



2022 Highwealt Construction ESG Report

ENVIRONMENTAL . SOCIAL . GOVERNANCE



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Introduction

Highwealth Construction firmly believes in giving back to society and driving sustainable development as the cornerstone of our business operations. Therefore, we have made a long-term commitment to corporate social responsibility, sharing resources with the public. Starting from 2016, we have been publishing sustainability reports, disclosing our operational performance and development strategies in the areas of environment, society, and governance, as well as its management approaches and responses to significant issues to stakeholders

Reporting Period

This report unveils the achievements and performance of Highwealth Construction in various aspects of corporate social responsibility for the fiscal year 2022 (from January 1, 2022, to December 31, 2022). Highwealth Construction releases its CSR report annually, with the next report expected to be published in September 2024.

Scope of Report

The entities covered in this report include Highwealth Construction Corporation and CHYI-YUH Construction Co., Ltd. The scope of information data covers financial, environmental, and social performance

Data Compilation Basis

The statistical data disclosed in this report are derived from self-gathered statistics and survey results. Financial data is based on publicly available information that has been certified and verified by certified accountants.





Normative Reference

This report follows the GRI Sustainability Reporting Standards (GRI Standards) as the foundation for information disclosure, adhering to core options for disclosure. Standards of the Sustainability Accounting Standards Board (SASB) and indicators of the Task Force on Climate-related Financial Disclosures (TCFD) were used as reference for the disclosure of Highwealth Construction current practices and domestic ESG trends for 2022.



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Highwealth
Construction ESG
Website

Message from the Management



I am delighted to present this ESG report to showcase the achievements and efforts of Highwealth Construction over the past year in the areas of environment, society, and corporate governance. Through this report, we aim to share our accomplishments in the ESG realm, as well as our future goals and strategies. "Integrity" and "sustainable operation" are the core principles that enable us to continually advance and lead the industry. In nearly four decades since

its establishment, Highwealth Construction has delivered a remarkable track record of over 220 projects, 64,000 units, and 3 million square meters of floor area.

Last year, out of 1,744 listed companies in Taiwan evaluated by the Taiwan Institute of Directors, spanning the period from 2019 to 2021, and after rigorous screening based on fundamental, market, and sustainability criteria, Highwealth Construction was selected as one of the "Taiwan Best-in-Class 100 for 2022." This honor was not easily earned, and I want to share this wonderful news with the world.

We have consistently worked to protect the Earth's environment. In terms of construction methods, we have implemented the use of "aluminum formwork" that can be reused up to

300 times, "BIM building information modeling system," "precast construction method," and "prefabricated steel columns." We have also evaluated the potential application of construction robots. While the initial investment costs may be higher, these new technologies and collaborations with academia and industry can be applied across various construction sites to address labor and material shortages, while balancing efficiency and environmental considerations. This approach comprehensively enhances construction technology and engineering quality.

In terms of social responsibility, contributing to the revival of national sports has consistently been a part of our actions. Apart from being the title sponsor of the "Taipei Highwealth Baseball Team" for several consecutive years, in September of last year, we took on the title sponsorship for the first time for the "2022 Highwealth WhyNotMe Basketball Cup." This event featured top teams from 30 high schools and universities across the country, with over 600 players competing and drawing an audience of 9,000 spectators. Additionally, the event garnered over tens of millions of online views.

The group has also strengthened its collaboration with St. Joseph Technical Senior High School, contributing to the restoration fund of the "Church of Kung-Tung Technical Senior High School" while launching a specialized program in Building

Information Modeling (BIM) application. Every week, instructors are dispatched from the Taichung branch to teach in Taitung, exposing students to the latest computer-based 3D modeling techniques in the industry. After graduation, students also have the opportunity to join the group, ensuring a sustainable pool of talent.

Most important of all, there can be no compromise on occupational safety in the construction industry. Highwealth Construction has consistently prioritized occupational safety and taken numerous measures. In light of the Taichung MRT accident that occurred this year, we immediately reinforced autonomous inspections at all construction sites and underwent audits from regulatory authorities. We have diligently implemented safety measures as per relevant regulations, emphasizing personnel training

and the health of external contractors' employees, with the goal of achieving zero accidents

Looking ahead, Highwealth Construction is committed to maintaining an attitude of openness, transparency, and responsibility. We will integrate the principles of ESG into our daily operations and business endeavors, striving to maximize benefits and value for our customers, shareholders, and employees. Our aim is to contribute to the continued growth of Taiwan's economy and actively engage in philanthropic initiatives. We will support community development, prioritize the well-being of marginalized groups, and ensure the long-term and steady growth of the company.

Highwealth Construction
Chairman Cao Yuanbo



Introduction of Highwealth Construction

Company Scale and Background
Financial Performance
Sustainable Development Blueprint
Identifying Material Topics of Sustainability
External Organization Engagement

Introduction of Highwealth Construction

| Company Scale and Background |

Highwealth Construction Co., Ltd. was established on January 23, 1980, formally known as Hongfu Construction Co., Ltd., with a paid-in capital of 40 million New Taiwan Dollars. The main business focus was on commissioning construction firms to build commercial buildings and national residential for rental and sale.

In May 1989, the company merged with Hongju Construction Co., Ltd. and changed its name to Honju Construction Co., Ltd. In the year 2000, a shareholder meeting approved the merger with Highwealth Construction Co., Ltd., and Honju is a surviving company. On May 6, 2003, received approval from the Ministry of Economic Affairs to officially change its name to "Highwealth Construction Co., Ltd."

Since its establishment, the company has primarily developed prime areas in the city centers of Keelung, Taipei, New Taipei, Hsinchu, Taichung, Tainan, and Kaohsiung. Upholding a commitment to high-quality service and addressing consumer housing needs within reasonable profit margins, the company has worked to achieve its goal of stable growth.

Name of Company	Highwealth Construction Co.,Ltd.
Date of establishment	January 23, 1980 (May 6, 2003 rename)
Paid-in capital	NT\$17,150 million
Number of employees	1,176
Chairman	Cao Yuanbo
President	Fan Huajun
Address	10F., No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei 25F., No.213, Chaofu Rd., Xitun Dist., Taichung 19F., No.1507-1, Yucheng Rd., Gushan Dist., Kaohsiung



| Financial Performance |

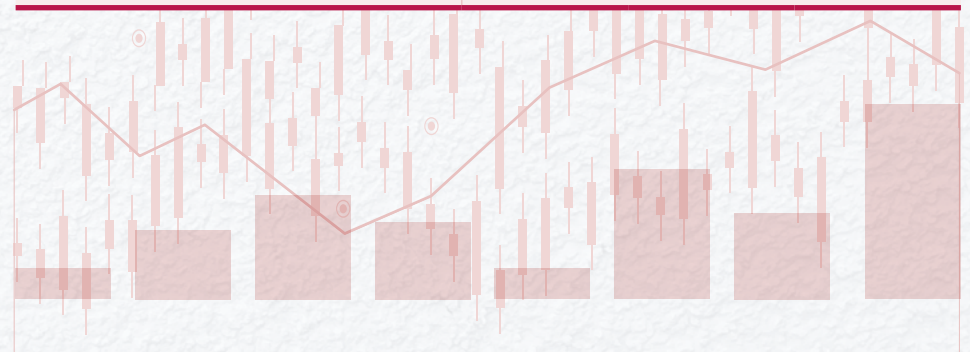
Consolidated Financial Performance Analysis of the Past 3 Years:

