable product design and innovation
GRI Indicators	GRI 3-3, GRI 416-1
Impact Description	In response to the sustainable building policy promoted by the government, PHDC needs to propose innovative sustainable building design concepts accordingly. Through prudent control and the introduction of sustainable concepts, we can reduce the negative impact of building products on all sectors and enhance the positive influence.
Policies and Commitments	By proposing the sustainable and innovative design concept of Architecture 7.0 Smart & Healthy Home, PHDC is not only emphasizing energy and water conservation, but also including smart and healthy design, and introducing automation technology to launch building projects with service functions such as high quality, high energy efficiency, and resource saving.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> Under the consideration of the life cycle, we will continue to promote low-carbon building projects such as green buildings and smart buildings according to the sustainable innovative design concept of the Architecture 7.0 Smart & Healthy Home put forward by PHDC. <p>Negative impact management:</p> <ul style="list-style-type: none"> 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. Continue to pay attention to the application, development and planning of green building materials such as environmentally friendly paints, recycled materials, and energy-saving building materials, and gradually refine the design methods.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> A good environment and a good location are the foundation of safe and healthy products. With this goal, we continue to purchase land and provide products every year according to the market demand. Select suitable projects to apply for the Green Building Label every year. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> Improve product quality to better meet the needs of users. Replace old products with new ones and assist past customers in urban renewal. Integrate the AI industry to promote green energy, intelligence, and energy conservation. Actively cooperate with government policies and promote relevant label certifications.
Effectiveness Assessment	<ul style="list-style-type: none"> As of 2023, seven construction projects of PHDC had obtained the Green Building Labels; eight construction projects had obtained the Candidate Green Building Certificates. Regularly summarize the number of green building projects and the performance of the use of green building materials for continuous improvement.
Resources	There are 3 planning and design personnel in the northern region, 2 in the central region, and 2 in the southern region, totaling 7 people.
Responsible Unit	According to the location of the land, the planning and design of the respective region shall be the responsible unit (the planning and design of the northern region, the planning and design of the central region, and the planning and design of the southern region shall be coordinated and managed by the head of the department).
Grievance Mechanism	A grievance received will be recorded in detail and reported to the appropriate level, and if there is an interested party, he/she is required to recuse himself/herself from the case and a duty agent will take over the case.

Material Topics	Land development impact
GRI Indicators	GRI 3-3
Impact Description	In Taiwan, where land is small and densely populated, we must carefully select development sites and make optimal use of land resources to prevent the irreversible impact of new construction projects on the local economy, environmental ecology, and geological conditions, etc. We try to avoid areas that will affect the natural ecology and cultural relics and use methods that have less impact on the ecological environment as much as possible to protect the environment.
Policies and Commitments	PHDC has established internal land development procedures, keeps abreast of the latest land information, conducts land development assessment items, including property rights survey, legal survey, environmental survey, etc. During the sales analysis, planning analysis and engineering analysis, the geological drilling survey, adjacent property appraisal, and structural external audit conducted by the unit have ensured the evaluation of land functions and development impacts. In addition to complying with government-related laws and regulations, we also keep a close eye on the latest international and social issues and make timely adjustments.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> Orderly and rigorously implement land development impact assessment procedures. All new construction projects are subject to geological drilling survey, adjacent property appraisal, and structural external audit. Avoid development projects that have an excessive impact on the ecological environment. <p>Negative impact management:</p> <ul style="list-style-type: none"> In compliance with laws and regulations, development projects that are required to undergo environmental impact assessment are assessed.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> We implement the Company's internal procedures and standards as well as review regulations for geological drilling survey, adjacent property appraisal, and structural external audit. A good environment and a good location are the foundations of safe and healthy products. We will continue to purchase land with the goal of investing in at least NT\$ 5 billion of land each year. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> A good environment and a good location are the foundations of safe and healthy products. We will continue to purchase land with the goal of investing in at least NT\$ 5 billion of land each year. In addition to land purchases, we will continue to move towards the goal of becoming an integrated developer.
Effectiveness Assessment	<ul style="list-style-type: none"> Regularly monitor the implementation of the Company's internal standard procedures. Regularly summarize the status of land purchases by the Company. Regularly review the development projects.
Resources	There are 4 employees in the Land Development Department in the northern region, 2 in the central region, and 3 in the southern (Kaohsiung) region, totaling 9 people.
Responsible Unit	Depending on the location of the land, the Land Development Division of the respective region is the responsible unit (Land Development Department of northern region, central region and southern (Kaohsiung) region).
Grievance mechanism	<p>A grievance received will be recorded in detail and reported to the appropriate level, and if there is an interested party, he/she is required to recuse himself/herself from the case and a duty agent will take over the case.</p> <ul style="list-style-type: none"> Grievance channel: 06-282-1155#8800 (2208047@exchange.prince.com.tw)

Material Topics	Supplier management
GRI Indicators	GRI 3-3, GRI 2-6, GRI 308-1~308-2, GRI 414-1~414-2
Impact Description	PHDC has extended the concept of sustainable management to the supply chain. Whether it is an existing supplier or a new supplier selected for cooperation, we incorporate ESG management issues into the screening, contract and audit considerations, and work with suppliers to jointly reduce the negative impact of the product value chain and life cycle.
Policies and Commitments	PHDC has included "CSR terms" in supplier contracts, requiring suppliers to comply with labor safety and health regulations and site environmental management and other ESG management measures to create a responsible and sustainable supply chain. We also actively promote and prioritize green procurement and local procurement.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> • New suppliers are required to sign CSR terms and other ESG management issues in the supplier contract. • Actively promote and increase the ratio of green procurement and local procurement. <p>Negative impact management:</p> <ul style="list-style-type: none"> • Conduct evaluation and audits on suppliers during the construction stage. • 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.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> • New suppliers are required to sign CSR terms and other ESG management issues in the supplier contract. • Actively promote green procurement and local procurement. • Conduct evaluation and audits for suppliers during the construction stage, and the pass rate (those with a rating of good or higher) must reach 99%. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> • Increase the ratio of green procurement and local procurement by 50%. • Conduct evaluation and audits for suppliers during the construction stage, and the pass rate (those with a rating of good or higher) must reach 99.9%.
Effectiveness Assessment	<ul style="list-style-type: none"> • New suppliers must sign CSR terms and other ESG management issues in the supplier contract. • For suppliers graded as "poor", we actively communicate and coordinate with them and request them to make improvement or submit relevant test reports within a time limit. In 2023, the improvement rate reached 100%.
Resources	Each implementing unit achieves the scheduled goals through procurement and construction specifications.
Responsible Unit	Design Department, Engineering Department, procurement unit
Grievance Mechanism	<p>We value the opinions and ideas of employees, and employees can submit their views and suggestions through the Company's hotline.</p> <ul style="list-style-type: none"> • Grievance channel: 06-282-1155#5200 (9810011@exchange.prince.com.tw)

Material Topics	Waste management
GRI Indicators	GRI 3-3, GRI 306-2
Impact Description	PHDC manages and reduces office and construction waste, sets and monitors reduction targets to avoid and reduce environmental impact.
Policies and Commitments	In accordance with the "Construction Waste Management Strategy" of the Ministry of Environment, PHDC has established a construction site waste management mechanism, and continues to promote waste reduction measures at the headquarters and construction sites. In the future, we will formulate management measures and tracking targets to reduce the generation of construction waste. At the same time, we will strive to control the disposal flow to refrain from illegal disposal.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> The construction site waste management mechanism has been established in accordance with the "Construction Waste Management Strategy", and the waste reduction and classification management is implemented for construction waste. <p>Negative impact management:</p> <ul style="list-style-type: none"> Obtain a triplicate form of government-accredited cleaning service providers for reporting to competent authority. Strictly control the flow of waste disposal at construction sites to ensure that qualified government-accredited cleaning service providers are entrusted to implement waste treatment, and the qualifications of qualified service providers are regularly reviewed.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> Committed to waste reduction, we continue to review the waste classification and recycling situation in offices and construction sites. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> Continue to implement waste reduction and minimize environmental impact.
Effectiveness Assessment	<ul style="list-style-type: none"> Regularly monitor and review the amount of waste generated in offices and construction sites. Periodically follow up on the disposal and final flow of waste by qualified government-accredited cleaning service providers.
Resources	Each project is preliminarily classified and provided to the contractor for detailed classification.
Responsible Unit	Contractors, project construction sites, Engineering Division
Grievance Mechanism	<p>We value the opinions and ideas of employees, and employees can submit their views and suggestions through the Company's hotline.</p> <ul style="list-style-type: none"> Taipei: 02-2758-9599 Taichung: 04-2242-7376 Tainan: 06-282-1155



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 living environment, careful selection off 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 geological 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 station
- **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 process:** 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.

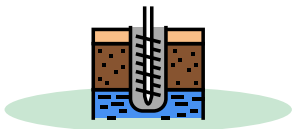
Engineering analysis

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

Execution of regulatory investigation and evaluation

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 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, PHDC 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 359.44 kWh to generate electricity of about 413,898 kWh each year, equivalent to the total consumption of about 100 households.^(note) 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 2023, seven of our projects have passed the Green Building Label certification. They occupy a total registered floor area up to 229,674.62 m², equivalent to the total floor area of 2.52 Taipei Arenas. Additionally, eight of our projects have also obtained the Candidate Green Building Certificate. They occupy a total registered floor area up to 283,606.73 m².

Note: According to the statistics of Taipower, the average monthly electricity consumption of households in 2022 was 339 kWh, and the average annual electricity consumption was 4,068 kWh.

Columnar Story - Prince Landmark Plaza

In 2023, PHDC and Uni-President Group joined hands to build Prince Landmark Plaza. The 31BOT shopping mall project in Taichung is planned to be located at Base 31, with 3 floors underground and 6 floors above ground and a coverage rate of 50% and a plot ratio of 240%. Prince Landmark Plaza is close to the Taichung Intercontinental Baseball Stadium, the planned site of Taichung Arena, and the upcoming Hanshin Department Store, all of which will adhere to the business philosophy of "Community Life and Good Neighborhood". We will combine local industries, develop agricultural resources, and promote the characteristics of each district in Taichung City. This is aimed to bring different business models and innovations to Beitun District, and driving the overall economic development of the region.

We will also build the Taichung Dali BOT Mall on lots 7 and 2 in Dali City. With the design concept of "Forest in Dali" and in line with the "Taichung Melody Project", a barrier-free senior inclusion game space will be set up to make use of open greenery. The venue is connected to the Dali Environment Park to hold the cultural and creative market and other activities to create a complex lifestyle mall that is harmonious with the community and full of greenness. It is expected that the two BOT shopping malls will obtain the Intelligent Building Label according to the regulations of the Taichung City Government to meet the sustainable development and low-carbon city goals of Taichung City.



3.3 Quality control for excellent buildings

GRI 416-1

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 2023 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. Through safety and quality control at different stages, there was no non-compliance with regulations relevant to product safety and voluntary regulations in 2023.

Featured Internal Audit Items for Construction Quality



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. A total of 18 courses were offered in 2023, covering the fields of construction technology and management, occupational safety management, and net-zero in the construction industry. A total of 156.5 hours of internal and external education and training were conducted, with a total of 293 participants.



Education and Training Courses related to Construction Project Safety and Technology in 2023






Type	Course title:	Hours	Number of Participants
Internal Training	PC Version Engineering	1	1
	Curtain Project and Time Process Control	2	18
	Processes Such as Aluminum Extrusion Inspection, Glass Inspection, Unit Inspection, Construction Site Inspection, and Wind and Rain Test, etc.	2	15
	Discussion on the Attribution of Daily Hazard Notification Responsibilities	1.5	27
	Contract Specifications for Public Works and Points for Attention in Construction Site Implementation	2	31
	Top-Down method	2	35
	Review of Key Points in the Construction of Mechanical and Hydroelectric Projects	2	33
	Promotion of Occupational Safety and Health Precautions at Construction Sites	1	31
	Application of BIM to Engineering Conflict Review	1	16
	Seminar on Prevention and Response to Ergonomic Hazards	1	13
	Deep Excavation and Monitoring System	2	21
	Low-carbon Buildings	1	24
	Ground Engineering Works	1	23
External Training	Firefighting management personnel	12	1
	Construction Industry Southern District Occupational Safety and Health Promotion Association	4	1
	Occupational Safety and Health Seminar	3	1
	A1 Application to Hazard Identification in Construction Projects	3	1
	Occupational health and safety (OH&S) management	115	1
Total		156.5	293

3.4 Maintenance of construction environment

■ Pollution prevention and improvement of construction impact

When construction begins, worksite environmental safety and pollution prevention will become our prime concern. Hence, PHDC 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

PHDC 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

GRI 2-6, GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2

■ Supplier management strategy

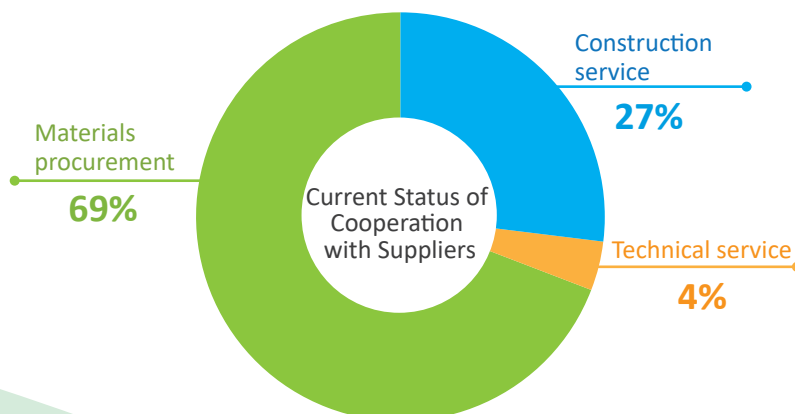
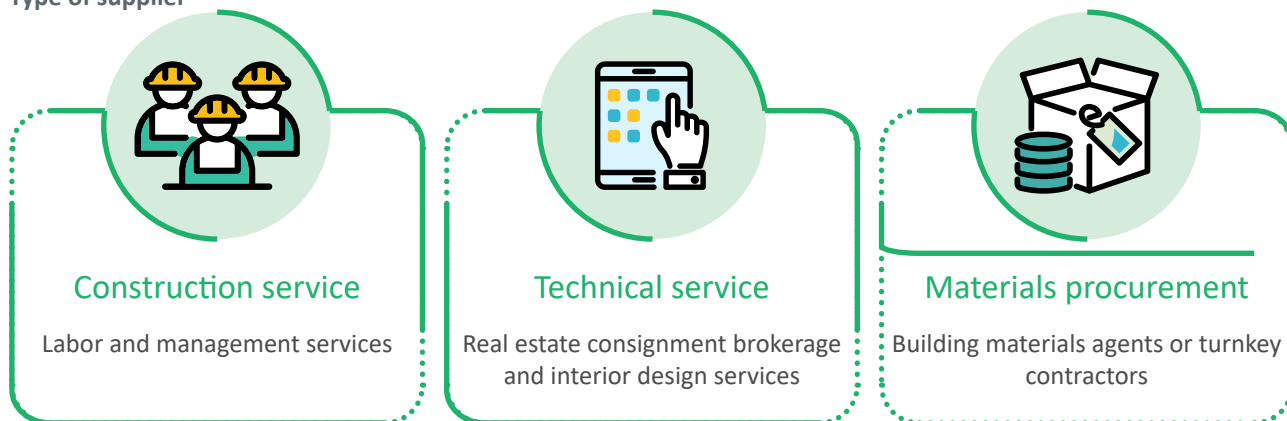
In supplier management, PHDC have extended the sustainable operations spirit we have been upholding to the upstream value chain. When selecting new suppliers or renewing contracts with existing suppliers, we include CSR-related issues in the selection and auditing items, hoping to promote sustainable 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 requested 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 so as to protect society and the environment with suppliers together.

■ Current Status of Cooperation with Suppliers

In 2023, PHDC worked with a total of 160 suppliers, mainly divided into 3 categories: construction contractors, technical service providers, and material procurement suppliers. Among them, technical service providers accounted for 69% of the total, followed by 27% of material procurement suppliers.