Unit: 100 million NTD

Item	Year		
	2020	2021	2022
Operating revenue	244.63	442.82	266.27
Non-operating income and expenses	(8.20)	11.82	(7.64)
Operating costs	27.15	37.11	33.29
Operating expenses	176.12	305.56	176.61
Employee Salary and Benefit Expenditures	12.1	12.69	13.06
Cash dividends	3 NTD	2 NTD	4.01 NTD
Income tax expenses	4.93	16.08	9.73
Pre-tax income	33.16	111.97	48.73
Post-tax profit or loss	28.23	95.89	39.06

Return of Investment and EPS of the Past 3 Years:

Item	Year		
	2020	2021	2022
Return on Assets(%)	2.15	5.41	2.20
Return on Equity(%)	8.04	23.52	8.24
Pre-tax net profit to paid-in capital ratio (%)	25.70	80.39	28.42
Net profit rate (%)	11.54	21.65	14.67
Earnings per share (NT\$)	2.11	6.45	2.29



| Sustainable Development Blueprint |

We collected sustainability issues from international norms and trends (GRI Standards, UN Global Compacts, SDGs published by the Global Sustainability Standards Board (GSSB)), industry benchmarking cases, supplementary guidelines for the construction and real estate industries, and internal organizational development goals, and summarized 28 issues of concern based on their relevance to the Highwealth Construction.





Environment Aspect



- Environmental Management Practices (Compliance with environmental regulations and expenditures/investments in environmental initiatives)
- Raw Material Usage Management (Choice of raw materials (construction materials) and their weight or volume)
- Energy Management (Energy usage at operational sites or during construction processes, and efforts to reduce energy consumption)
- Water Resource Management (Water consumption at operational sites or during construction processes, and water recycling and reuse efforts)
- Greenhouse Gas Emissions (Greenhouse gas emissions generated at operational sites or during construction processes)
- Construction Waste/Wastewater Management (Wastewater discharge and waste generation at operational sites or during construction processes)
- Construction Site Environmental Management (Impact on construction site environment during permitting and construction processes, including site cleanliness)
- Environmental Impact of Products and Services (Assessment and subsequent rehabilitation of contaminated land during construction phase)



Product Aspect



- Customer Health and Safety (Assessment of health and safety impacts during construction projects, such as material selection and building structural safety)
- Product Safety and Responsibility (Quality management and safety and responsibility aspects of construction projects)
- Product and Service Labeling (Clarity of conveying sales information in project planning and compliance with relevant regulations)
- Customer Relationship Management (Customer service management and customer satisfaction surveys)
- Architectural Technology Innovation (Research and development of safer, more efficient, and environmentally friendly construction or techniques)
- Functional Projects and Awards (Integration of architecture with the environment, such as multimodal transportation hubs, social housing)
- Environmental Quality of the Surrounding of Buildings (Protection and planning of the environment around construction projects)

28 Focus Areas of Highwealth Construction



Corporate Governance



- Risk Management (Risk Management Mechanisms and Procedures)
- Regulatory Compliance (Organizational Operations and Product/Service Regulatory Compliance in Environment, Social, and Product Responsibility Aspects)
- Grievance Mechanism (Grievance Mechanisms for Environmental, Human Rights, and Labor Practices)
- Supplier Management (Supplier Management in Environmental, Social, and Labor Practice Aspects)



Economic Aspect



- Economic Performance (Economic benefits generated by operations, including operating income, operational costs, etc.)
- Local Procurement (Sourcing of raw materials (construction materials) from local suppliers)
- Indirect Economic Impact (Economic effects generated by products or services in the operational areas, such as enhancing local employment development)
- Marketing Communication (Branding and promotion of corporate products or services)

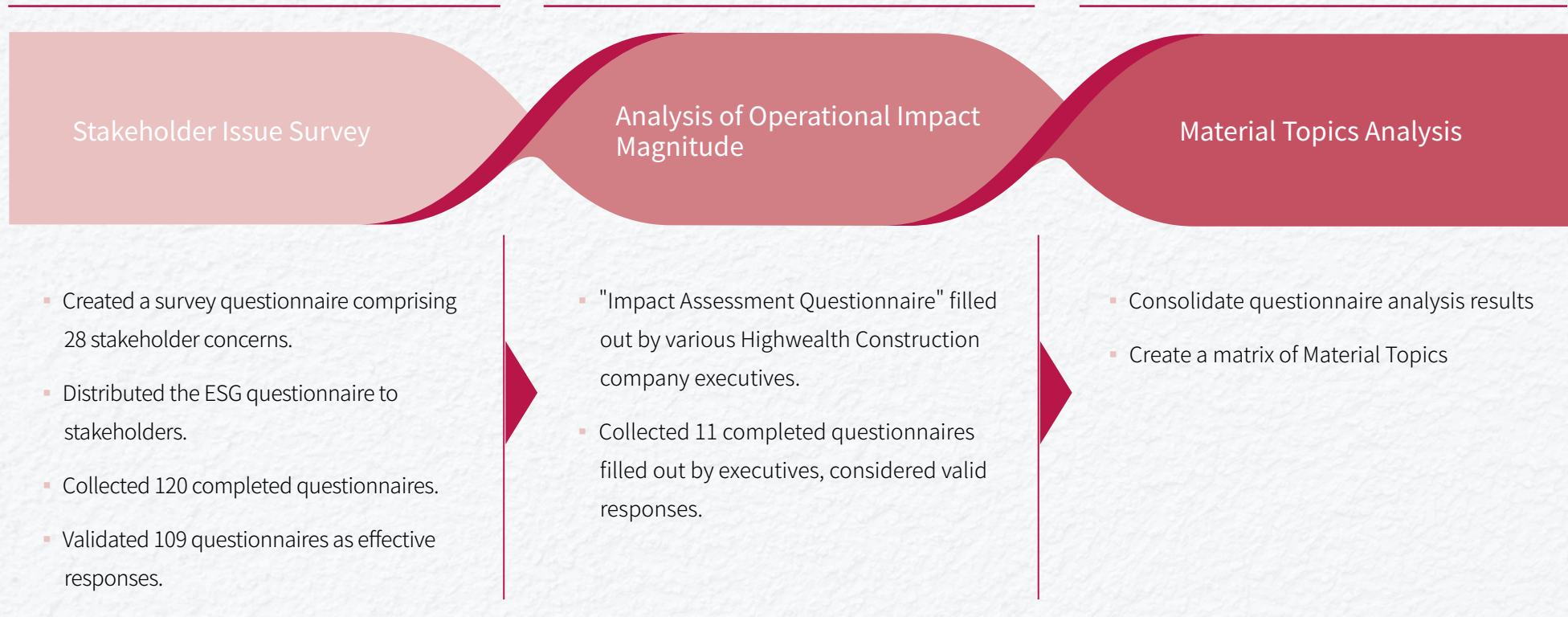


Social Aspect

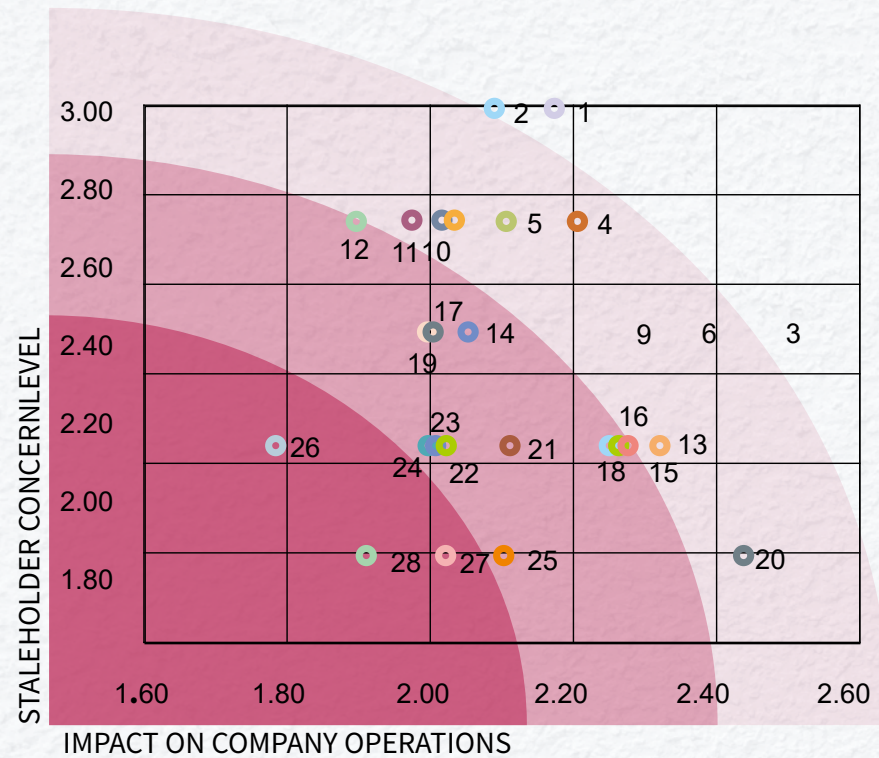


- Labor Relations (Employee benefits, turnover rates, and new hire rates)
- Labor Relations (Communication between employee and employer, including unions and labor agreements)
- Employee Training and Education (Hours of employee education and training, performance evaluations, and career development planning)
- Occupational Health and Safety (Construction site incidents, frequency of occurrences, workplace safety, and hygiene)
- Local Communities (Communication and engagement with communities surrounding construction projects)

| Identifying Material Topics of Sustainability |



Following the weighted calculation of survey results from both internal and external stakeholders, a material topic matrix for Highwealth Construction has been constructed as depicted in the chart below. The X-axis represents the "Impact on Company Operations," while the Y-axis represents "Stakeholder Concern." Based on the distribution of scores, the topics are categorized into high, moderate, and low levels of importance. The report identifies the top 10 significant issues for the current year. Highwealth Construction has developed management policies for these 10 major topics and has detailed the performance achievements and future objectives for each topic in respective sections.



| External Organization Engagement |

In 2022, Highwealth Construction did not participate in any national or international initiatives. However, since our establishment, we have actively engaged with relevant industry associations to stay updated on industry trends and developments, as well as to acquire the latest information on regulatory changes and policies. The external organizations we are engaged with include:

- The Real Estate Development Association Of Taipei
- The Real Estate Development Association Of New Taipei City
- Taoyuan Real Estate Development Association
- Taichung Real Estate Development Association
- The Real Estate Development Association Of Kaosiung
- The Real Estate Development Association Of Tainan
- The Real Estate Development Association Of Hsinchu
- The Real Estate Development Association Of Hsinchu County

1 Financial Performance	2 Regulatory Compliance	3 Product Safety and Responsibility	4 Environmental Impact of Products and Services
5 Risk management	6 Occupational Health and Safety	7 Employee Training and Education	8 Grievance Mechanisms
9 Customers' Health and Safety	10 Indirect Financial Impact	11 Local Community	12 Supplier Management
13 Architectural Technology Innovation	14 Environmental Management Practices	15 Construction Site Environmental Management	16 Construction Waste/Wastewater Management
17 Marketing Communication	18 Environmental Quality of the Surroundings of Buildings	19 Labor Relations	20 Product and Service Labeling
21 Customer Relation Management	22 Water Resource Management	23 Raw Material Usage Management	24 Labor Relations
25 Functional Projects and Awards	26 Local Procurement	27 Greenhouse Gas Emissions	28 Energy Management