Type of supplier



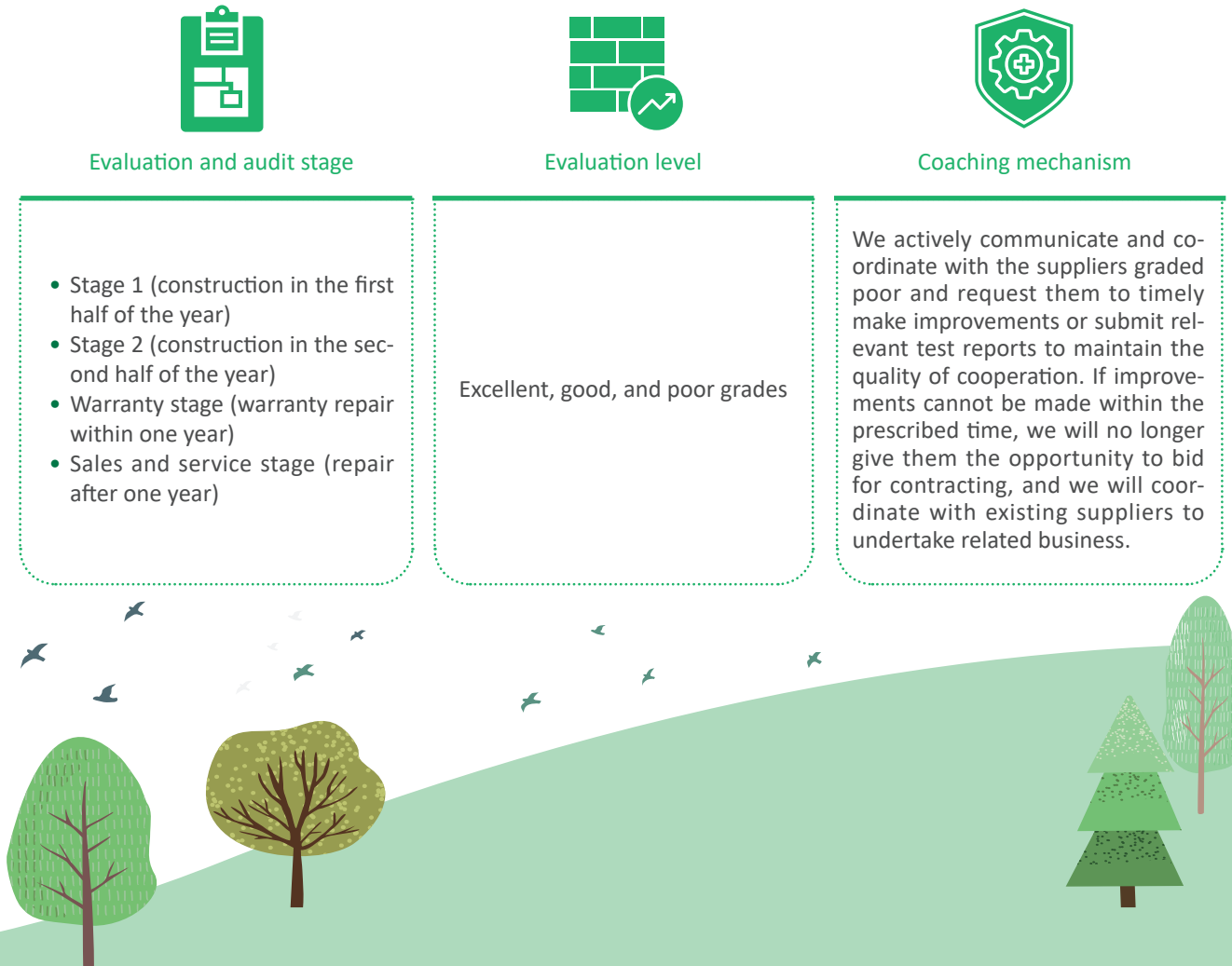
In support of the UN SDGs and the sustainable architecture policy forcefully promoted by the government, we actively implement the design factors of environmental sustainability, such as installation on solar panels and rainwater harvesting systems; prioritization of purchasing Green Building Material 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 2023, 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

In order to ensure the quality of suppliers, Prince Construction Business regularly evaluates all suppliers every year in terms of cooperation, quality, progress, labor safety, and after-sales service, etc. The evaluation and audit are conducted in four stages according to the construction period. We have established the "Supplier Evaluation and Grading System", which divides suppliers into excellent, good, and poor grades to strengthen the execution of supplier management. We actively communicate and coordinate with the suppliers graded poor and request them to timely make improvements or submit relevant test reports to maintain the quality of cooperation. If improvements cannot be made within the prescribed time, we will no longer give them the opportunity to bid for contracting, and we will coordinate with existing suppliers to undertake related business to avoid negative impacts such as construction delays or environmental pollution.

Regarding the construction project contractor evaluation, we have appointed the subsidiary Cheng-Shi Construction to audit the construction project contractors based on the construction stage. As there was no new construction project during the audit in 2023, no evaluation was conducted.

Supplier evaluation and audit mechanism of Prince Housing & Development



3.6 Climate and environmental management

GRI 201-2

■ Climate change response

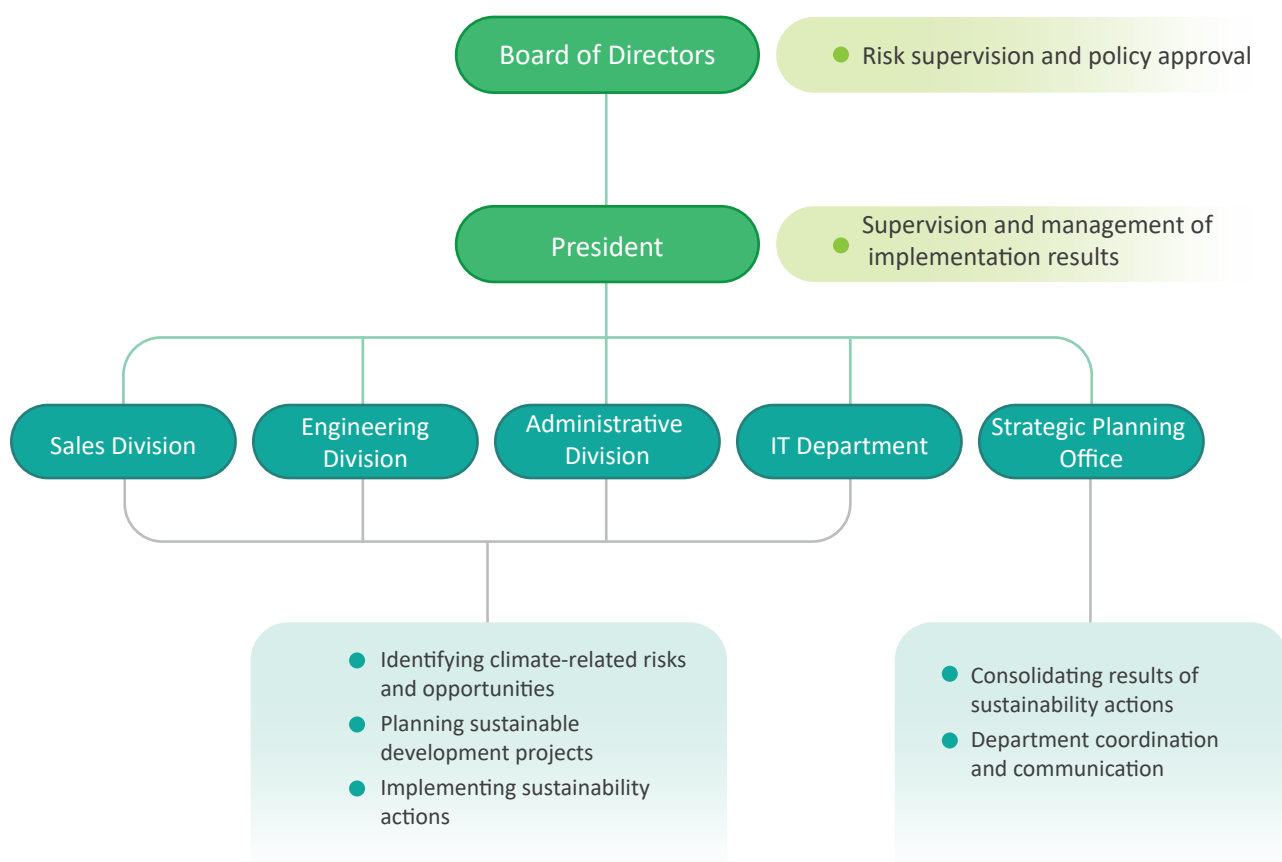
Climate change has become one of the severest risks around the globe and a topic that all businesses must face so as to understand more about climate-related impacts and draw up related counteractions in advance. Hence, starting in 2022, we began to enhance the disclosure of climate-related financial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

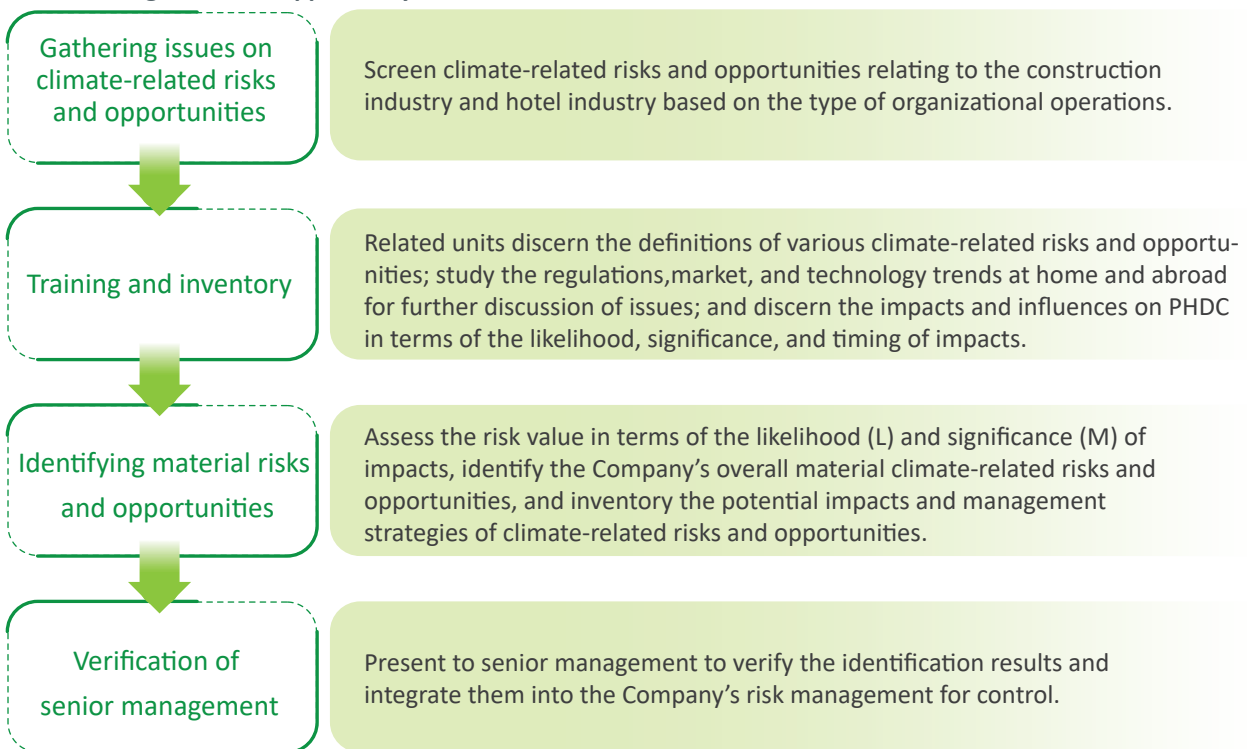
Climate Governance Organization Chart



■ Process of Identification and Assessment of Climate Change Risks and Opportunities

- PHDC convenes a climate change risk and opportunity identification meeting. Based on the list of transition risks, physical risks, and opportunities recommended by TCFD, and taking into account industry characteristics, we conduct strategic and financial impact assessments for risk and opportunity items, as well as risk adaptation and mitigation activities, R&D investment, business types, and locations of operations.
- Among them, the short-, medium- and long-term impact duration, degree of impact, and possibility of occurrence were defined for climate-related issues. Based on the materiality results and after discussion with members, we identified significant climate-related transition risks, physical risks and opportunities for the Company, also conducted analysis and evaluation to produce matrix diagram. The Company's climate change-related strategies in the future are formulated and confirmed and reported to the President. Ultimately, the Board of Directors is responsible for reviewing and guiding the climate change strategy, action plan, and annual goals. The implementation and reviewing the trend of GHG emissions are regularly monitored on an annual basis.

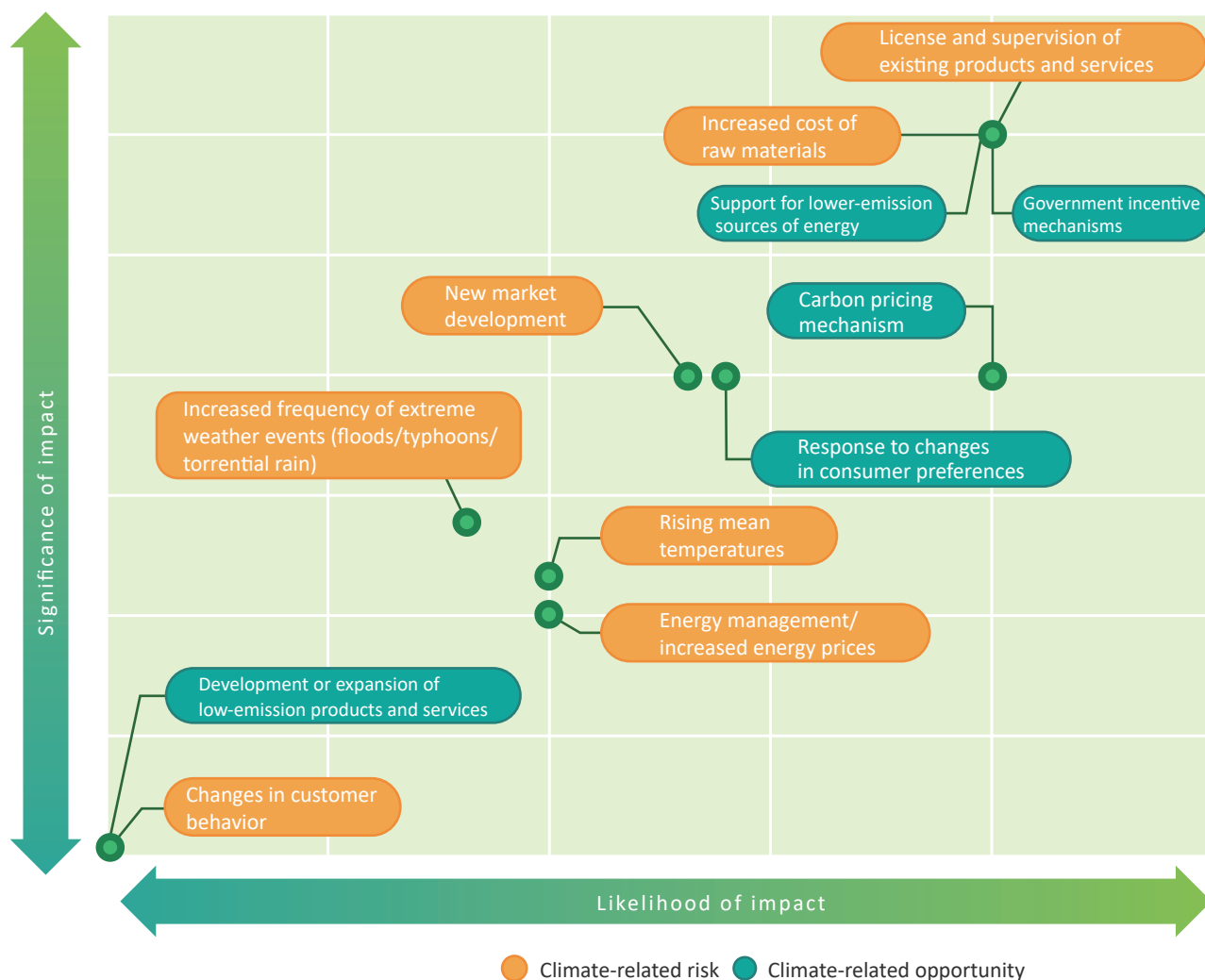
Climate Change Risk and Opportunity Identification Flowchart



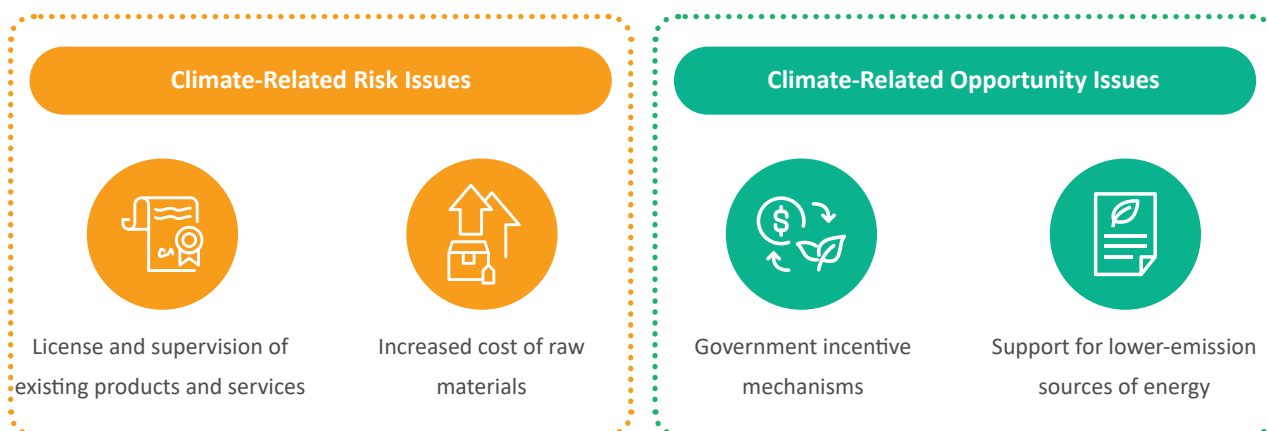
Assessment Items and Definitions of Risks and Opportunities

Item	Contents
Duration of Impact	<ul style="list-style-type: none"> • Short-term: <3 years • Medium-term: 3-10 years • Long-term: Over 10 years
Materiality	<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.
Types of climate-related 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 Change Risks and Opportunities



■ Climate Strategy

PHDC assessed the extent of impact and the possibility of occurrence of different issues, and inventoried its main potential financial impacts and countermeasures based on the results of risk and opportunity identification. The descriptions of the relevant issues are as follows:

Category of Risk/ Opportunity		Climate-Related Issue	Duration of Impact	Description of Operational and Potential Financial Impact	Counteraction
Risk	Policy and Legal Risks	License and supervision of existing products and services	Short-term	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. The tightening legal and regulatory requirements for rooftop heat shielding and drainage may increase the operating cost due to the increase in design and construction needs. Increased operating costs due to the investment in energy-efficient or intelligent home appliances (intelligent buildings) in design.	Gather the latest legal and regulatory requirements, team up with architects to design legal-compliant buildings, and assess cost efficiency.
	Market	Increased cost of raw materials	Short-term	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.	Enhance market survey and plan suitable costs based on the market value.
Opportunity	Policy and Legal	Support for lower-emission sources of energy	Short-term	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.	<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.
	Market	Government incentive mechanisms	Short-term	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.	<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.

GHG Management GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4

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 have implemented the ISO 14064-1:2018 GHG inventory system since 2022 and adopted the operational control inventory, with the inventory boundaries covering our offices in northern, central, and southern Taiwan, Academy Hotel, Prince House (NTU), Prince House (NCKU) and Prince House (STSP). The total emissions in 2023 were 4,487.567 Mt CO₂e, including direct (Scope 1) GHG emissions at 477.347 Mt CO₂e, accounting for 10.64% of the total; indirect (Scope 2) GHG emissions at 3,335.076 Mt CO₂e, accounting for 74.32% of the total; and other indirect (Scope 3) GHG emissions at 675.144 Mt CO₂e, accounting for 15.04% of the total. The total GHG emission intensity was 0.031 Mt CO₂e/m².