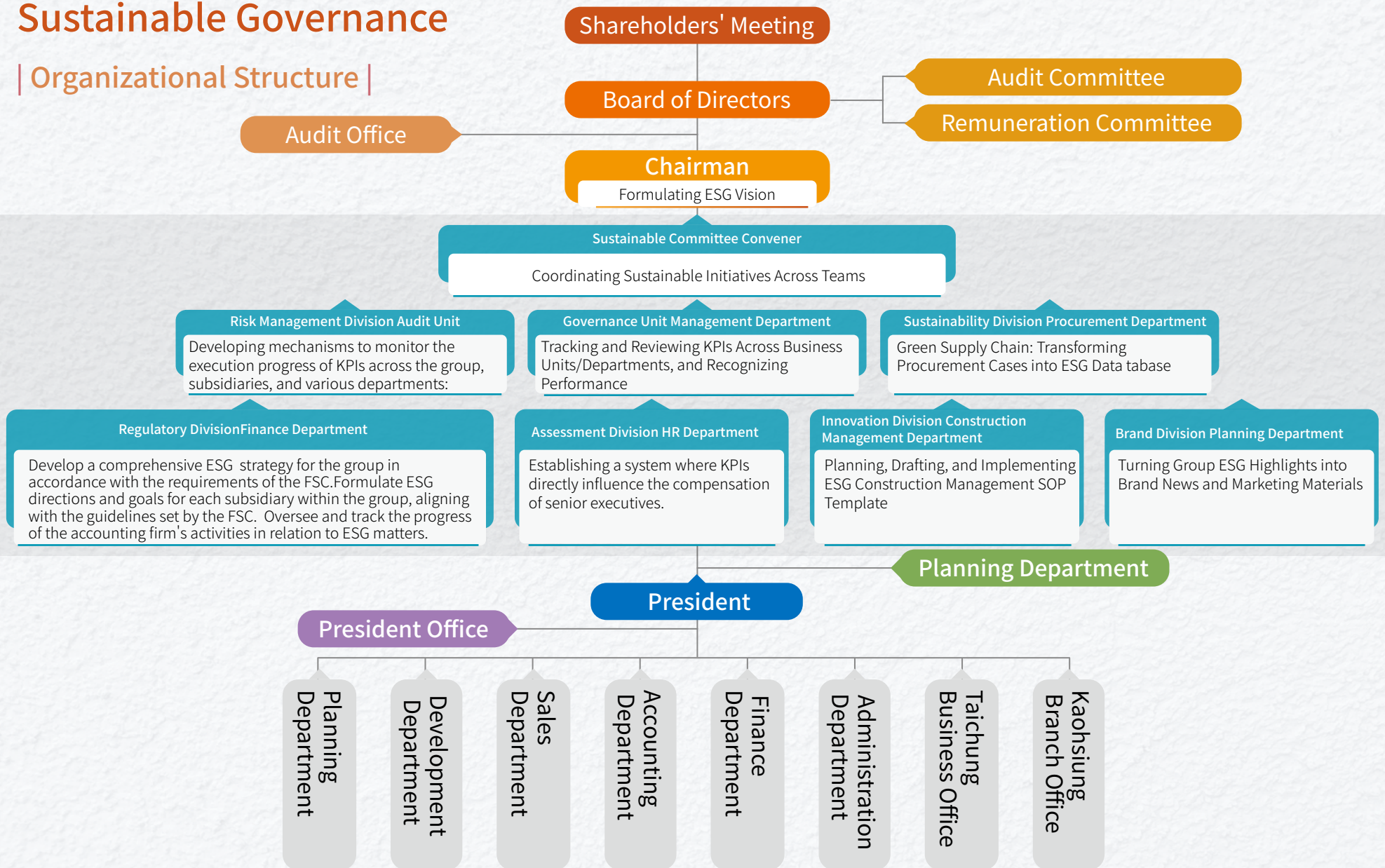


Sustainable Governance

Organizational Structure
Board of Directors and Functional Committees
Ethical Operations
Risk Management

Sustainable Governance

| Organizational Structure |



| Board of Directors and Functional Committee |

The highest governing body of Highwealth Construction is the Board of Directors, which includes the Audit Committee and Compensation Committee. Under the Board of Directors, there is an Audit Office established to assist the Board in fulfilling its oversight responsibilities. The results of self-assessments and audit reports from the Audit Office are submitted to the management and reviewed by the Board annually.

Highwealth Construction's Board of Directors consists of 7 directors (6 males, 1 female), with each serving a 3-year term. The primary responsibilities of the Board of Directors include appointing and supervising the company's management team to ensure stakeholder interests and maximize shareholder value.

Board Meeting	<ul style="list-style-type: none"> Called 15 times Attendance rate averaged 99%
Audit Committee Meetin	<ul style="list-style-type: none"> Called 13 times Attendance rate averaged 97.3%
Remuneration Committee Meeting	<ul style="list-style-type: none"> Called 4 times Attendance rate averaged 100%

| Ethical Operations |

Highwealth Construction actively formulates relevant internal operational standards and procedures in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". Upholding ethical governance as the highest guideline, the company supervises employees to prevent any corruption or actions against the principles of integrity. Staff are encouraged to report any misconduct through the whistleblower channel. Annual assessments are conducted for various management levels, with integrity being integrated into senior executives' performance evaluations.

In compliance with relevant regulations such as the "Regulations Governing Establishment of Internal Control Systems by Public Companies," Highwealth Construction has established comprehensive accounting systems, internal control mechanisms, and risk management systems. It strictly enforces standard operating procedures to prevent unethical behavior and mitigate risks. Additionally, audits are conducted for various operational stages and processes. The Board of Directors and management review the self-assessment results of each department and audit reports from the Audit Office annually.

In the year 2022, the company and its internal personnel did not violate the provisions of the internal control system, nor were there any major deficiencies. No reports were received regarding any misconduct, and no illicit activities were found.



| Risk Management |



01

Market Development Risk

- Pre-market research
- Planning of housing that meets local consumption patterns

02

Product Construction Risk

- In-depth evaluation for geologically sensitive land
- Use of seismic isolation and seismic engineering techniques
- Continuous development of new technologies and methods

03

Financial Investment Risk

- Idle funds are mainly used to repay loans
- Appoint an objective, impartial and independent professional appraiser

04

Product Design Risk

- Product warranty after the sale of products
- We provide repair service to our customers at their own expense or by our own repair vendor.

05

Customer Personal data risk

- Client's personal information is strictly controlled by the accounting department in a centralized manner.
- Company's internal computer system registration is controlled by permission

06

Climate Change Risks

- Assessing the risk of typhoons and flooding in the region before land acquisition
- Promote thermal hazard prevention programs for operators

Sustainable Value Chain



Product Strategy
Sustainable Construction Philosophy

Sustainable Value Chain

| Regulatory Compliance |

To safeguard the rights and interests of consumers and shareholders, Highwealth Construction places a strong emphasis on regulatory research. Throughout the entire process, we are committed to adhering to the legal requirements established by central government and local authorities.

Planning Stage

- Urban Planning Regulations
- Building Regulations
- Hillside Development Management Regulations
- Environmental Impact Assessment Laws and Regulations
- Other Regulations such as Aviation Control, Military Restricted Zones, Meteorological Restrictions, and High Voltage Power Line Restrictions

Construction Stage

- Transportation-related Laws and Regulations
- Construction Management Regulations
- Usage Management Regulations
- Regulations related to the Five Major Utility Lines

Sales Stage

- Standard Contract Terms provided by the Ministry of the Interior
- Fair Trade Act
- Consumer Protection Act
- Supervisory authorities may conduct on-site inspections or correspondence checks, with strict adherence to intellectual property rights and without infringement upon third parties' rights.

| Product Strategy |

Highwealth Construction upholds the principle of "Customer First" in serving its clients. Through the sale of high-quality products and the assistance of dedicated sales personnel, the company aims to enhance customer satisfaction and establish strong recognition of its corporate brand.

Architectural Design and Planning Aspect:



Adhering to the principles of practicality, durability, and aesthetics, we plan and design optimal living products that align with the unique characteristics of the surrounding environment, and cater to the diverse needs of consumers while ensuring practicality, structural integrity, and visual appeal.

Construction Engineering and Management Aspect:

For various types of construction sites, Highwealth Construction devises optimal construction methods, technologies, and project management systems. It rigorously controls construction quality, progress, and costs while effectively ensuring the safety of onsite personnel.



Market Research and Development Aspect:



In the past two years, in addition to residential products, Highwealth Construction has also shifted its focus to the development of commercial and office products. This strategic move is in response to the increasing demand for office spaces due to the growing trend of Taiwanese businesses returning to invest in Taiwan.

Gradual Adoption of Green Building Materials:

Highwealth Construction has been progressively incorporating green building materials into some of its projects and has been granted green building material certifications for these efforts.



| Sustainable Construction Philosophy |

Aligned with the evolving concept of sustainability, the design philosophy of construction needs to further extend its focus towards energy efficiency, smart technology, health, and environmental preservation. Highwealth Construction is dedicated to promoting green building practices, embracing the shift in trends. When it comes to architectural design, environmental protection is integrated into our approach, guided by the principles of "Vigor, Cleanliness, Purity, Respect, and Competitiveness." This includes a pragmatic commitment to "Vigor," maintaining a "Clean" construction site, "Purifying" the effects of corruption, respecting the environment with "Respect," and enhancing the company's "Competitiveness." Throughout the execution of various projects, we meticulously consider optimal choices, continuously review and improve, demanding progress from ourselves with a critical eye to create a competitive edge for the company and generate well-being for society, along with profits for shareholders and investors.

Highwealth Construction considers the facets of "Energy Efficiency," "Intelligence," and "Environmental Protection" to develop the best solutions for our clients, aspiring to construct sustainable smart buildings. We aim to provide comfort within the home and promote the well-being of families. With our architectural expertise, we address environmental issues and mitigate impacts through design, ensuring a balance between comfortable living, safety, and environmental concerns. The following outlines our incorporation of sustainability concepts into project planning:



| Concept of Sustainable Residential Planning |

- **Building Envelope:** Utilize glass with energy-efficient shading coefficient and reflectance, incorporate shading devices like rain screens and fins, use roof insulation materials, design for natural ventilation, and employ effective thermal insulation to reduce energy consumption.
- **Solar Energy Utilization:** Make full use of solar energy through energy-efficient building envelope design to reduce the need for air conditioning. Implement natural ventilation systems based on local climate conditions and wind cooling principles.
- **Resource and Equipment Efficiency:** Focus on using resources efficiently and consider the utilization of renewable resources whenever possible.
- **Energy-Efficient HVAC System:** Optimize building orientation to take advantage of natural ventilation during summer and minimize cold air intrusion in winter, reducing the reliance on air conditioning.
- **Energy-Efficient Lighting System:** Install high-efficiency and LED lighting fixtures. Implement a three-stage design for nighttime lighting to minimize energy waste and reduce shared electricity costs for residents.
- **Install Solar Photovoltaic Panels:** Contributing to a low-carbon society and urban environment, promoting energy conservation and carbon reduction. Incorporate full-heat exchangers to enhance the performance of air conditioning systems.



- **Integrating structure, systems, services, management, and their optimal combinations to provide a secure, efficient, comfortable, and convenient environment for people.**
- **Offering Comprehensive, Secure, and Assured Smart Services:** Providing a range of intelligent services for buildings, ensuring security with features such as anti-theft measures, lighting control, audiovisual surveillance, and health monitoring. Remote operation capabilities enhance disaster prevention and security management.
- **Remote Power Monitoring:** Monitor equipment status through computer screens to ensure proper operation.
- **Remote Water Level Monitoring:** Monitor water levels through computer screens to detect any exceeding of predefined alert levels.

- Highwealth Construction prioritizes the use of low-emission and health-conscious green building materials for interior spaces, with a green material utilization rate exceeding 45%. Outdoors, we maintain a green material utilization rate of over 10%.
- We employ non-toxic paints, panels, and other health-conscious building materials.
- We incorporate central water purification systems or utilize active water treatment systems to ensure water quality.
- Recreational areas designed for physical activity and leisure, providing residents with spaces for exercise and relaxation.
- Focus on creating human-centered living spaces that address essential residential needs such as ventilation, natural lighting, and overall comfort.



- Select equipment with water-saving certification and implement lightweight partitions indoors to reduce waste. In basement areas, double walls are employed to prevent moisture.
- Promote the reuse of existing buildings or recycling of second-hand materials to manage construction waste. We utilize locally sourced low-energy consumption materials that are rapidly renewable, aiming to reduce carbon footprint emissions.



- Install refrigeration systems for garbage and kitchen waste, maintaining low temperatures to inhibit odors and prevent the breeding of mosquitoes and disease vectors, it ensures both hygiene and environmental friendliness.



- Preserve native tree species within the building site and cultivate indigenous plants that attract butterflies and birds, providing habitats for insects. For instance, at the Taichung site where a building was affecting tree sunlight exposure, we promptly engaged in building capacity transfer to an alternative location to ensure the tree's growth.
- Utilizing multi-level spaces, including high, medium, and low levels, and implement three-dimensional greening in open spaces, balconies, terraces, and rooftop platforms on the ground floor.



Green Building

Following the guidelines outlined in the "Green Building Explanation and Evaluation Manual 2019 Edition" issued by the Ministry of the Interior, we plan green building projects that undergo quantitative assessment. In the year 2022, a total of 9 projects from our company were candidates for and subsequently awarded the Green Building Certification.



Green Building Candidate
Certificate

Silver Level: **2** projects

Green Building Label

Silver Level: **1** project

Sustainable Environment



Energy Management
Water Resource Management
Waste Management
Climate Change Risk Mitigation

Sustainable Environment

Energy Management

Highwealth Construction's main energy consumption comes from purchased electricity, totaling 615,000 kilowatt-hours in 2022, equivalent to 310,000 metric tons of carbon dioxide emissions. Highwealth Construction is committed to strengthening energy management, and fulfilling our duty and responsibility as global citizens to contribute to the Earth's sustainability.

Electricity for Highwealth Construction Office

	Taipei	Taichung	Kaohsiung	Total	CO ₂ emissions
2020	296,853	106,540	138,292	541,685	275,718
2021	283,753	66,561	133,079	483,393	242,663
2022	328,470	111,577	132,017	572,064	310,622

Energy-saving Measures

Sunshade Curtain

High-efficiency and LED Lighting Fixtures

In the pantry, when not in use, the main lights will be turned off, and only the cabinet lights will remain on.

Air conditioning temperature is set to 27° C.

Timed and daylight-saving lighting control system

Turning off the air conditioning and power switches after work

Bright and naturally lit interior design

Ensure the public power in each area is turned off when leaving work



| Water Resource Management |

The construction industry relies heavily on industrial water usage, and Highwealth Construction has taken proactive water-saving measures by adopting water-efficient equipment with water-saving certifications. In 2022, Highwealth Construction's total water consumption was 2,483 cubic meters, and we conduct monthly reviews to ensure water efficiency.

Water Consumption of Highwealth Construction Office

	Annual consumption	Number of employees	Water consumption per capita (kWh)	Annual increase (decrease) rate %
2020	2,579	290	8.89	-5.63%
2021	2,011	292	6.89	-22.50%
2022	2,483	285	8.71	26.4%

In accordance with the 2018 Global Sustainability Standards Board (GSSB) newly released GRI 303 and 306-1 standards, Highwealth Construction discloses specific topics including "303-3 Water Withdrawal," "303-4 Water Discharge," and "303-5 Water Consumption." Our water resource consumption primarily stems from the daily usage of employees and is partially attributed to visiting customers, without significant wastewater generated from production processes. Based on current water usage data, it is observed that our headquarters and operational sites experience a lower water scarcity risk compared to global levels, indicating that these areas are not subject to significant water resource pressure.