ISO 14064-1:2018
GHG inventory certificate

GHG Emissions of Prince Housing & Development

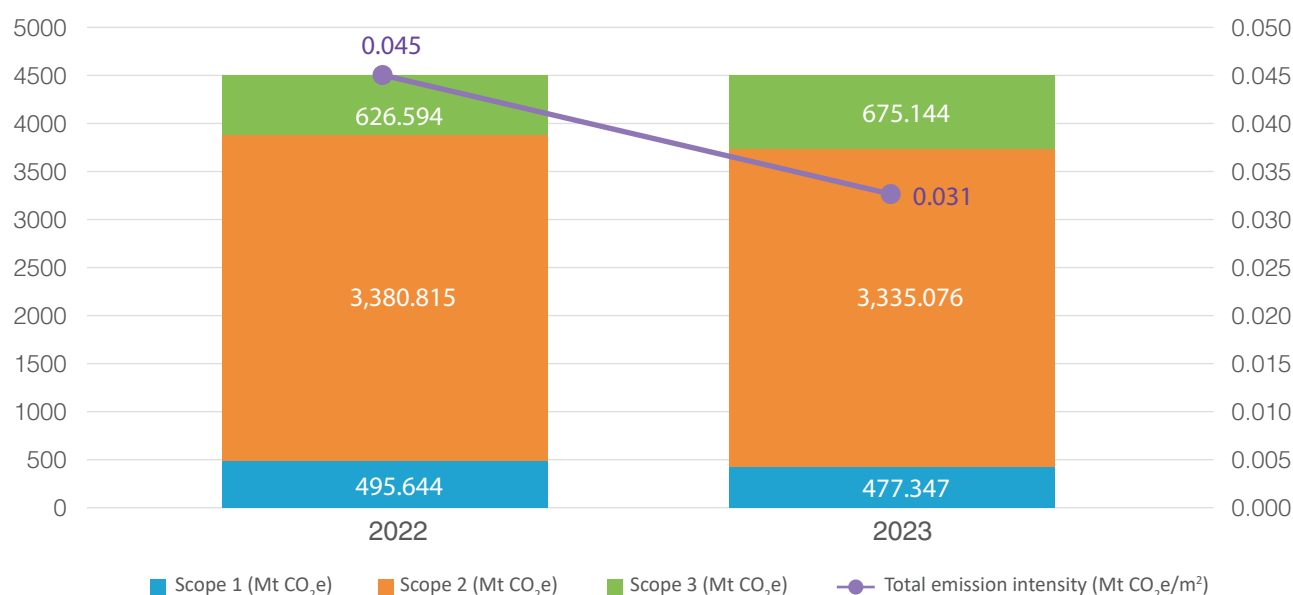
Year	2022	2023
Scope 1 (Mt CO ₂ e)	495.644	477.347
Scope 2 (Mt CO ₂ e)	3,380.815	3,335.076
Scope 3 (Mt CO ₂ e)	626.594	675.144
Total (Mt CO ₂ e)	4,503.053	4,487.567
Total emission intensity (Mt CO ₂ e/ m ²)	0.045	0.031

Note 1: The 7 types of GHGs in the inventory include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), nitrogen trifluoride (NF₃), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

Note 2: In 2022, the carbon emission coefficient value of electricity for 2021 was 0.509 kgCO₂e/kWh according to the latest published by the Bureau of Energy. In 2023, the carbon emission coefficient value of electricity for 2023 was 0.494 kgCO₂e/kWh according to the latest value published by the Bureau of Energy. 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.

Note 3: Total emission intensity = total GHG emissions/floor area (m²); the floor area of 2023 was added to the Prince House (STSP).

GHG emissions and intensity of Prince Housing & Development



Energy management GRI 302-1, GRI 302-3

The inventory boundary of PHDC's energy consumption inventory is the same as GHG. The main energy consumption comes from the electricity used by the Academy Hotel. In 2023, the electricity consumption of the headquarters was 2159.048GJ, accounting for 4.93% of the total consumption; the electricity consumption of Academy Hotel, Prince House (NTU), Prince House (NCKU), and Prince House (STSP) was 41,666.331 GJ, accounting for 95.07% of the total consumption, and a total electricity energy usage of 43,825.379GJ, with an electricity intensity of 0.301 Mt CO₂e/ m².

Electricity consumption of Prince Housing & Development

Year	2021	2022	2023
Electricity consumption (GJ)	39,904.089	42,118.666	43,825.379
Electricity consumption intensity (GJ/m ²)	0.403	0.424	0.301

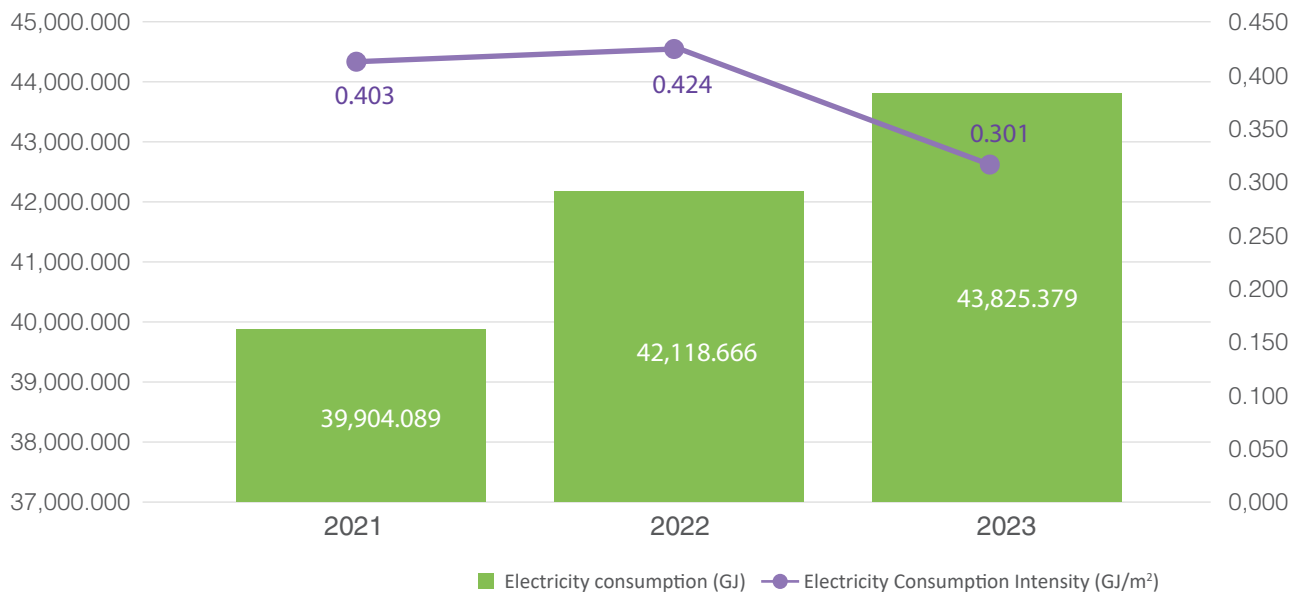
Note 1: The unit calorific value is derived from the unit calorific value table of energy products, Bureau of Energy, Ministry of Economic Affairs.

Note 2: GJ refers to gigajoules.

Note 3: The inventory boundary in 2021 includes our offices in northern, central, and southern Taiwan, Academy Hotel, Prince House (NTU), Prince House (NCKU), and two engineering offices; the inventory boundary in 2022 did not have construction sites; Prince House (STSP) was newly added into the inventory boundary in 2023.

Note 4: Electricity consumption intensity = electricity consumption/floor area (m²); the floor area of 2023 was added to the Prince House (STSP).

Electricity consumption and intensity of Prince Housing & Development



■ Actions for Energy Conservation and Carbon Reduction GRI 302-4, GRI 305-5

Apart from adopting various energy conservation measures for offices, dorms, Academy Hotel, and engineering offices, 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.

For the replacement of Class I energy-saving inverter air conditioners in the dorms and Academy Hotel, a total of 544 units of energy-saving inverter air conditioners was replaced in 2023 at Prince House (NTU) and Prince House (STSP); a total of 3,167 units are expected to be replaced in the entire area of Prince House (NTU). Starting from 2024, a total of 530 air conditioners will be replaced at Academy Hotel and Prince House (NCKU). This enables future tenants to continue to make use of the energy-saving and carbon reduction benefits and reduce the impact on the environment.

■ Energy conservation and carbon reduction measures of Prince Housing & Development

Region	Measure
 <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 2023, a total of 1,166 contact forms, 32,586 work attendance forms, and 16,851 administrative forms (including weekly work reports and receipts) have been approved electronically.
 <p>Dorms and Academy Hotel</p>	<ul style="list-style-type: none"> • Replace with Class I energy-saving inverter air conditioners • 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.
 <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. • Send personnel to check worksite lighting switches during 19:00-07:00. • Turn on the air-conditioning less often and open the windows more; set the temperature of the indoor air-conditioning uniformly based on the seasonal outdoor temperature (the air-conditioning is controlled at 26-28 degrees), and make a record for review or 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.

Columnar 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 2023 is as follows:

Recovered Item	Accumulated Recovered Volume	Quantitative results of energy saving and carbon reduction
LCD	77	Reduced 6.388 Mt CO ₂ e, equivalent to 532.354 fewer trees.
NB	28	
PC	165	
Other	97	
Total	367	



Water resources management

GRI 303-1, GRI 303-2, GRI 303-3

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 terms of water consumption, in addition to construction water for general construction sites, other water consumption mainly comes from the daily water consumption of our offices in northern, central, and southern Taiwan, dorms, and Academy Hotel. The statistics are based on the water consumption rate on the water bill.

In 2023, no water was used at construction sites; water consumption for offices was 13,997 tons, and water consumption for dorms and Academy Hotel were 308,243 tons. As the pandemic in Taiwan eased in 2023, students were fully allowed to return to school for physical education, resulting in an increase in water consumption of 27.4% compared to 2022. 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.

Water consumption statistics of Prince Housing & Development

Year	2021	2022	2023
Office area			
Water Consumption (MT)	10,148	13,793	13,997
Water Intensity (MT/m ²)	1.88	2.55	2.59
Dorms and Academy Hotel			
Water Consumption (MT)	233,721	241,957	308,243
Water Intensity (MT/m ²)	2.49	2.58	2.20

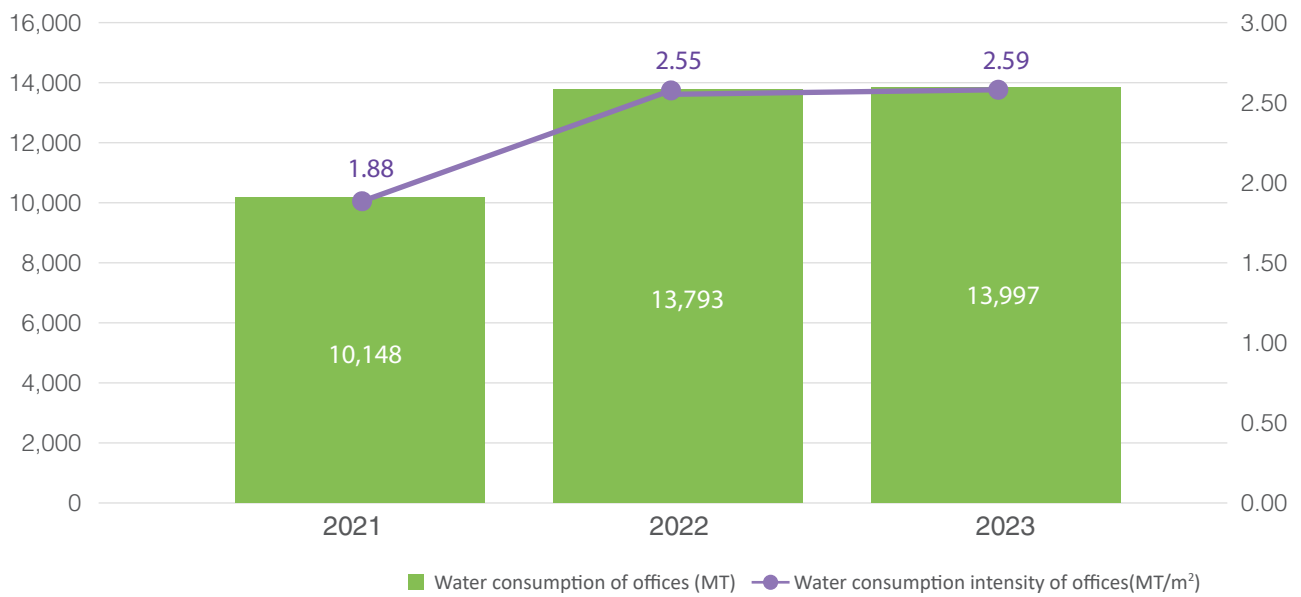
Note 1: The inventory boundaries of dorms and Academy Hotel covered Academy Hotel, Prince House (NTU), and Prince House (NCKU); Prince House (STSP) was newly added into the inventory boundary in 2023.

Note 2: Water consumption intensity = water consumption (MT)/floor area (m²).

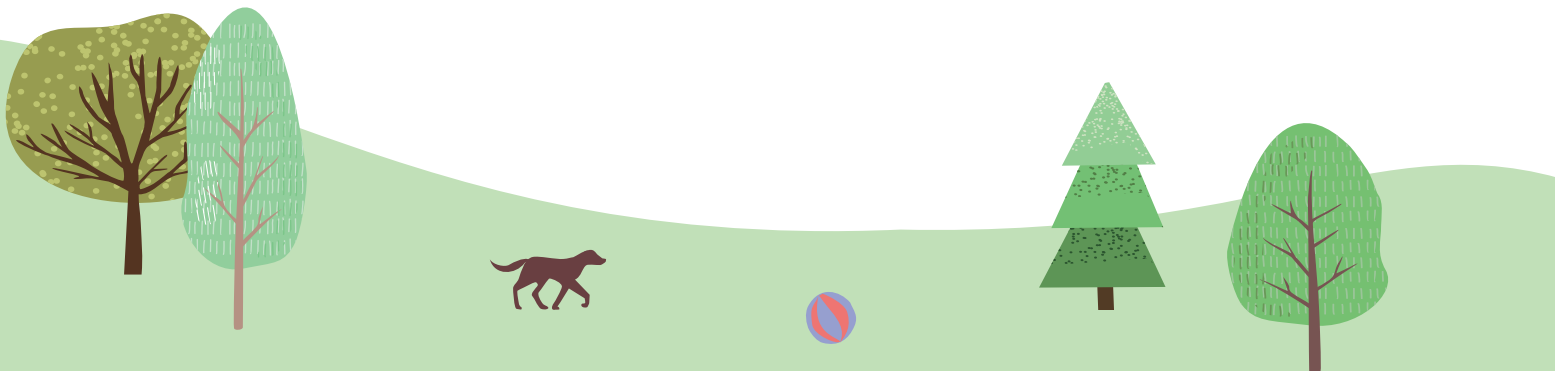
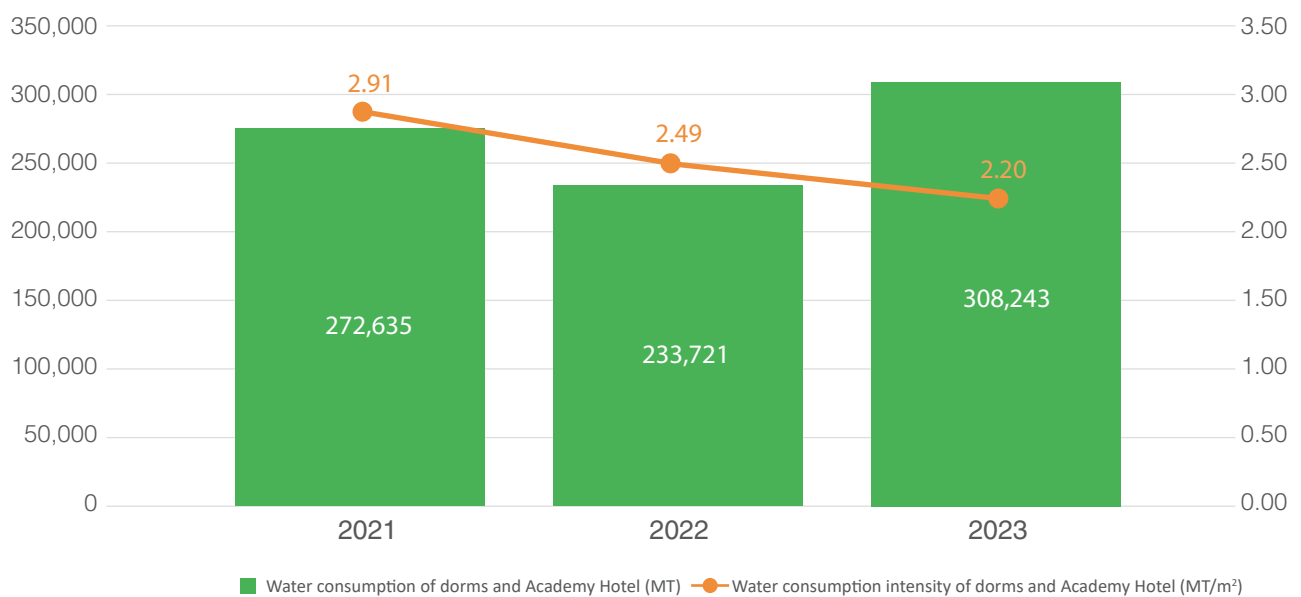
Note 3: None of PHDC's operating sites draws water from regions with high water stress.

Note 4: Water consumed by offices, dorms, Academy Hotel, and engineering offices is all from Taiwan Water Corporation.

Water consumption and intensity of offices



Water consumption and intensity of dorms and Academy Hotel



Waste management GRI 306-2

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. In 2023, there were no construction sites, and the total amount of site waste was 0 MT.