Water Resource Management at Highwealth Construction Office

Water Withdrawal(GRI 303-3)

		All areas	Areas with water stress
Surface water (total)		0	NA
Groundwater (total)		0	NA
Seawater (total)		0	NA
Produced water (total)		0	NA
Third-party water	(total)*1	2,423	NA
	Freshwater	2,423	NA
	Other water	0	NA
Total water withdrawal		2,423	NA

Note 1: Third-party water suppliers include Taiwan Water Corporation and Taipei Water Department.

Water-saving Measures

01

Water-saving Labeled
Equipment

02

Sensor-activated Water Faucets

03

Rainfall Sensing Automatic
Irrigation System

04

Rainwater Harvesting Tank

| Greenhouse Gas Inventory |

Highwealth Construction follows the "Sustainable Development Roadmap for Listed Companies" set by the regulatory authorities and is committed to reducing greenhouse gas emissions. In the fiscal year 2022, Highwealth Construction conducted its first-ever greenhouse gas inventory following the ISO 14064-1:2018 standard. This inventory included an assessment of greenhouse gas emissions within its operational offices.

The scope of Highwealth Construction's greenhouse gas inventory covers its offices in Taipei, Taichung, and Kaohsiung. According to the results of the 2022 inventory, the company emitted a total of 392.103 metric tons of carbon dioxide equivalent (CO₂e) throughout the year. Specifically, Category 1 emissions amounted to approximately 123.312 metric tons of

CO₂e, representing 31.45% of the total company emissions, while Category 2 emissions amounted to approximately 268.791 metric tons of CO₂e, constituting 68.55% of the total emissions.

Highwealth Construction has identified the hotspots of greenhouse gas emissions based on the inventory results and has established plans for regular monitoring and adjusting carbon reduction initiatives to achieve its greenhouse gas emissions reduction goals.

The greenhouse gas emissions for Highwealth Construction in 2022 are as follows:

Emissions Equivalent (Metric Tons CO ₂ e/Year)	Highwealth Construction	%
Scope 1: Direct Greenhouse Gas Emissions	123.312	31.45%
Scope 2: Indirect Greenhouse Gas Emissions from Input Energy	268.791	68.55%
Total	392.103	100%



1

Highwealth Construction conducted the inventory following ISO14064-1:2018 guidelines. The data is self-reported and has not yet been third-party verified. The inventory boundary was determined using operational control, covering Highwealth Construction's Taipei, Taichung, and Kaohsiung offices.

2

The results of the inventory are reported in units of carbon dioxide equivalent (CO₂e), calculated as activity data multiplied by emission factors multiplied by Global Warming Potential (GWP) values.

3

Highwealth Construction's greenhouse gas inventory includes various greenhouse gas types, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), nitrogen trifluoride (NF₃), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs). No greenhouse gas category has been excluded.

4

Category 1 emissions sources include official vehicles (including vehicle air conditioning refrigerants), residential air conditioning equipment, water dispensers, residential refrigerators, and septic tanks. Category 2 emissions sources are electrical equipment used in Highwealth Construction's offices.

5

Global Warming Potential (GWP) values refer to those from the IPCC 2021 Sixth Assessment Report.

6

For Scope 1, direct greenhouse gas emissions, emission factors are referenced from the Environmental Protection Administration's Greenhouse Gas Emission Coefficient Management Table 6.0.4. For Scope 2, electricity emissions reference factors are based on the Ministry of Economic Affairs Energy Bureau's 2022 Annual Electricity Emission Coefficient, which is 0.495 kilograms of carbon dioxide equivalent.

7

The greenhouse gas emissions intensity for the year 2022 (CO₂e metric tons per million dollars of revenue) is 0.01648.

| Waste Management |

Highwealth Construction strictly adheres to the requirements of relevant waste management regulations. In terms of construction waste management, the company classifies on-site waste into two categories: construction waste and general waste, with particular focus on the significant environmental impact of construction waste.

All construction waste is entrusted to licensed contractors approved by the government for proper handling. The waste removal and disposal operations are carried out by these contractors in compliance with internal procedures for managing subcontractors. This ensures that the chosen waste management facilities adhere to the relevant standards.

Project Name	Construction Waste (tons/year)	Household Waste (tons/year)	Waste Cement, Excavated Soil (m3/year)
Ankang Section (Land Serial No. 15-7)	2,249	12	58,801
Taoyuan City Chin Hsi (Land Serial No. 223)	795	12	0
Shan Jie Section (Land Serial No. 38)	3,664	23	3,750
Jinshan 1 (Land Serial No. 744)	2,010	12	50,726
Jinshan 2 (Land Serial No. 745-2)	1,018	10	22,746
Total	9,736	69	136,023

| Climate Change Risk Mitigation |

Facing of transition risks, physical risks, and opportunities brought about by climate change, Highwealth Construction proactively deploys strategies and responses to maintain its competitive edge. To effectively manage climate-related risks and align with the United Nations Sustainable Development Goals (SDGs), Highwealth Construction adopts the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This framework helps identify climate change-related risks and opportunities, integrating them with operational strategies to achieve sustainable business objectives and enhance communication with stakeholders.

Climate Change Governance and Management Framework





Governance

- Board of Directors and functional committees: Oversee climate change risks, opportunities, response strategies, and the progress of related initiatives and objectives.
- Audit Department: Coordinate with relevant departments within the company to review both internal and external risks (including climate change risks), develop risk mitigation strategies for significant company-wide risk issues, and regularly report to the Board of Directors.
- Departments and Teams: The establishment of the Highwealth Construction Greenhouse Gas Inventory and Promotion Team is responsible for overall planning, formulation of various plans, greenhouse gas emission statistics, compilation of inventory checklists, and the preparation of report documents related to greenhouse gas emissions.



Strategy

Utilizing TCFD framework, Highwealth Construction conducts regular identification of short, medium, and long-term climate-related risks and opportunities. It establishes corresponding response strategies for continuous development, and also addresses the impacts of climate-related risks and opportunities on the organization's operations, strategies, and financial planning.



Risk Management

- Identifying potential changes in policies, regulations, markets, and technologies, as well as aspects related to reputation and substantial risks in different contexts, Highwealth Construction conducts risk and opportunity analysis separately.
- Through discussions and formulation within relevant departments, it develops adaptive and mitigative strategies for addressing significant risks. The overall assessment results are then presented to the Board of Directors.