Environmental Protection Expenditure GRI 2-27

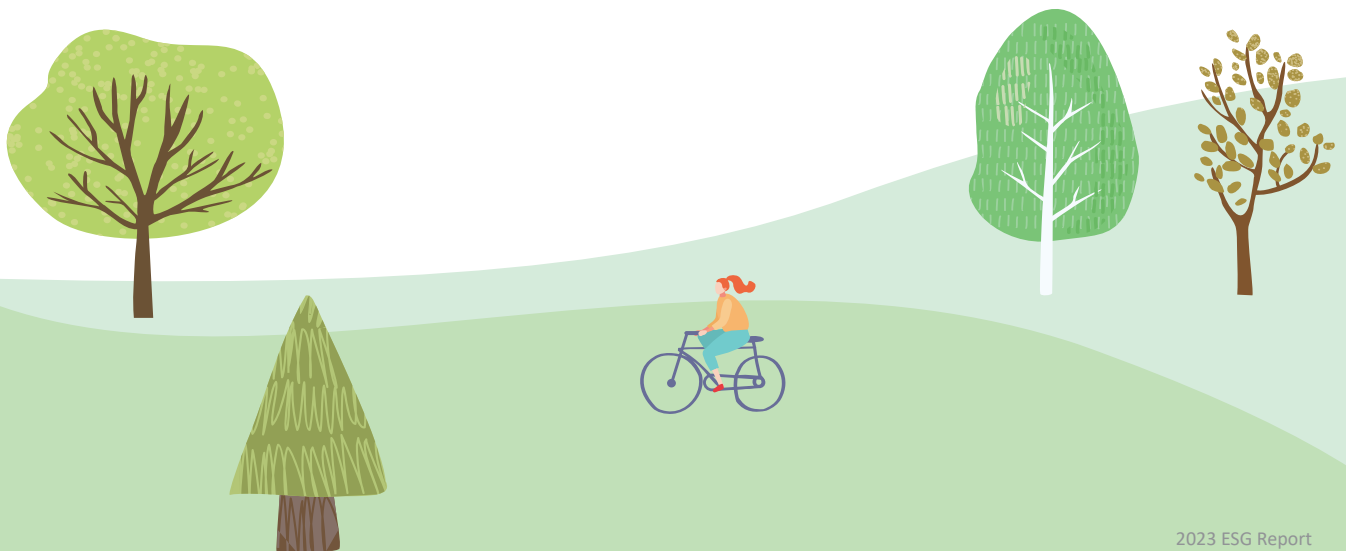
We actively invest in environmental protection and reduce related environmental impacts. In 2023, our environmental expenditure was NT\$ 1,992,000, which was mainly spent on basic garbage removal. As there was no internal projects last year, there was no waste removal and air pollution expenditures. In the future, PHDC will continue to make an effort to invest in solar energy projects, green fences and rainwater recycling and reuse equipment in construction projects, demonstrating our determination to maintain the environment during operations and introduce green energy.

Environmental Expenditures Over the Years

(expressed in thousand NTD)

Environmental Protection Expenditure	2021	2022	2023 (Note)
Expense on worksite waste disposal	2,451,504	-	-
Expense on domestic waste disposal	423,450	132,000	1,992,000
Expense on air pollution control	162,374	-	-
Solar PV projects	-	-	-
Rainwater harvesting systems	955,100	-	-
Total	3,992,428	132,000	1,992,000

Note: In 2023, the data of inventories of environmental protection expenditures for Academy Hotel, Prince House (NTU), and Prince House (NCKU).



4

Improving Quality for Customer Service

4.1 Quality customer communication and service



Material topics covered in this chapter

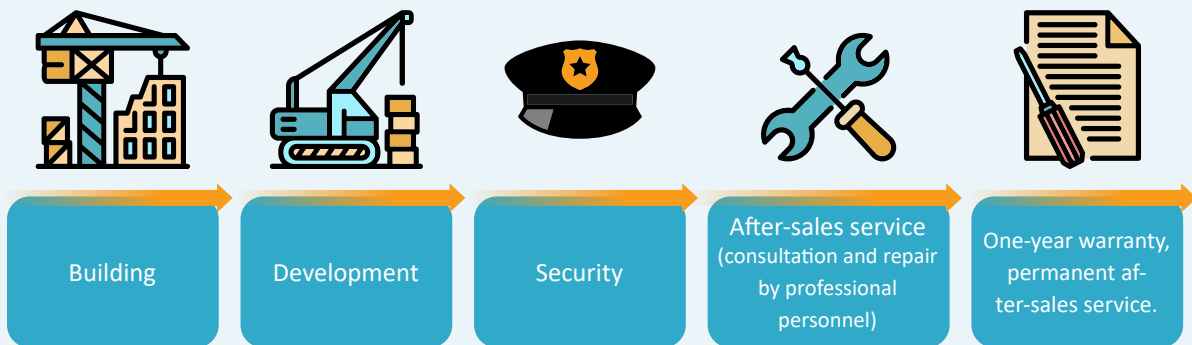
Customer rights and interests and service quality

Material Topics	Customer rights and interests and service quality
GRI Indicators	GRI 3-3, GRI 417-1
Impact Description	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.
Policies and Commitments	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.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> 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. We conduct customer satisfaction surveys periodically to discern and improve our customer communication management strategies, enhance the protection of rights and interests and improve the quality of service for customers to enhance customer satisfaction. <p>Negative impact management:</p> <ul style="list-style-type: none"> 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. Employees' thoughts and suggestions on the courses are understood through the feedback from the satisfaction survey after the internal training courses to continuously improve the internal training courses. 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.
Goals	<ul style="list-style-type: none"> Maintain a highly satisfied customer satisfaction level of 90% Increase the percentage of after-sales service completed within 7 days to 65% Maintain 0 information breach Maintain 0 deceptive adverts and 0 find for non-compliance
Effectiveness Assessment	<ul style="list-style-type: none"> Customer satisfaction survey in 2023 was 100% satisfied (satisfied or very satisfied) In 2023, the achievement rate of after-sales service and repairs completed was 98.5%. In 2023, the achievement rate of after-sales service and repairs completed within 7 days was 69.9%.
Resources	The northern, central and southern regions of the operations division are assigned 1-2 people, and the shortfall will be made up by sales personnel.
Responsible Unit	After-sales service unit of the operations division
Grievance Mechanism	<ul style="list-style-type: none"> Northern region: 0800-025555 Central region: 0800-423153 Southern region: 06-282-1155 <p>https://www.prince.com.tw/contactus.php</p> <p>After-sales services are reported to the sales supervisors of the operational groups in each region, and department heads of various regions will discuss the problems and discuss the solutions before reporting to the group head or President to approve the handling method.</p>

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.

■ Integrated Service



4.1 Quality customer communication and service GRI 417-1

■ 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.

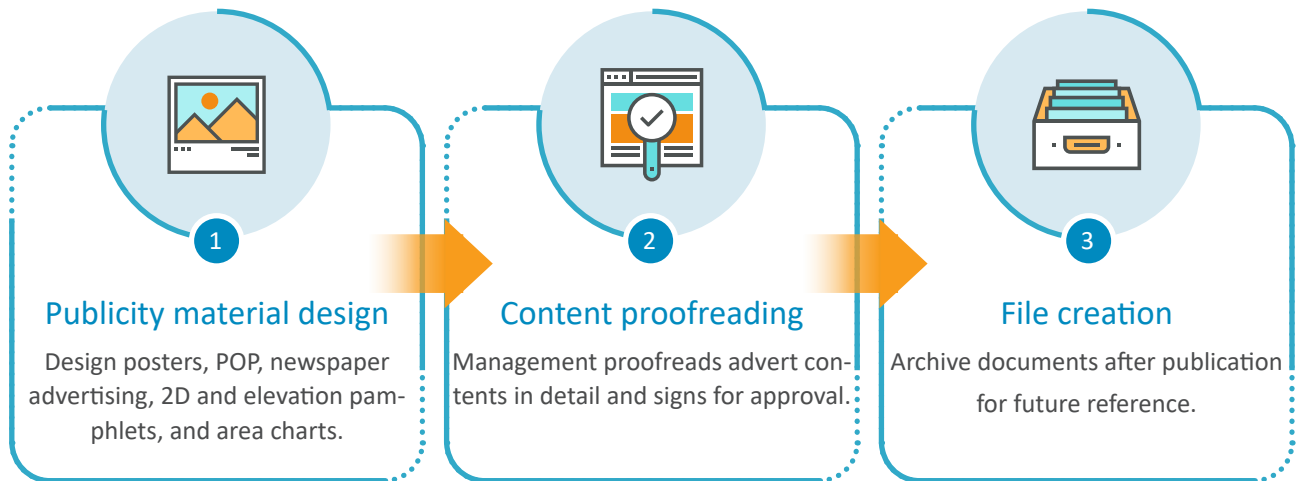
In terms of model home preparation, we also assign responsible personnel to ensure that the size of the model home is identical to the drawings to ensure transparency of marketing information. Other publicity materials, such as posters, POP, newspaper advertising, 2D and elevation pamphlets, and area 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 2023, 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

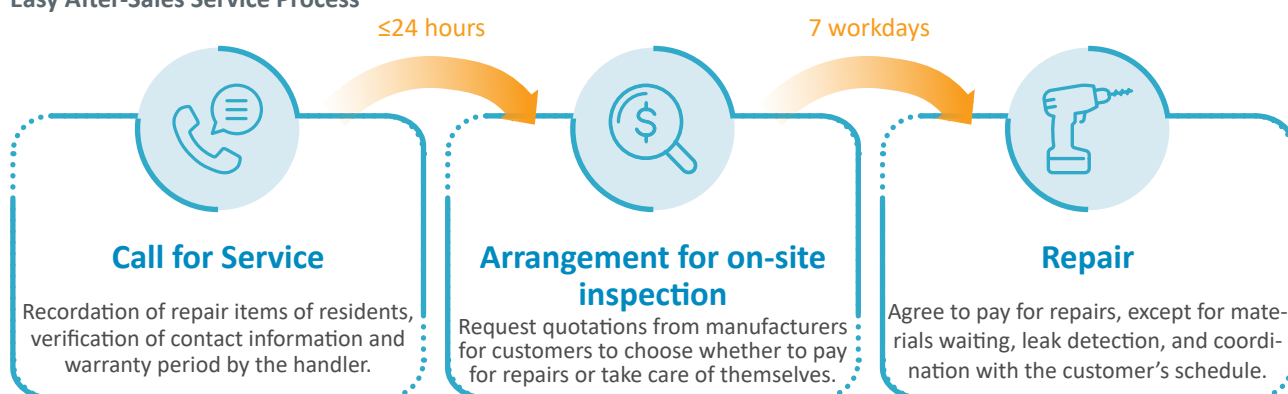
In addition to marketing campaigns, we also elaborately plan the user manual exclusive to each construction project for customers to get familiar with the product more easily. Apart from the thoughtful reminder on the points for notice for pre-occupation decoration management, household move-in registration, 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.

Easy After-Sales Service Process



■ 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 2023 we received 597 calls for service from Taipei, Taichung, Tainan, and Kaohsiung through the after-service process and completed the repair for 588 cases, with an accomplishment rate of up to 98.5%.

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 2023, 69.9% of repair cases were completed within 7 days, similar to last 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 2023

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	23	23	100.0%	23	100.0%
Central Taiwan	113	111	98.2%	100	90.1%
Tainan and Kaohsiung	461	454	98.5%	288	63.4%
Enterprise-wide	597	588	98.5%	411	69.9%

Column Story - Touching After-Sales Service Cases - Cozy Prince Mansion

片名	高樓
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樓層	2樓及3樓
描述	本樓外牆二樓及三樓於2023年6月1日發現有裂縫及凸出問題，在8月6日通知太子樓管理處，公署可協助調查，於8月14日第二次發現外牆二樓及三樓有裂縫及凸出問題，經8月21日完成施工，外牆二樓及三樓外牆裂縫及凸出問題已修復，並有維修報告及安全證書，本樓管理處已將太子樓管理處及維修報告，並有維修報告及安全證書。
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日期	2024/12/21 03:21:03

- A letter of thanks from the resident of Prince Cloud Zone C



- The resident reported for repairing a bulge and crack in the tile on the external wall of the fourth floor near the road. After an investigation, and in consideration of the safety of people and vehicles, the Company decided to remove the tile on the wall for re-tiling.



- The protection of construction scaffolding was completed, and the external wall tiles were fully demolished



- Completed water-proofing coating of the external wall



- Completed external wall tiles

- Status after completion



On June 1, 2023, the resident discovered cracks and bulges on the rectangular tile of the external wall. The resident called the sales service department on June 6. The resident sent personnel to check the problem immediately on June 8, and a second inspection was conducted on June 14. After the inspection, the rectangular tile of the external wall was removed and redone, and the completion. The delivery was conducted on August 21, completing the troubleshooting with the highest efficiency.

Column Story - Touching After-Sales Service Cases - Prince Xinyi



- After each shower, water seeped out the shower



- First shower pan flood test

- There was water seeping out the shower



- Removal of tiles from the shower area to be waterproofed and re-painted



- Demolition and reconstruction of floor including threshold

- Inspected to see if the silicone was complete, and no further water seepage after testing by customer



On September 11, 2023, the resident noticed that water was gradually escaping from the shower, and they called the after-sales department. PHDC immediately dispatched personnel to check it on September 14, and conducted the first shower pan flood test on October 23 and the result was that water on the corners was gradually seeping out. The tiles in the shower area were removed from the wall, and the floor including the door sill was removed, the waterproofing was redone, and the shower sliding door re-installed. The final delivery was completed on February 27, 2024, with the completeness of silicone examined. The customer tested the water and no further water seepage occurred.

During the construction period, the director will inform the construction progress in advance every week, and thoroughly improve the safety measures. In doing this, the residents can understand and feel more at ease, and that we take responsibility for the problems raised by the residents, which has won the trust and positive evaluation of the customers.

Upholding PHDC after-sales service principle, we explain and communicate with 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 2023, the Taipei, Taichung, and Kaohsiung Branch Offices respectively and randomly sampled 4, 113, and 85 customers who reported repairs for satisfaction survey. The responses were 100% satisfied (satisfied or very satisfied).



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



Creating A Happy Workplace

5.1 Friendly and equal workplaces

5.2 Well-designed salary and
benefits

5.3 Diversified career development
and training

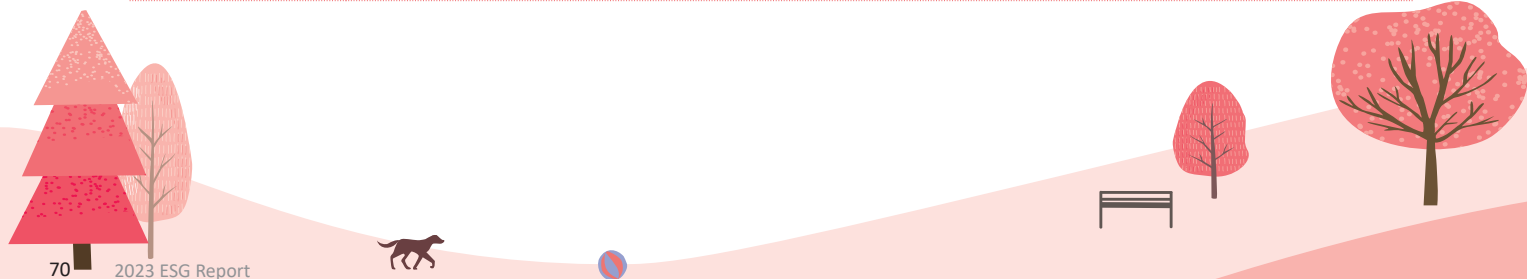
5.4 Safe and healthy workplace
environment



Material topics covered in this chapter

Talent cultivation, occupational health and safety

Material Topics	Talent Development
GRI Indicators	GRI 3-3, GRI 404-1~404-3
Impact Description	Employees are the cornerstone of PHDC's upward development. We are committed to promoting equality and safety in the workplace, taking care of the physical and mental health of our employees, providing them with comprehensive benefits and development opportunities, and creating a happy workplace environment.
Policies and Commitments	We provide a learning channel for employees to maximize their professional capabilities, plan relevant training courses based on the needs of talent such as their majors and general knowledge, and continue to improve the capabilities of team employees through equal and diverse learning.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> 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. <p>Negative impact management:</p> <ul style="list-style-type: none"> An unfair performance evaluation system will affect employee remuneration and lead to a decrease in employee retention rate. Therefore, we uphold a fair and just performance evaluation, which does not differ due to gender or age. Their immediate supervisors evaluate their attendance rate and job performance. Employees' thoughts and suggestions on the courses are understood through the feedback from the satisfaction survey after the internal training courses to continuously improve the internal training courses.
Goals	Each person should at least 12 hours of annual training, and the professional course hours should be more than 50% of the annual training hours.
Effectiveness Assessment	We plan internal and external training courses for different stages and needs, and set annual education and training plan goals for each department. We also track the diversified learning and development of employees through the internal digital learning website and education and training system to support the innovation of potential talent.
Resources	The education and training team leader of each unit applies for and organizes relevant courses according to the needs of the unit. The management unit compiles an annual report and submits it to the supervisor for approval and reference for the training plan for the next year.
Responsible Unit	Management Department, Human Resources Department
Grievance Mechanism	We value the opinions and views of each employee, and encourage employees to communicate with their immediate supervisors. They can also send emails to the President at any time through the Company's email. At the same time, we will conduct questionnaires on a regular basis to collect feedback from employees.



Material Topics	Occupational health and safety
GRI Indicators	GRI 3-3, GRI 403-1~403-10
Impact Description	The increase in occupational accidents will affect the Company's reputation and endanger the health and safety of all workers. We believe that the only way to reduce the negative impact is to provide a healthy and safe working environment for them.
Policies and Commitments	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. The Code of Labor Safety and Health is formulated and the environmental safety audits are conducted regularly. We have also included our contractors as safety partners, and informed them of their risk awareness through the labor safety rules, creating a healthy and safe workplace, so that employees can feel more assured at work and achieve better results.
Action Plan	<p>Positive impact management:</p> <ul style="list-style-type: none"> We have formulated action plans such as the "OH&S Education/Training Programs", "Full Construction Period Self-Inspection Program", "Regulations for Labor Safety Control", "Construction Disaster Prevention and Rescue Plan", and "Emergency Recuse System and Reporting System". These rules help the Company effectively manage occupational safety and health and provide employees with a healthy and safe working environment to protect their rights and interests in health and safety at work. <p>Negative impact management:</p> <ul style="list-style-type: none"> We have established an emergency response mechanism. In each construction project, an emergency response team will be established to implement response measures according to the tasks of communication first aid, rescue/firefighting, traffic control/electrical and mechanical, support, and public relations. This way, an emergency can be well responded to and dealt with appropriately.
Goals	<p>Short-term (2024-2025):</p> <ul style="list-style-type: none"> Continue to organize or participate in 5 occupational disaster prevention lectures. Increase occupational safety and health education and training to 300 hours/relevant engineering personnel to participate in more than 6 hours of training per year. <p>Medium- and long-term (2026 ~ 2030):</p> <ul style="list-style-type: none"> Zero major occupational accidents and occupational diseases. The Financial Secrecy Index (FSI) is less than 0.5. Continue to organize 6 occupational disaster prevention lectures. Increase occupational safety and health education and training by 400 hours.
Effectiveness Assessment	<ul style="list-style-type: none"> In 2023, all construction sites of PHDC were completed, and there were no employee occupational injuries, non-employee work-related injuries, occupational illnesses, or unfortunate work-related fatalities. In 2023, both the disabling injury frequency rate and disabling injury severity rate were 0.
Resources	Internal and external lecturers
Responsible Unit	Contractual organization meeting, Project Engineering Offices, Engineering Management Department, Engineering Group Office, President's office
Grievance Mechanism	Engineering Department 06-2821155#2301



5.1 Friendly and equal workplaces

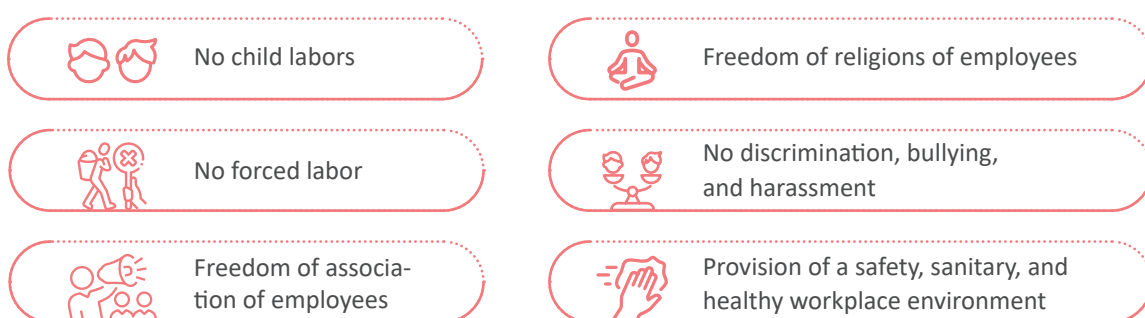
GRI 2-7, GRI 2-8, GRI 2-23, GRI 2-25, GRI 401-1, GRI 402-1, GRI 405-1

Prince Housing & Development insists on fulfilling CSRs and protects the basic human rights of all employees. We are committed to complying with internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights and the United Nations Global Compact. Since 2018, we have established the "[Human Rights Policy](#)" of Prince Housing & Development, which prohibits any form of forced labor and child labor. We respect the employees' freedom of assembly and association and religious beliefs. We oppose discrimination, bullying, and harassment, provide a safe, hygienic, and healthy work environment, comply with local labor laws and regulations, and eliminate human rights violations. 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 Management Process



Human Rights Issues Concerning PHDC:



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>

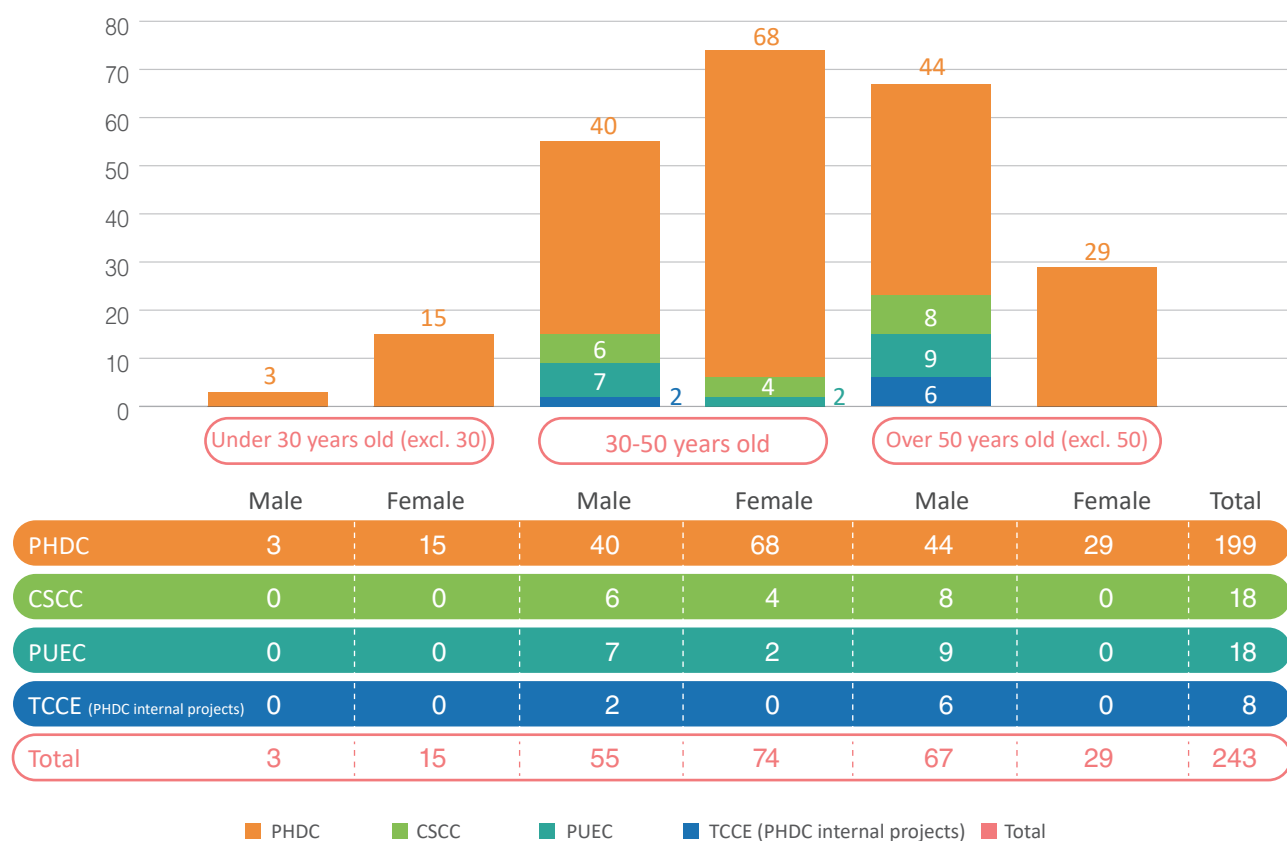
Employee composition and diversity

PHDC values the basic rights and interests of employees, especially labor and human rights conditions, hoping to create a friendly working 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.

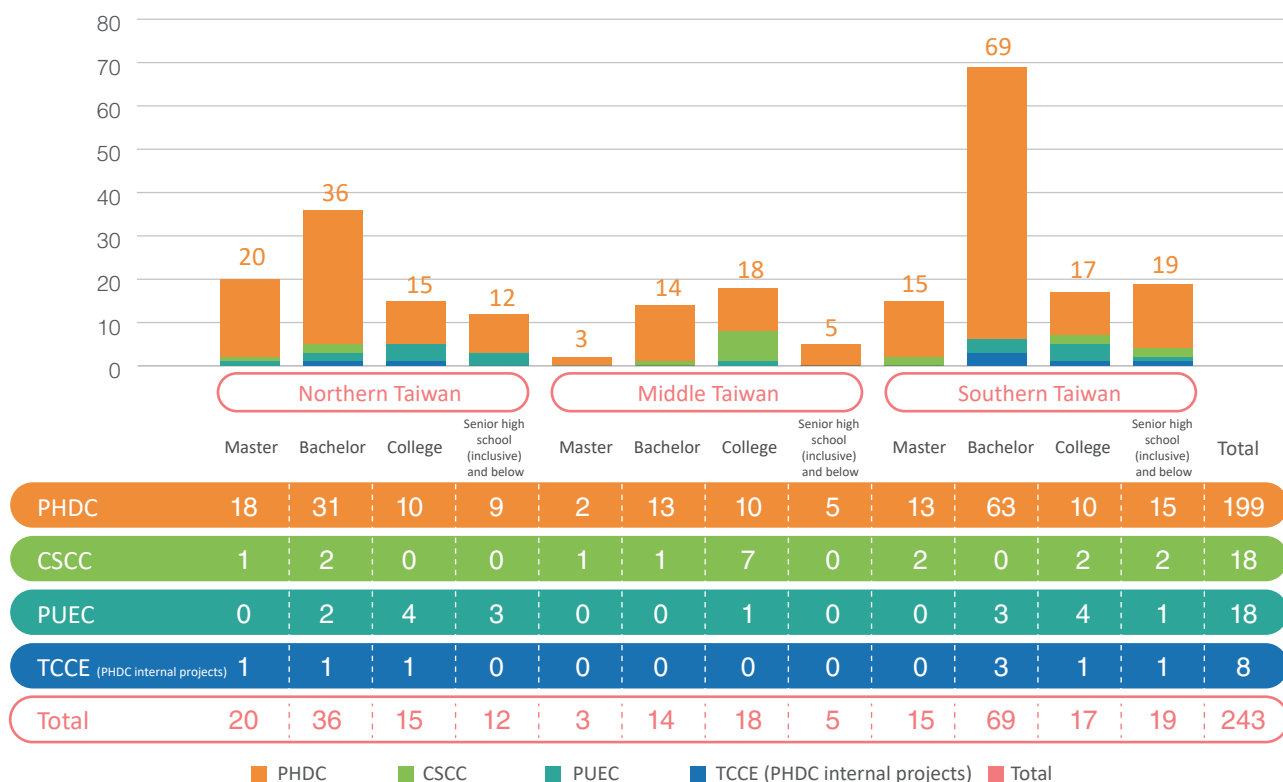
By the end of 2023, the total number of employees of Prince Construction Business was 243 persons. All are citizens of Taiwan. In terms of gender, 51% of employees are male and 49% are female. In employee distribution, employees in northern, central, and southern regions were 34.1%, 16.5%, and 49.4% 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 1 female in southern Taiwan who were dispatched labor.

In 2023, based on age distribution, 53% were aged 30-50 years, 7% were aged under 30 years, and 40% were aged over 50 years. Most of the employees in Prince Construction Business have a bachelor's degree, accounting for about 49%.

Employee Composition of Prince Construction Business by gender and by age



Employee Composition of Prince Construction Business: By region/educational background



2023 new employees of Prince Construction Business

Gender	Age	Northern Taiwan	Middle Taiwan	Southern Taiwan	Total	Rate of New Employee Hires ^(Note)
Female	<30 years old	1	0	5	17	14.41%
	30-50 years	2	2	6		
	>50 years	0	0	1		
Male	<30 years old	0	0	2	11	8.80%
	30-50 years	0	0	6		
	>50 years	1	0	2		
Total		4	2	22	28	11.52%

Note: Rate of new employee hires = Number of new employee hires in each category/Total number of employees in each category at the end of year

2023 employees resigned from Prince Construction Business

Gender	Age	Northern Taiwan	Middle Taiwan	Southern Taiwan	Total	Rate of New Employee Hires ^(Note)
Female	<30 years old	0	0	0	8	6.78%
	30-50 years	2	2	2		
	>50 years	1	1	0		
Male	<30 years old	0	0	2	23	18.40%
	30-50 years	3	5	4		
	>50 years	6	1	2		
Total		12	9	10	31	12.76%

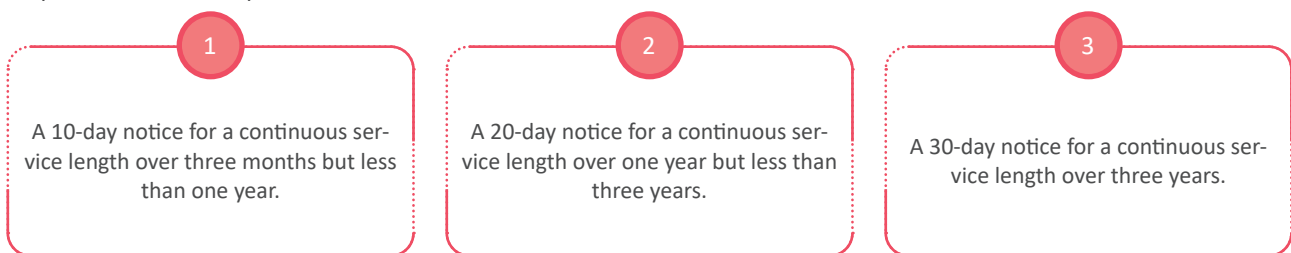
Note: Rate of employee turnover = Number of employee turnover in each category/Total number of employees in each category at the end of year.

■ Unfettered communication and grievance channels for employees

We value each employee's opinions and views, and encourage employees to communicate with their immediate supervisors if they have any needs. If there are matters that need to be addressed, employees can send letters directly to the President through the company's mailbox at any time. We also conduct regular questionnaires to ensure that employee opinions and feedback are fully collected.

■ Labor-management communication channel

At PHDC, we value the participation of employees in company affairs through a multifaceted mechanism. In terms of communication between the labor and management, we hold quarterly labor-management meetings to discuss and explain to the labor representatives various major business developments and operational decision-making contents of the Company. In 2023, the attendance rate of both the labor and management was 95%. If there are any major operational changes, the Company will comply with Article 16 of the Labor Standards Act and give notice 30 days in advance. In accordance with the law, if the employer terminates the contract without giving the required notice, the salary shall be paid for the notice period.

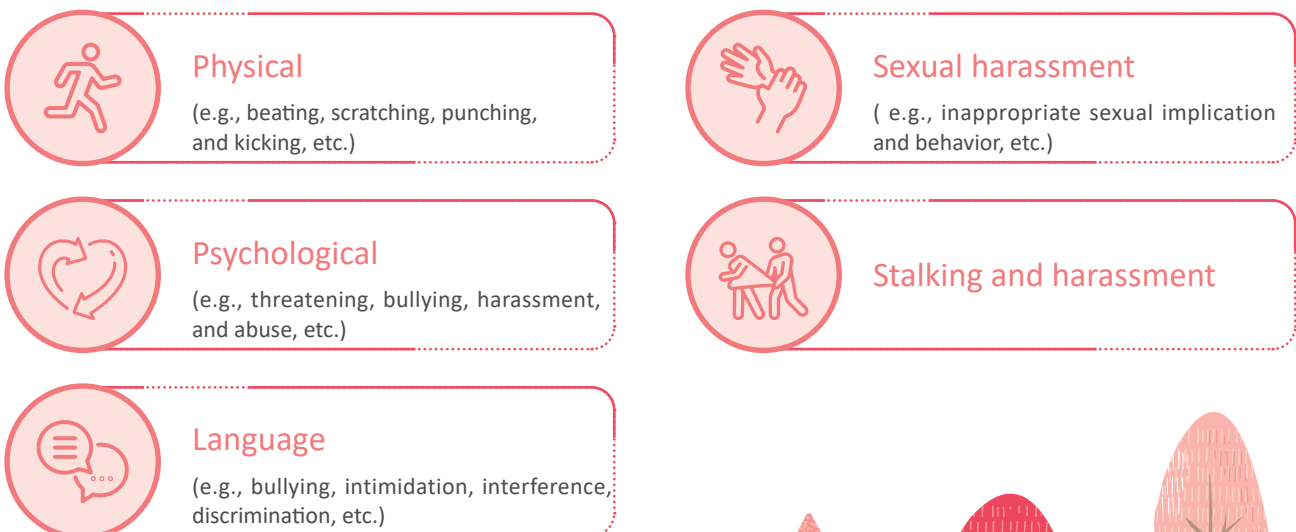


In addition, we actively listen to new employees' needs and reasons for resignation, then communicate and adjust as necessary to ensure smooth communication channels.

■ Gender equality grievance channel

PHDC is committed to gender equality in the workplace. The work rules clearly specify the definition of workplace abuse, and a written statement is published on the bulletin board for publicity. In addition, we provide a complete grievance channel (including mailbox, hotline, and questionnaires) for incidents of harassment and sexual harassment, protecting the rights and interests of employees.

Patterns of workplace misconduct:



5.2 Well-designed salary and benefits

GRI 2-20, GRI 201-3, GRI 401-2, GRI 401-3

PHDC provides employees with stable remuneration conditions that are competitive in the market. We have established a Remuneration Committee to formulate and review performance evaluation and remuneration policies, systems, standards and structures. Remuneration is determined based on factors such as employees' educational background, professional knowledge and technology, seniority, personal performance, and the reasonableness of remuneration in a timely manner depending on the actual business conditions and relevant laws and regulations. Relevant proposals are submitted to the Board of Directors for review and decision-making. In addition, we adhere to the principle of equal pay for men and women for equal work, and the starting salary of employees does not differ based on gender.

In 2023, we disclosed the salary information of full-time non-managerial 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. The average salary of full-time non-managerial employees in 2023 decreased by 27.73% compared with that of 2022, and the median salary decreased by 32.35% compared with that of 2022.





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)
2023	185	782	709
2022	180	1,082	1,048
Growth Rate	2.78	-27.73	-32.35

Note: Full-time non-management employees are non-officers as defined in Letter Tai-Cai-Cheng-San-Zi No. 0920001301, 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 their physical and mental health, apart from offering benefits including Labor Insurance, National Health Insurance, group insurance (accidental injury insurance, medical injury 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 employee of Prince Construction Business is entitled to apply to EWC for the applicable benefits. In 2023 a total of 240 employees of Prince Construction Business applied for relevant benefits and more than NT\$ 1 million was invested in the employees to strive to provide employees with diverse benefits.

Benefits and Number of Applicants in 2023

Benefit	Number of Applicants
 Weddings and funerals	1 marriage subsidy, funeral subsidy for 15 people.
 Childbirth subsidy	Childbirth subsidy for 2 people.
 Child Education Benefit	In 2023, a total of 160 people applied. A total of 79 applications were received at the second semester of academic year 2022 and 81 applications were received at the first semester of academic year 2023. The applications for education benefits did not include the applications for scholarships.
 Scholarships for Children	In 2023, a total of 71 people applied. Among them, 35 people applied for the second semester of the 2022 academic year, and 36 people applied for the first semester of the 2023 academic year.