Climate Change Mitigation Strategy

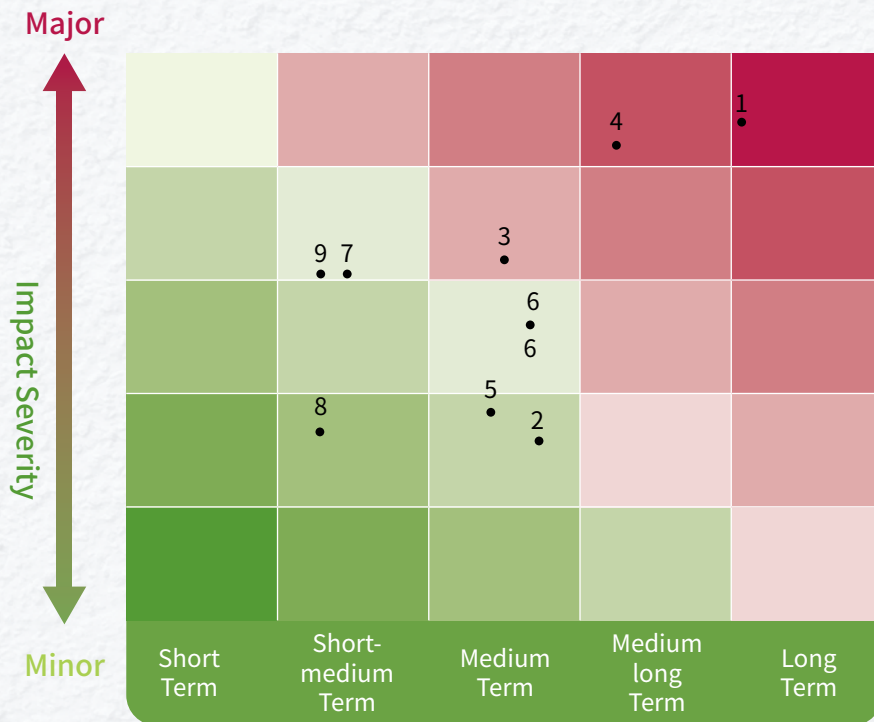


Metrics and Targets

- Establishing climate-related risk and opportunity assessment management indicators for water consumption, energy usage, greenhouse gas emissions, etc.
- Highwealth Construction actively selects energy-efficient, low-carbon, and non-toxic green building materials to reduce waste and the generation of pollutants, thereby minimizing impact on the ecological environment.

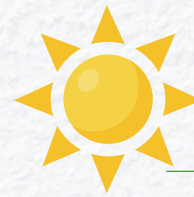
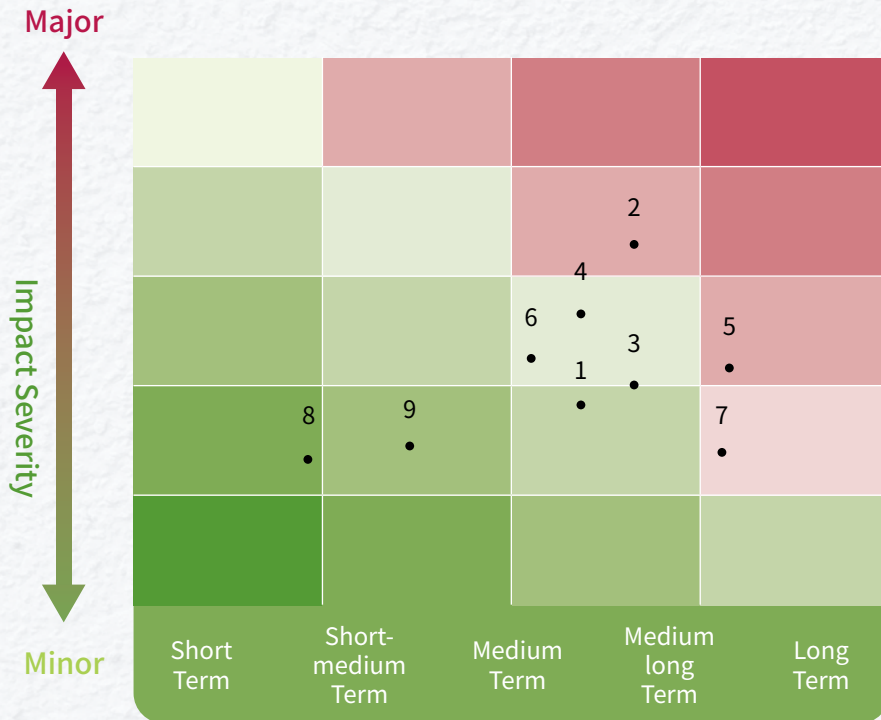
By collecting global industry risk management reports and Taiwan's regulatory policies, Highwealth Construction establishes a list of risk and opportunity issues. Additionally, to monitor changes in climate change risks, we annually review risk assessment results and adjusts climate change strategies. In 2022, detailed explanations were provided for significant operational projects affecting the company. A total of 20 major risk issues and 14 climate change opportunities were identified. Highwealth Construction not only prepares and prevents potential future risks but also contemplates potential market development directions for seizing opportunities, supporting Highwealth Construction's sustainable development.

Climate Change Risks Matrix



- 1 Immediate Risk: Operational disruptions due to severe typhoons, flooding, heavy rain, lightning, etc.
- 2 Immediate Risk: Increased costs of raw materials.
- 3 Immediate Risk: Disruption in energy supply.
- 4 Long-Term Risk: Rising average temperatures.
- 5 Mandatory regulations on products and services.
- 6 Increasing costs associated with greenhouse gas emissions.
- 7 Stricter regulations on renewable energy.
- 8 Shifting consumer preferences.
- 9 Impact on corporate image.

Climate Change Opportunities Matrix



- 1 Drought: Enhancing Water Resource Efficiency
- 2 Flood: Establishing Risk Management Procedures and Disaster Response Systems
- 3 Gaining Government Incentives and Carbon Offset Collaborations
- 4 Utilizing Renewable Energy Sources
- 5 Increasing Energy Efficiency
- 6 Enhancing Supply Chain Stability
- 7 Local Procurement Initiatives
- 8 Developing Low Carbon/Green Products
- 9 Promoting Green Innovation Services





Sustainable Talent Sustainable Society

Human Rights Policy
Composition of Human Resources
Employee Salaries
Employee Development
Employee Performance Evaluation
Employee Complaint Mechanism
Occupational Safety and Health

Sustainable Talent

| Human Rights Policy |

Highwealth Construction is committed to being a responsible employer and an exemplary corporate citizen. We pledge to adhere to various international human rights standards, including the Universal Declaration of Human Rights, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, United Nations Convention on the Elimination of All Forms of Discrimination Against Women, United Nations Convention on the Rights of the Child, International Labor Organization Declaration on Fundamental Principles and Rights at Work, and Fair Labor Association Workplace Code of Conduct and Compliance Benchmarks. We ensure the legitimate rights and interests of our employees, promote labor-management harmony, and foster a harmonious workplace to create a fulfilling company culture.