■ Parental leave

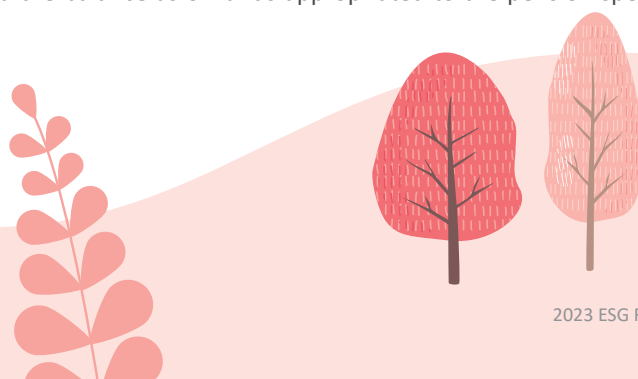
In view of the parenting need of employees, employees after working at PHDC for six months may apply for parental leave of not more than two years to take care of children under three years old in accordance with the Act of Gender Equality in Employment and Regulations for Implementing Unpaid Parental 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 2023, the reinstatement rate of employees who applied for unpaid parental leave was 50%, and the retention rate was 100%.

Status of Unpaid Parental Leave in 2023

Item	Number of male applicants	Number of female applicants	Total
Total number of employees entitled to parental leave in 2023 (A)	7	7	14
Total number of employees taking parental leave in 2023 (A)	0	3	3
Total number of employees returning to work after the end of parental leave in 2023 (C)	0	2	2
Total number of employees returning to work in 2023 after the end of parental leave in 2023 (D)	0	1	1
Total number of employees returning to work in 2022 after the end of parental leave in 2022 (E)	1	2	3
Total number of employees returning to work in 2022 after the end of parental leave and still employed 12 months after their return to work (F)	1	2	3
Rate of applications for unpaid parental leave (B/A)	0	43%	21%
Return to work rate (D/C)	Not applicable	50%	50%
Retention rate (F/E)	100%	100%	100%

■ Retirement Plan

At Prince Group, 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 despoite 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 2023, we appropriated a total of NT\$ 56,682 thousand as the pension fund for both plans. By December 31, 2023, the amount of recognized labor retirement reserve fund for the Old System was about NT\$ 25,305 thousand, and the balance as of funds appropriated to the pension special account of the Old System was NT\$ 139,119 thousand.

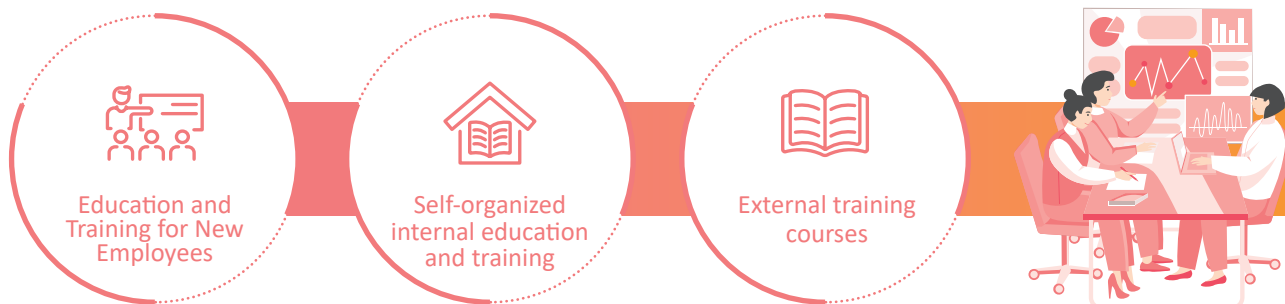


5.3 Diversified career development and training

GRI 404-1, GRI 404-2, GRI 404-3

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 map



■ 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 establish the annual education and training plan according to the duty needs to improve the professional competencies of employees through professional courses. In 2023, we conducted internal training on corporate governance regulations and the Company's ESG promotion measures. At the same time, in response to sustainability trends, we will organize courses on "low-carbon buildings" to strengthen our colleagues' understanding of the industry and sustainability. In response to the increasing demand for information security, in 2023, PHDC held an information security awareness campaign to raise employees' awareness of information security protection and reduce the risk of information hazards. To enhance a friendly working environment, we regularly organize courses on gender equality and workplace sexual harassment prevention to reinforce the prevention of unequal treatment based on gender. PHDC also values the health of our internal colleagues and organizes different health management and promotion courses every year, such as self-management courses for employees with high health risks, and consultation and guidance on work-life balance. From reminding employees of their health self-management capabilities to caring for the body and mind of our employees, we initiate various health promotion activities to create a healthy workplace culture.

In 2023, Prince Construction Business provided accumulated 3,454 hours of internal training for a total of 65 courses, and the course satisfaction survey averaged over 9.4 points.



Information security awareness promotion



Creating a healthy workplace - beginner strength training

External education and training

We also encourage employees to take external training courses to make continual self-improvement. By participating in seminars, city exhibitions, or related courses, employees can formulate strategies and marketing of residential products to cope with the rapidly changing market demand in the face of aging issues in the future. We participated in the 2023 Smart City Exhibition and learned from design to construction methods and materials for carbon reduction, and the introduction of smart IoT, aimed to optimize building quality. 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.

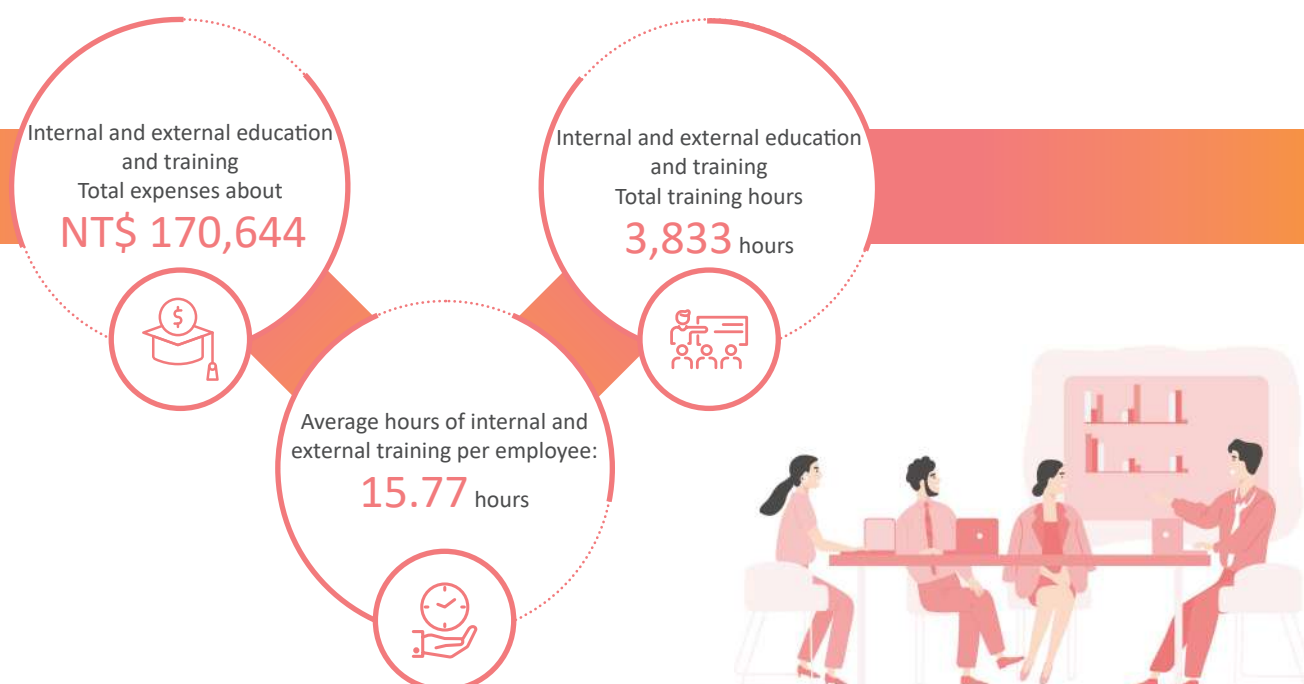
In 2023, Prince Construction Business sent expatriates to participate in 32 physical education and training courses, total 379 hours of training. Compared with 2022, the total number of education and training hours of expatriate increased by 69 hours. The course satisfaction survey averaged over 9.1 points.

Statistics on internal and external education and training

Average hours of internal and external training per employee of Prince Construction Business in 2023

Gender	Male			Female		
Employee Type	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	1,272	83	15.3	949.5	52	18.3
Non-Management Jobs	621	42	14.8	990.5	66	15.0
Total	1,893	125	15.1	1,940	118	16.4

Prince Housing & Development Corp. Construction Business 2023



■ 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 conduct a performance evaluation once every six months. In 2023, a total of 227 employees underwent a performance evaluation, with a 93% acceptance rate, regardless of 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 2023

Gender	Male			Female		
Employee Type	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	81	83	98%	50	52	96%
Non-Management Jobs	39	42	93%	57	66	86%
Total	120	125	96%	107	118	91%

Note: As employees with a service length less than 183 days were not evaluated, the rate of evaluation did not reach 100%.

5.4 Safe and healthy workplace environment

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10, SASB IF-HB-320a.1.

■ Occupational health and safety (OH&S) management

As Cheng-Shi Construction Co., Ltd. (CSCC) and group affiliate Ta Chen Construction & Engineering Corporation (TCCE) mainly 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.

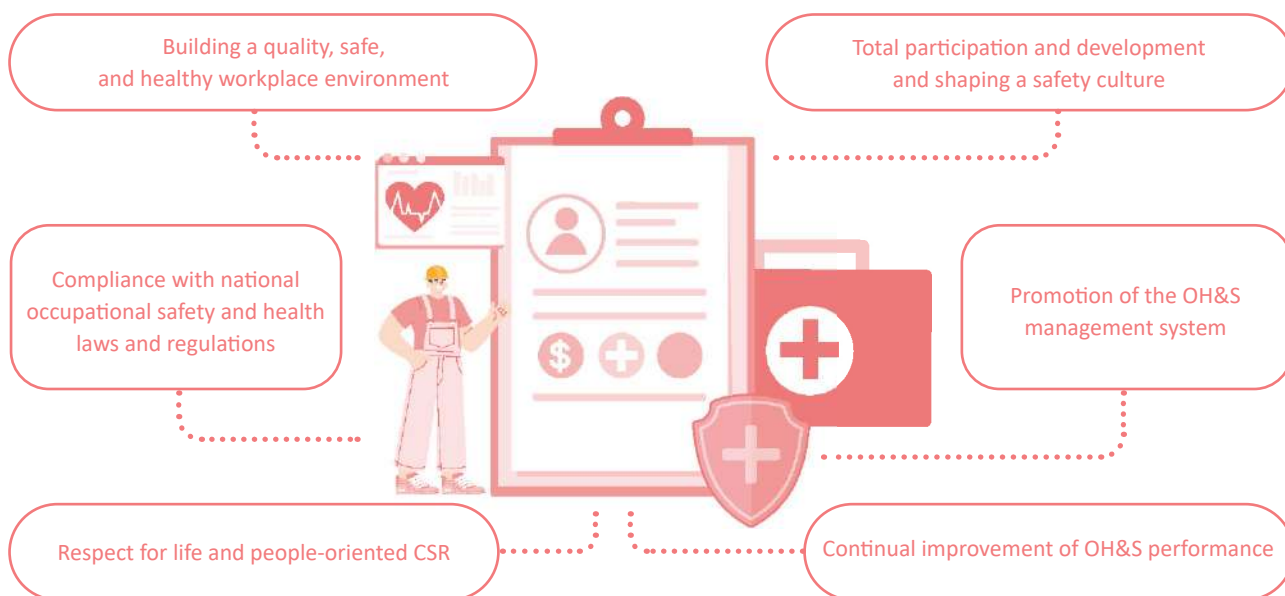
OH&S-related programs and regulations



■ 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:

Items covered by the OH&S systems



■ OH&S coordinative organization

In accordance with the law, PHDC has established a labor safety and health agreement organization within the scope of each construction site contract based on occupational safety and health. We have also established labor safety and health guidelines, and have included contractors as safety partners. The participating members of the labor safety and health agreement organization are the project site personnel of PHDC, construction plants, contractors, and subcontractors, etc., they supervise the labor safety and health conditions at construction sites. We also daily audit site safety and health matters to ensure the safety of employees, contractor workers, road users and future customers after completion.

■ Occupational health and safety (OH&S) Management Systems

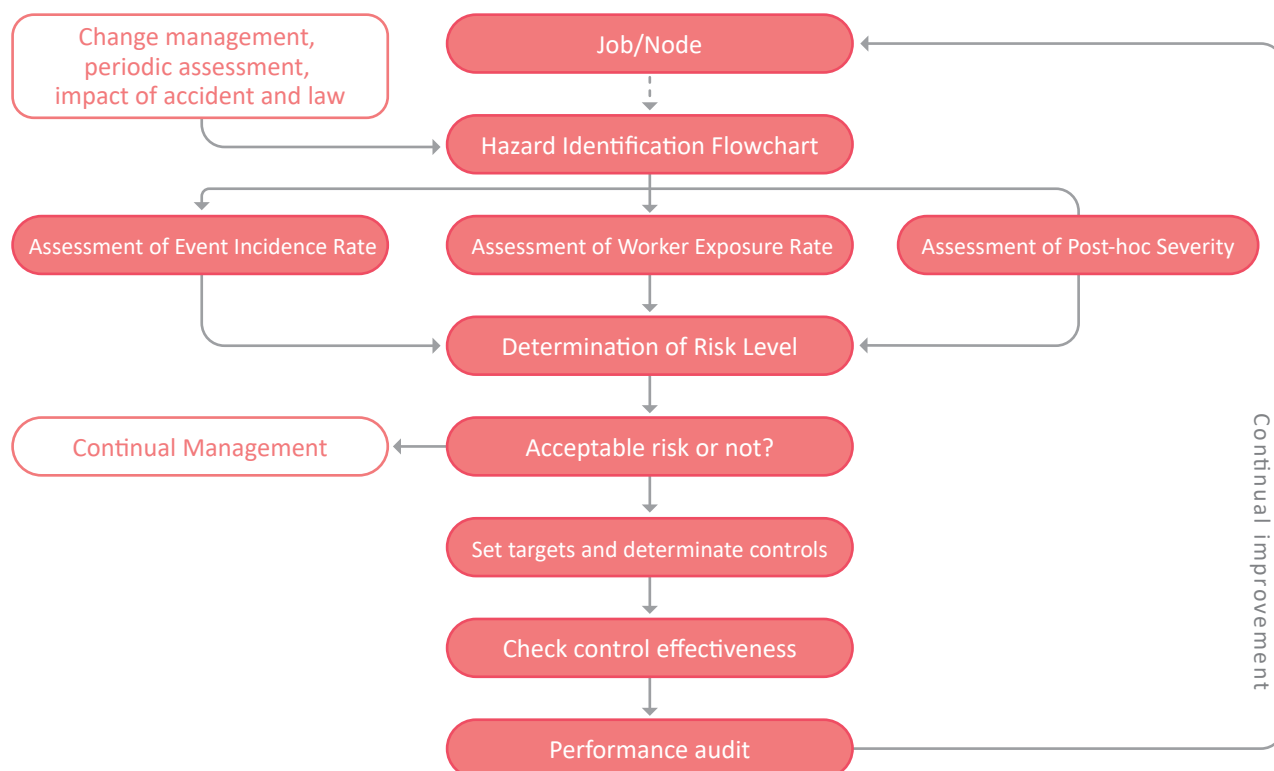
To develop a more comprehensive management system, TCCE under Prince Construction Business has established the ISO 45001/CNS 45001 Occupational Health and Safety (OH&S) Management Systems and passed the certification in 2023 for the ISO 45001:2018 (CNS 45001:2018) OH&S Management Systems by AFNOR ASIA, with validity until December 23, 2026. 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 Occupational Safety and Health Act and related safety and health regulations.

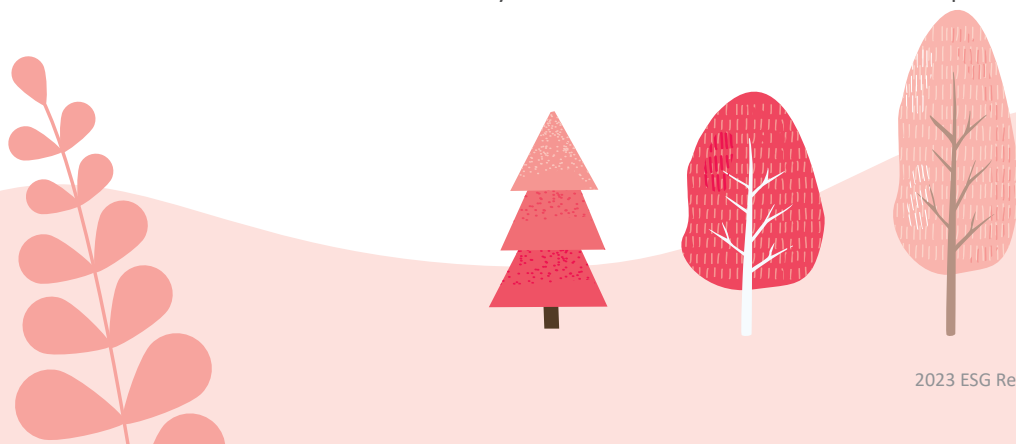
In addition, we also provide workplace protection and prevention plans. Through investigation, operational analysis, identification, and evaluation, we can identify hazard risks, and formulate protection and prevention plans based on the risk results to help employees prevent injuries in a timely manner, while protecting employees' health.

Hazard and risk identification	Description of risk content	Countermeasures
Heat hazard	Long-term high-temperature operating environments may cause dehydration, heat stroke, or shock of workers.	Implement education and promotion on the prevention of heat-related illnesses among workers, and provide a shady resting area, such as shelters, and provide sufficient drinking water in the workplace.
Ergonomic hazards	Workers exposed to suboptimal design, repetitive work, poor posture, or improper time management may cause musculoskeletal injuries and illnesses.	Plan to conduct education and training and have professionally trained personnel execute complete procedures and complex tools.
Chemical hazards	Exposure to chemical substances in hazardous environments causes physical discomfort or poisoning through contact, inhalation, or ingestion. In severe cases, it can lead to death.	Conduct education and training to understand the chemical hazards that may exist in the workplace, conduct environmental surveys and instrument monitoring to detect hazardous substances immediately, and wear personal protective equipment.
Biological hazards	Various animals, plants, bacteria, viruses, etc. can cause discomfort or poisoning to the human body	Strengthen the cleaning and regular disinfection of the operating environment, enhance ventilation, and wear protective equipment such as masks and protective clothing.
Psychosocial hazards	Violence and injury caused by mental illness from work stress or illness	Organize hazard prevention and communication skill training, appropriately adjust manpower or duties according to the suitability of the job, and establish the Company's complaint channel and preventive measures.
Hazard identification for specific sensitive groups	Investigation and improvement of the working environment for middle-aged, elderly, and workers under the age of 18, and those at risk of maternal health hazard, to ensure the operation safety of sensitive groups.	Regular employee health checkups, adjustment of employees' work suitability or adjustment of workload or working hours

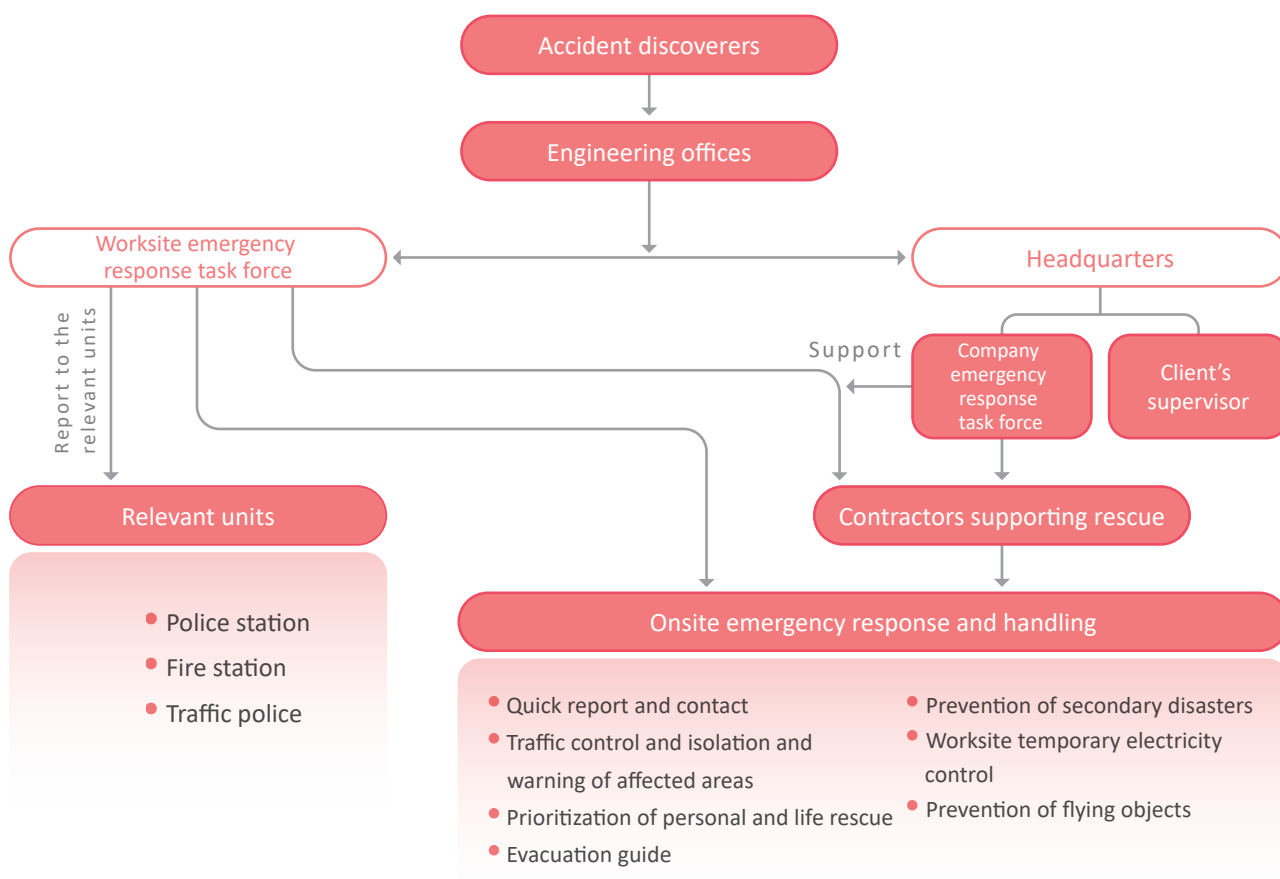
■ Emergency response and safety management

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.



Occupational accident investigation process



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 2023, the total number of hours worked of employees and workers who are not employees of Prince Construction Business was 476,912 hours and 3,920 hours respectively. As all worksite projects were completed in 2023, 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. In 2023 both the disabling injury frequency rate and disabling injury severity rate were 0, achieving the core goal of zero accident.

Statistics on occupational accidents and attendance

Employees/Workers ¹	Total hours worked	Rate of recordable work-related injuries ²	Rate of high-consequence work-related injuries ^(Note 3)	Rate of fatalities as a result of work-related injury ^(Note 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	476,912	0	0	0	0	0
Workers of Prince Construction Business	3,920	0	0	0	0	0

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 recordable work-related injuries = (Number of recordable work-related injuries/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.

OH&S education and training

We offer professional training courses according to the required competencies of workers. In 2023 we organized or sent personnel to participate in external OH&S-related education and training courses, such as personnel safety and health training, firefighting management personnel training, and sanitation lectures, etc. The Engineering Department also actively send personnel to participate in the Construction Safety and Health Family education and training, and firefighting management personnel training.

Training Item	Content Description	Training Target	2023 Effectiveness
Personnel Safety and Health Training	The fire department personnel practice the key points of firefighting and disaster relief in the event of a fire. In addition, practical teaching is provided for equipment and AED in the workplace.	Employees of Prince House and Academy Hotel	4 session was organized in-house for 92 personnel. 2 staff members were sent to external Training. The total hours of training were 192 hours.
Construction OSH Family Education and Training	Improve the crisis identification ability of engineers during operation to prevent occupational disasters.	Engineering Personnel	1 session was organized in-house for 28 personnel. 5 staff members were sent to external Training. The total hours of training were 159 hours.
Firefighting management personnel training	In addition to installing and properly maintaining qualified firefighting equipment, the correct use of firefighting equipment in an emergency must also be required to achieve protection.	Engineering Personnel	1 staff member was sent to external training. The total hours of training were 12 hours.
Food Hygiene Training	Regularly accept training on food safety and related regulations to improve catering hygiene, safety, and quality management.	Kitchen Staff	3 staff member was sent to external training. The total hours of training were 24 hours.
Office safety and health training	In 2023, we conducted safety and health training for the office, including safety and health training for first responders, occupational safety and health professional training, and infectious disease prevention and control practices to increase employees' safety awareness and avoid unconscious hazards.	Office staff	4 staff member was sent to external training. The total hours of training were 76 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 2023, a total of 14 employees of Prince Construction Business obtained Taiwan Occupational Safety and Health Cards, including four employees of Prince Housing & Development, seven employees of Cheng-Shi Construction, and three employees of Prince Utility.



Prince House firefighting drill



CPR and AED first-aid education for Prince House



Prince House firefighting drill



Prince House firefighting drill

■ 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 (once every two 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.

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.

Item	Description	Performance in 2023
Nurse Consultation	In accordance with labor health protection regulations, we offer six hours of health services per month provided by nurses and six hours of health services per month provided by physicians. We provide improvement methods and continuous follow-up for employees with abnormal health examination reports to reduce the health risks of employees.	<ul style="list-style-type: none"> During January to December 2023, a total of 80 employees received consultation.
Health promotion talks	The workplace is one of the important areas for promoting health. The Company continues to implement health activities to maintain the physical and mental health of employees. For example, in 2023, we provided our colleagues with beginner muscle strength training and increase the understanding and prevention of metabolic syndrome, low back pain, and Parkinson's disease.	<ul style="list-style-type: none"> In 2023, we arranged four courses related to health promotion of 4 hours in total for 91 employees.
Balanced Diets	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.	<ul style="list-style-type: none"> In 2023, up to 72% 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.
Healthy eating promotion	Adhere to the daily dietary guidelines and develop correct and balanced eating habits to ensure good health. In the workplace, a video on the promotion of a balanced diet announced by the Health Promotion Administration, Ministry of Health and Welfare is broadcasted to let colleagues know more about how to maintain a balanced diet.	<ul style="list-style-type: none"> In 2023, the video was promoted and played 4,896 times, accumulating a total of 163 hours.
Maternity protection promotion	Management of dangerous or hazardous work performed by pregnant and breastfeeding female colleagues. Protect maternal health so that a healthy future generation will be cultivated.	<ul style="list-style-type: none"> In 2023, there were no applicable personnel for the maternal health protection promotion, but we still kept this health promotion item.

6

Sustainable Campuses and Communities

6.1 Building happiness for students,
faculty, staff, and customers

6.2 Supporting social welfare



Prince Housing & Development's business philosophy is "3Gs and 1F - good environment, good service, good quality, and fair price"

We aim to provide residential students with a good living environment, attentive service, comfortable accommodation quality, and reasonable and affordable prices. This way, they can study with peace of mind, fully enjoy university life, and prepare themselves for entry into society.

Implementation policy

By collaborating with schools and residential students, we have formed the Residential Student Self-Governance Committee so that students can learn the concept of self-governance during their stay and prepare themselves for entering society. In addition, various activities are held to enhance the friendship among the boarders and create a balanced environment for body, mind, and spirit.

Goals

The average satisfaction of all dorms is over 80%.

6.1 Building happiness for students, faculty, staff, and customers

GRI 2-29, GRI 203-1, GRI 413-1

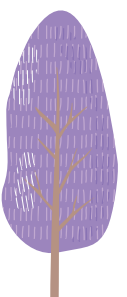
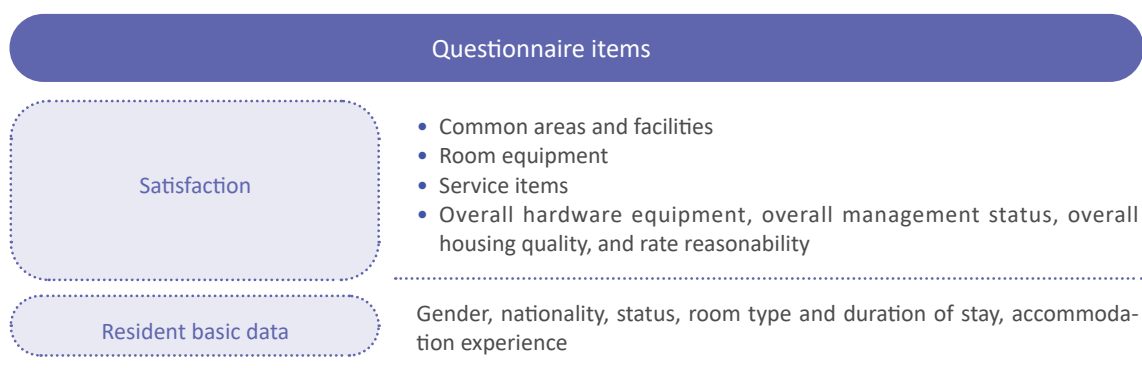
Students and staff are the two major groups in campus life. How to let students focus on learning to ease the worries of parents living far away and how to let staff enjoy a stable life and concentrate on creating academic achievements are the main aims of our participation in the Prince House Project. 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 with the aspects and scopes of the previous survey, we regularly conduct the previous year's satisfaction survey in the first half of the following year on Prince House (NTU), Hsiu Chi House, Prince House (NCKU), and Academy Hotel. The survey content covers the living environment, hardware facilities, receptionist services, and public works to improve our hardware and services. The survey period for 2023 for Prince House (NTU) and Hsiu Chi House covered from January 11 to January 17, 2024; for Prince House (NCKU) from December 2023; for Academy Hotel, a customer feedback form was provided to customers throughout 2023.

Note: Prince House (NTU) as mentioned in this chapter includes Changxing Dorm and Shuiyuan Dorm.

■ Results of annual satisfaction survey

In the spirit of PHDC's "permanent after-sales service", we continue to investigate and analyze various aspects of customer satisfaction. We conduct annual surveys on the satisfaction level of residents of Prince House (NTU), Hsiu Chi House, Prince House (NCKU), and Academy Hotel. For the annual resident survey conducted in 2023, 270 valid questionnaires were collected from Prince House (NCKU), and 35 valid questionnaires were collected from Academy Hotel. Prince House (NTU) collected 560 valid questionnaires; Hsiu Chi House collected 153 valid questionnaires.



Overall, residents rated the receptionist services and the lighting and cleanliness of public spaces as "satisfied" (4-5 points). 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.

Most Satisfactory Services (top 3)	Satisfaction with Prince House (NTU)
Cleanliness of laundry room	83.96%
Resource recycling and garbage collection room lighting	82.71%
Laundry room lighting	81.46%

Most Satisfactory Services (top 3)	Satisfaction with Prince House (NCKU)
Friendly attitude of service personnel	96.3%
Clean public space	93.7%
Overall satisfied	87.3%

Most Satisfactory Services (top 3)	Hsiu Chi House Satisfaction
24-hour front desk service	96.08%
Language proficiency of service personnel	95.42%
Efficiency of handling calls for service	95.42%

Most Satisfactory Services (top 3)	Satisfaction with Academy Hotel
Lobby reception service	100%
Room cleanliness	100%
In-room facilities and accessories	97.06%

■ Complete non-disruptive front desk service

Prince House (NTU) and Prince House (NCKU) make continual improvement and adjustment based on resident feedback for residents to feel safe and happy to live in the dorm. 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 dorm life by serving residents with a better and more comprehensive management model. In 2023, the receptionists at Prince House (NTU) and Hsiu Chi House reached 165,420 person-times. With the 2023 satisfaction survey questions, 82.1% and 91.5% of the residents, respectively were satisfied with the content of the services provided.

Unsatisfactory Services	
Item	PHDC Responsive Action
Soundproofing in the room and neighboring rooms	The soundproofing project was completed in the summers of 2017 and 2018, and a counselor was appointed to communicate and coordinate with respect to neighboring housing disputes or adjust the beds.
Room refrigerators, water heaters, and air-conditioners	1. Water heaters: Replaced in 2019 2. Air conditioners: Class 1 energy-saving air conditioners replaced since December 2023, and the progress is being made in stages 3. Refrigerators: Plan to be replaced in 2025
Ventilation in the room	If the exhaust fan is malfunctioning, please report it for repair directly and have it replaced by the public engineering department

In addition, Prince House (NTU) and Prince House (NCKU) also organize fire drills and education and training related to dorm safety on a regular basis based on the safety considerations of resident students, such as AED first aid teaching. This is aimed to enhance the safety knowledge of the residents, reduce accidents, and strengthen the ability of employees in the event of an emergency.



Prince House (NTU) firefighting drill



Prince House (NCKU) firefighting practices



AED first aid teaching



Disaster Relief Drill Team Training Plan

■ Hardware facilities better than contractual requirements

In addition to building various facilities with minimum functional requirements in accordance with the provisions of the contract, will also review the actual living needs of the residents and the use of the facilities from time to time. We replace facilities when necessary. In 2023, we provided and upgraded a number of "better than contract" hardware facilities to ensure a comfortable living space and environment for our residents.

The 2023 satisfaction survey of Prince House (NTU) and Hsiu Chi House shows that 82.1% and 88.1% of residents were satisfied respectively with the professional repair personnel, and 80.9% and 90.2% of residents were satisfied respectively with the handling efficiency of calls for service.

The proportion of residents satisfied or highly satisfied with the "Professional Repair of Works Personnel" provided by Prince House

Prince House (NTU): 82.1%

Hsiu Chi House: 88.1%

The proportion of residents satisfied or highly satisfied with the "Handling Efficiency of Calls for Service" provided by Prince House

Prince House (NTU): 80.9%

Hsiu Chi House: 90.28%

In-room air conditioner replacement project: 3,697 units in total

To provide the residents with a quality accommodation environment, we upgraded the air conditioners in the dorms. By the end of 2023, 3,167 air conditioners are expected to be replaced at Prince House (NTU), with a total investment of about NT\$ 94.4 million; and 530 conditioners are expected to be replaced at Prince House (NCKU), with a total investment of about NT\$ 14.5 million.



• In-room air conditioner replacement project



• In-room air conditioner replacement project
• In-room air conditioner replacement project



• In-room air conditioner replacement project



• In-room air conditioner replacement project

• In-room air conditioner replacement project



Renovation of the lounge in Prince House (NTU)'s Shuiyuan Dorm

The dorm is equivalent to the student's home during their studies. To provide a safe and comfortable environment for the students, we inspected the lounge in the dorm and carried out floor leveling and renewal, as well as renovation of the billiard tables and tabletops to enhance the comfort of the residents. The total investment was about NT\$ 560,000.

(expressed in thousand NTD)

Item	Amount	Date
Ground leveling and renewal works	472,500	October 31 - December 4, 2023
Renovation of billiard table	90,000	October 26 - December 6, 2023
Tabletop renovation	5,220	December 14, 2023



- Floor leveling and renewal works of Shuiyuan Lounge - "before construction"



- Floor leveling and renewal works of Shuiyuan Lounge - "skirting construction and cleaning and waxing"



- Floor leveling and renewal works of Shuiyuan Lounge - "floor demolition"



- Floor leveling and renewal works of Shuiyuan Lounge - "self-leveling clay work"



- Floor leveling and renewal works of Shuiyuan Lounge - "Smoothing"



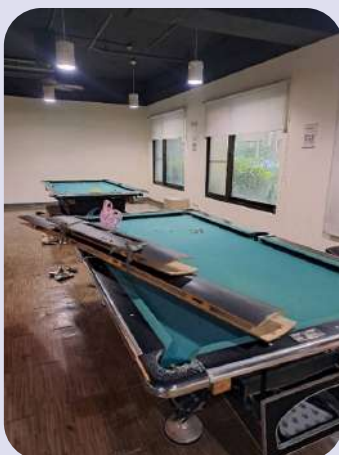
- Floor leveling and renewal works of Shuiyuan Lounge - "Tiling"



- Tabletop renovation of Shuiyuan Lounge



- Tabletop renovation of Shuiyuan Lounge



- Renovation and demolition of billiard tables of Shuiyuan Lounge



Diverse in-house activities

In addition to providing the students of National Taiwan University and National Cheng Kung University with a safe place to study, the Prince Houses are also a place 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.

Academy Hotel of eco-friendly room

Date: All year-round

Number of participants: 1,202

Activity content:

Academy Hotel has launched the eco-friendly and sustainable accommodation and love the earth project, inviting you to join the global energy conservation and carbon reduction movement. In eco-friendly guest rooms, no consumables are provided, making an effort to reduce waste, care for the earth, and save energy.



環保房專案

愛護地球，輕鬆成大會館「住」家！
響應全球節能減碳運動，成大會館推出超省環保客房回饋愛護地球的您！環保客房內不提供任何消耗品，以減少垃圾產生，達到愛護地球，節約能源。

本專案僅限選擇訂房，不開放電話及其他訂房平台。

提供服務

- 24小時商務中心 ● U-BIKE站點 ● 自助洗衣及健身房
- 房客免費停車 (每房限停一輛) ● 免費上網

取消訂房之扣款比率如下：

- ★ 依居住當日當日取消訂房扣附訂金金額100%。
- ★ 依居住前1日內取消訂房扣附備用訂金金額50%。
- ★ 依居住前2-3日內取消訂房扣附備用訂金金額70%。

Prince House (NTU) Camper Night

Date: 2023.12.13

Number of participants: About 2,000

Activity content:

In the plaza of the dorm, we held a Camper Night with the school, and issued NT\$ 50 meal vouchers to each resident in advance to provide a variety of delicious meals through the camper to provide the residents with more diversity and enhance good interaction. In the future, we will continue to combine school resources to jointly organize dorm activities, and look forward to "progress while maintaining stability".



Prince House (NCKU) activity

Date: 2023.5.4

Number of participants: 21

Activity content:

By using magic cubes together with brains and hands and holding interesting competitions, we can transfer the pressure from homework and relieve the emotions of the residents. We also have more opportunities to communicate with other residents through friendly competitions!



Date: 2023.5.25

Number of participants: 60

Activity content:

The NCKU Child Service Team is a service club that accompanies the children in the Qigu afterschool class on a regular basis. Most of the children are from disadvantaged families. The dorm assists the club in providing stationery for the club to use when carrying out their tasks, making its resources more helpful for children and those in need.



Date: 2023.9.21

Number of participants: 15

Activity content:

In addition to holding static activities in the dorm, sports competitions are also organized for residents to make friends by participating in and watching the games. In the intense and interesting competitions, residents can compete together and create precious memories.



6.2 Supporting social welfare

GRI 203-2, GRI 413-1

Apart from the periodic house activities, we never stop organizing charitable activities by introducing the donation of used beddings, furniture, and household products. We also support blood drives and World Earth Day in an effort for students to engage in social welfare while living in the dorm so as to contribute to society with house residents.

■ [Prince House (NTU)] 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 2023, we donated 76 used mattresses to Fengshan Temple to extend the life of materials.



■ [Prince House (NCKU)] Sponsoring Blood Donation Truck

To support NCKU's blood donation activity, in 2023, Prince House NCKU sponsored 7-ELEVEN Shopping Cards and 40 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.



■ [Academy Hotel] Blood donation of Tainan City Blood Donation Center

Teaming up with the Tainan City Blood Donation Center, Academy Hotel offered space for the blood donation truck. The event attracted many NCKU students and tourists to donate blood for social welfare. Blood donors received a hotel mug or museum notebook (choose one) and one Academy Hotel voucher for NT\$ 500, for a total of 80 vouchers. In 2023, a total of 91 people participated in the blood drive to appeal to the public to show their love and help those in need of blood.



■ [Academy Hotel] Lights off for one hour on Earth Day in 2023

The balcony lights of the BOT sites of the NCKU, Uni-President NCKU Mall, and Prince House (NCKU) as well as the street lights of the bases were turned off for 1 hour at 20:30-21:30 on March 26 (Sat). A total of 286 lights were turned off, saving 9.525 kWh of electricity and 4.848 kg of carbon dioxide equivalents. In the face of global climate change, everyone, regardless of age, class or other backgrounds, has the ability and responsibility to change the world by responding to the World Earth Day.



Appendices

Appendix 1. GRI Standards Index

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Appendix 1. GRI Standards Index

Statement of Use	Prince Housing & Development prepared the Sustainability Report in accordance with the GRI Standards. The scope of data and information is from January 1 to December 31, 2023.
GRI 1 Version	GRI 1: Foundation 2021
Application of GRI Industry Standards	None

General Disclosures				
Topic	Disclosure Item		Page	Corresponding Sections and Special Explanation
GRI 2 General Disclosures: 2021	Organization and Reporting Practices			
	2-1	Organizational details	P.11	1.1 About PHDC
	2-2	Entities included in the organization's sustainability reporting	P.6	About this report
	2-3	Reporting period, frequency and contact point	P.6	About this report
	2-4	Restatements of information		Appendix 2 SASB Index
	2-5	External assurance	P.6, P.105, P.106	About this report Appendix 5 Summary Sheet of Assurance Items Appendix 6 CPA Limited Assurance Statement Report
	Activities and Workers			
	2-6	Activities, value chain and other business relationships	P.12, P.50	1.1 About PHDC
	2-7	Employees	P.74~75	5.1 Friendly and equal workplaces
	2-8	Workers who are not employees	P.74	5.1 Friendly and equal workplaces
	Governance			
	2-9	Governance structure and composition	P.24	2.1 Healthy corporate governance
	2-10	Nomination and selection of the highest governance body	P.25	2.1 Healthy corporate governance
	2-11	Chair of the highest governance body	P.27	2.1 Healthy corporate governance
	2-12	Role of the highest governance body in overseeing the management of impacts	P.14	1.2 Sustainable governance
	2-13	Delegation of responsibility for managing impacts	P.14	1.2 Sustainable governance
	2-14	Role of the highest governance body in sustainability reporting	P.14	1.2 Sustainable governance
	2-15	Conflicts of interest	P.25	2.1 Healthy corporate governance
	2-16	Communication of critical concerns	P.15, P.20~21	1.3 Analysis of Material Topics, 1.4 Stakeholder Communication
	2-17	Collective knowledge of the highest governance body	P.25	2.1 Healthy corporate governance
	2-18	Evaluation of the performance of the highest governance body	P.26	2.1 Healthy corporate governance
	2-19	Remuneration policies	P.25~26	2.1 Healthy corporate governance
	2-20	Process to determine remuneration	P.25~26, P.77	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	P.7	Message from the Chairman
	2-23	Policy commitments	P.27, P.73	2.1 Healthy corporate governance 5.1 Friendly and equal workplaces
	2-24	Embedding policy commitments	P.27	2.1 Healthy corporate governance

General Disclosures				
Topic	Disclosure Item		Page	Corresponding Sections and Special Explanation
GRI 2 General Disclosures: 2021	Strategy, Policies and Practices			
	2-25	Processes to remediate negative impacts	P.30~31, P.76, P.82~83	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	P.27	2.1 Healthy corporate governance
	2-27	Legal compliance	P.35, P.52	2.3 Strict legal compliance 3.6 Climate and environmental management
	2-28	Membership associations	P.28	2.1 Healthy corporate governance
	Stakeholder Engagement			
	2-29	Approach to stakeholder engagement	P.15~21, P.89~90	1.3 Stakeholder communication and material topics 6.1 Building happiness for students, faculty, staff, and customers
	2-30	Collective bargaining agreements	-	Prince Construction Business does not have labor union of any kind.

Material Topics				
Topic	Disclosure Item		Page	Corresponding Sections and Special Explanation
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P.15~19	1.3 Stakeholder communication and material topics
	3-2	List of material topics	P.19	1.3 Stakeholder communication and material topics
Waste management				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.43, P.61	3 Sustainable Environment and Products 3.6 Climate and environmental management
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	P.61	3.6 Climate and environmental management
Supplier management				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.42, P.50~51	3 Sustainable Environment and Products 3.5 Supplier management and procurement practices
GRI 2: General Disclosures: 2021	2-6	Activities, value chain and other business relationships	P.50~51	3.5 Supplier management and procurement practices
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	P.50~51	3.5 Supplier management and procurement practices
	308-2	Negative environmental impacts in the supply chain and actions taken	P.50~51	3.5 Supplier management and procurement practices
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	P.50~51	3.5 Supplier management and procurement practices
	414-2	Negative social impacts in the supply chain and actions taken	P.50~51	3.5 Supplier management and procurement practices
OH&S				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.72	5 Creating A Happy Workplace
GRI 403: Occupational Safety and Health 2018	403-1	Occupational health and safety (OH&S) Management Systems	P.82	5.4 Safe and healthy workplace environment
	403-2	Hazard identification, risk assessment, and incident investigation	P.82~85	5.4 Safe and healthy workplace environment
	403-3	Occupational health services	P.87	5.4 Safe and healthy workplace environment
	403-4	Worker participation, consultation, and communication on occupational health and safety	-	Not applicable: As there was no construction site in 2023, no labor agreement organization was formed.
	403-5	Worker training on occupational health and safety	P.86	5.4 Safe and healthy workplace environment
	403-6	Promotion of worker health	P.87	5.4 Safe and healthy workplace environment
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.83~84	5.4 Safe and healthy workplace environment

Material Topics				
Topic	Disclosure Item		Page	Corresponding Sections and Special Explanation
OH&S				
GRI 403: Occupational Safe- ty and Health 2018	403-8	Workers covered by an occupational health and safety management system	P.82	5.4 Safe and healthy workplace environment
	403-9	Work-related injuries	P.85	5.4 Safe and healthy workplace environment
	403-10	Work-related ill-health	P.85	5.4 Safe and healthy workplace environment
Talent Development				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.71	5 Creating A Happy Workplace
GRI 404: Training and Edu- cation 2016	404-1	Average hours of training per year per employee	P.80	5.3 Diversified career development and training
	404-2	Programs for upgrading employee skills and tran- sition assistance programs	P.79~80	5.3 Diversified career development and training
	404-3	Percentage of employees receiving regular per- formance and career development reviews	P.81	5.3 Diversified career development and training
Construction quality and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.39, P.48	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	P.63, P.64	4 Improving Quality for Customer Service 4.1 Quality customer communication and service
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service informa- tion and labeling	P.64~68	4.1 Quality customer communication and service
Risk Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	P.23, P.29~32	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	P.41, P.45~46	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	P.40, P.41	3 Sustainable Environment and Products 3.2 Sustainable architectural design and innova- tion
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	P.41~43	3.3 Quality control for excellent buildings

General 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	P.37	2.4 Steady financial performance
	201-2	Financial implications and other risks and opportunities due to climate change	P.52~55	3.6 Climate change management
	201-3	Defined benefit plan obligations and other retirement plans	P.78	5.2 Well-designed salary and benefits
GRI 203: Indirect Economic Impacts 2016	203-1	Development and impact of infrastructure investments and services supported	P.89~95	6.1 Building happiness for students, faculty, staff, and customers 6.2 Supporting social welfare
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	P.27	2.1 Healthy corporate governance
GRI 302: Energy 2016	302-1	Energy consumption within the organization	P.56~57	3.6 Climate and environmental management
	302-3	Energy intensity	P.56~60	3.6 Climate and environmental management
	302-4	Reduction of energy consumption	P.58~59	3.6 Climate and environmental management
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	P.59	3.6 Climate and environmental management
	303-2	Management of water discharge-related impacts	P.59	3.6 Climate and environmental management
	303-3	Water withdrawal	P.59~60	3.6 Climate and environmental management
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	P.56	3.6 Climate and environmental management
	305-2	Energy indirect (Scope 2) GHG emissions	P.56	3.6 Climate and environmental management
	305-3	Other indirect (Scope 3) GHG emissions	P.56	3.6 Climate and environmental management
	305-4	GHG emissions intensity	P.56	3.6 Climate and environmental management
	305-5	Reduction of GHG emissions	P.56	3.6 Climate and environmental management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	P.75	5.1 Friendly and equal workplaces
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.77~78	5.2 Well-designed salary and benefits
	401-3	Parental leave	P.78	5.2 Well-designed salary and benefits
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	P.76	5.1 Friendly and equal workplaces
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	P.25, P.74~75	2.1 Healthy 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	P.89~94	6.1 Building happiness for students and staff
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.69	4.2 Insistence on maintaining customer rights and interests

Appendix 2. SASB Index

Topic	Code	Accounting Metric	Content	Remarks
Land Use & Ecological Impacts	IF-HB-160a.1	Number of lots delivered on redevelopment sites	875 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	5 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	--
Design for Resource Efficiency	IF-HB-410a.1	Number of homes that obtained a certified HERS®	0 homes	As HERS® does not apply to Taiwan, statistics for 2023 were produced with the construction projects carrying the Green Building Label issued by the Taiwan Architecture & Building Center. In 2023, 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	0	As WaterSense® does not apply to Taiwan, statistics for 2023 were produced as per the installation quantity of equipment carrying the Taiwan Water Efficiency Label. There were no construction projects to install water fixtures in 2023.
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	0 homes	Statistics for 2023 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.	

Topic	Code	Accounting Metric	Content	Remarks
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	3 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	5 homes	--
		Average density of compact developments	0.111 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.
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 2023.
	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	875 lots	
	IF-HB-000.B	Number of homes delivered	5 homes	--
	IF-HB-000.C	Number of active selling communities	8 projects	--

Appendix 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	Corresponding Section	Page
Governance				
TCFD 1(a)	Describe the board’s oversight of climate-related risks and opportunities	1. Describe the Board and management’s oversight and governance of climate-related risks and opportunities	• 3.6 Climate and environmental management	P.52
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.	2. Describe the impact of identified climate-related risks and opportunities on the organization’s businesses, strategy, and finance over the short, medium, and long term.	• 3.6 Climate and environmental management	P.55
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	3. Describe the financial impact of extreme weather events and transition actions.	• 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.	5. When accessing the resilience against climate risk through scenario analysis, state the scenario, parameter, assumption, analysis factors, and major financial impacts.	• The climate scenario analysis has not been used in the current year, and the Company is in the process of internal discussion, evaluation, planning and implementation.	
Risk Management				
TCFD 3(a)	Describe the organization’s processes for identifying and assessing climate-related risks.	4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	• 3.6 Climate and environmental management	P.53, P.54
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.			
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.	• SDGs Practice 2022 • 3.6 Climate and environmental management • Appendix 3. GHG Inventory and Verification	P.9, P.55, P.104
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.	• 3.6 Climate and environmental management • Appendix 3. GHG Inventory and Verification	P.55, P.104
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.	• SDGs Practice 2022 • 3.6 Climate and environmental management • Appendix 3. GHG Inventory and Verification	P.9, P.55, P.104
--	--	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.	-

Appendix 4. GHG Inventory and Verification

Company Basic Data	<input checked="" type="checkbox"/> Companies, steelworks, cement plants with an authorized capital of NT\$10 billion or above <input type="checkbox"/> Companies with an authorized capital over NT\$5 billion but below NT\$10 billion.	<input type="checkbox"/> Companies with an authorized capital below NT\$5 billion
In accordance with the Sustainable Development Roadmap for Listed Companies, disclosures shall include at least:	<input checked="" type="checkbox"/> The individual inventory of the parent company <input type="checkbox"/> The inventory of subsidiaries included in the consolidated financial statement	<input checked="" type="checkbox"/> Individual verification of the parent company <input type="checkbox"/> Verification of subsidiaries included in the consolidated financial statement

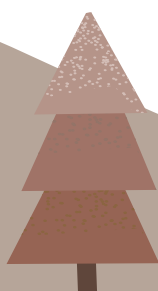
Scope 1	Total Emissions (tCO ₂ e)	Emission Intensity (Mt CO ₂ e/NT\$ million)	Verification Body	Description of Verification
Parent Company	477.3013	0.4073	DNV	We have completed inventory and verification through the certification body. Please refer to our corporate website for the statement of verification.
Scope 2	Total Emissions (tCO ₂ e)	Emission Intensity (Mt CO ₂ e/NT\$ million)	Verification Body	Description of Verification
Parent Company	3,339.3873	2.8495	DNV	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 (Mt CO ₂ e/NT\$ million)	Verification Body	Description of Verification
Parent Company	613.8532	0.5238	DNV	We have completed inventory and verification through the certification body. Please refer to our corporate website for the statement of verification.

Note: GHG emission intensity = emissions/annual revenue. The emission boundary includes the northern, central and southern offices of PHDC, Academy Hotel, Prince House (NTU), Prince House (NCKU), and Prince House (STSP). Revenue of Prince Housing & Development for 2023 was NT\$ 8,485.229 thousand.



Appendix 5. Summary Sheet of Assurance Items

No.	Key Performance Indicator	Criteria
1	In 2023, the Operations Committee held 12 committee meetings.	The number of meetings was calculated according to the minutes and sign-in lists of the Operations Committee meetings in 2023.
2	In 2023, the total number of hours worked of employees and workers of Prince Construction Business was 476,912 hours and 3,920 hours respectively.	Total hours worked = Number of workdays each month Prince Construction Business in 2023 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 2023 was 50%.	Return to work rate after parental leave = Total number of employees that did return to work in 2023 after parental leave in 2021-2023/Total number of employees due to return to work in 2023 after taking parental leave in 2021-2023.
4	During 2019 to 2023, we supported The Second Life for Computers project of ASUS Foundation to recover a total of 367 equipment accumulatively, reducing emissions by 6.388 MT CO ₂ e.	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 2023, the average hours of training per employee at Prince Construction Business were 15.77 hours.	Average hours of training = Total hours of education and training in 2023/Total number of employees in 2023



Appendix 6. CPA Limited Assurance Statement



會計師有限確信報告

資會綜字第 24004094 號

太子建設開發股份有限公司 公鑒：

本會計師受太子建設開發股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定 2023 年度永續報告書所報導之關鍵績效指標（以下簡稱「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 2023 年度永續報告書第 104 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適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，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。

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。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範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。

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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」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已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，已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。

相較於合理確信案件，有限確信案件所执行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2023 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。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。



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 4 年 8 月 2 6 日





Men Made Homes and Homes Made Men

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