| Composition of Human Resources |

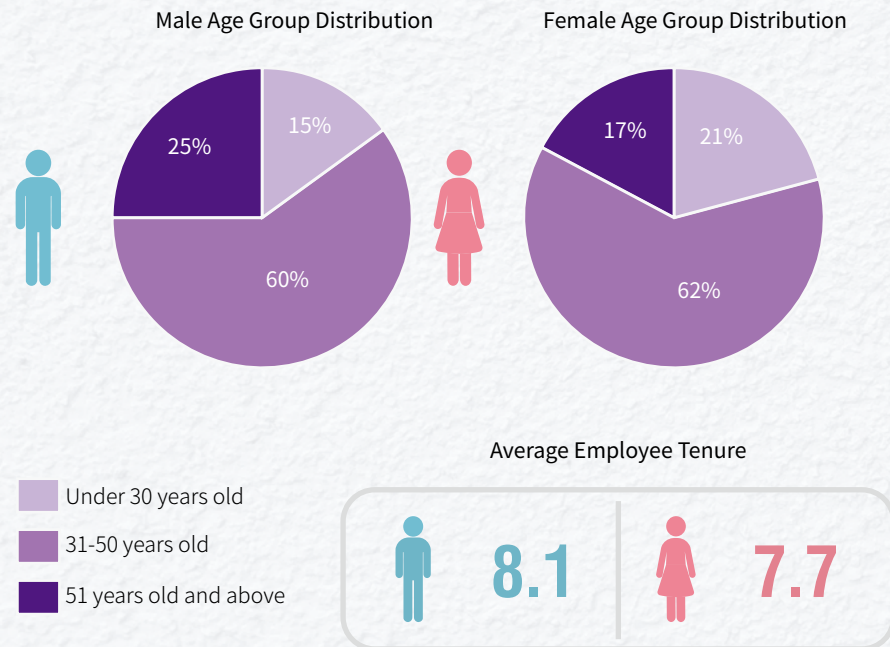
Highwealth Construction establishes a robust human resource framework, aimed at facilitating employee growth and fostering various career development pathways for different roles and levels of managerial talent. We continually enhance talent training and development, assisting colleagues in honing their expertise and strengthening leadership skills among supervisors, ultimately enhancing the company's competitiveness.

Through an open and transparent promotion mechanism, we offer increased responsibilities and competitive compensation, driving positive organizational growth. We have also established an Employee Welfare Committee to safeguard and implement employee benefits and rights. Annually, based on business performance, performance bonuses, year-end bonuses, and employee dividends are distributed, aligning employee interests with company success, and fostering a belief in mutual prosperity and coexistence.

Any measures related to labor relations are fully discussed and decided upon through comprehensive agreements between labor and management. Consequently, there were no disputes in 2022. As of 2022, Highwealth Construction employed 280 staff members, including 1 indigenous employee and no employees with disabilities or foreign nationals. For its subsidiary, CHYI-YUH Construction, there were 482 staff members, including 3 employees with disabilities and 42 foreign nationals, but no indigenous employees were employed.

Age Distribution

The age distribution of employees at Highwealth Construction is predominantly between 31 to 50 years old, accounting for approximately 61% of the workforce. The average age of employees is 41.2 years, with an average age of 43.4 years for male employees and 39.5 years for female employees. We value the rights of employees across all age groups, ensuring equal benefits and opportunities for advancement regardless of age within Highwealth Construction.

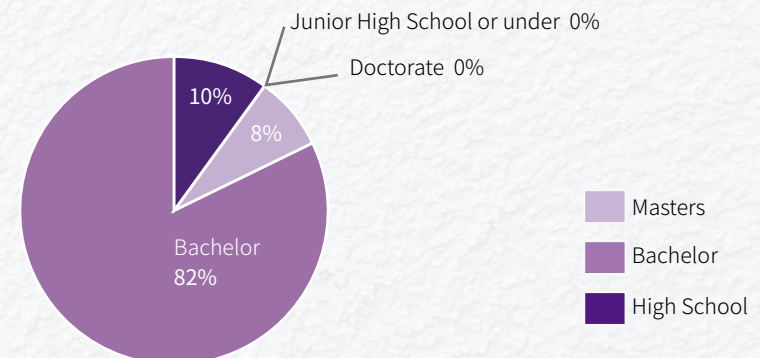


Educational Background Distribution

Highwealth Construction regards talent as the core of value creation within the group. Employees with a bachelor's degree or above account for 91% of our workforce. After joining, we continue to provide education and training in various fields to ensure that every member of Highwealth Construction continuously improves their professional knowledge.

Education Level	Number	Proportion
Doctorate	0	0%
Masters	23	8%
Bachelor	230	82%
High School	27	10%
Junior High School	0	0%

2022 Educational Distribution of Employees



| Employee Development |

Highwealth Construction believes that having motivated employees is essential for delivering higher value to customers and society, and for embodying the company's values at various levels. Highwealth Construction and its subsidiary companies provide a variety of training programs to meet the needs of employees, including orientation for new hires and specialized technical training. Employees can proactively propose or be assigned to attend various educational and training programs based on business needs.

Technical

Monthly training courses focusing on occupational safety and technical proficiency

Safety

Provides training courses abiding by international standards such as ISO

Management

Implementing cross-functional management mechanisms

Trainees	Course	Duration
New Employees	Pre-job training	1
Engineers	Basic Construction Education Training	8.5
Deputy Directors and above	Advanced Construction Professional Training	13
Construction Personnel	General Education Training	9.5
Division Chiefs and above	Construction Supervisory Management Training	5
Administrative Personnel	Construction Site Observation Training	16
Electrical Personnel	Mechanical and Electrical Professional Training	14

Title	Item	Male	Female
Senior Executives	Total Training Hours	159	24
	Average Training Hours	11.4	8
Middle Managers	Total Training Hours	2216	61
	Average Training Hours	9.8	9
General Employees	Total Training Hours	2330	282
	Average Training Hours	7.4	3.7

Employee Salaries

The average employee salary in 2022 increased by 1,532 NTD compared to 2021. Highwealth Construction remains committed to enhancing employee compensation levels and ensuring their rights through a well-established career advancement pathway.

290	52,315	292	53,484	280	55,016
Full-time Employee Count	Average Salary	Full-time Employee Count	Average Salary	Full-time Employee Count	Average Salary
2020	2021		2022		

| Employee Performance Evaluation |

Employees are the most valuable asset of the company and the foundation for our growth. Highwealth Construction has established a comprehensive annual performance evaluation and transparent promotion system to ensure synchronized development between employees and the company. The performance evaluation system is as follows:

Evaluation Category	Implementation Method
Ongoing Evaluation	<ul style="list-style-type: none"> Supervisors track and record employees' daily performance. Quarterly review by the Chairman.
Annual Evaluation	<ul style="list-style-type: none"> Self-assessment: Self-evaluation and identification of areas for improvement. Annual job performance assessment: conducted by supervisors.
Personnel Review Committee	<ul style="list-style-type: none"> Personnel Review Committee convenes after completion of attendance and rewards and penalties assessment. Attendance includes Chairman, General Manager, Chairman's Assistant, General Manager's Assistant, General Manager's Office, and department heads as attending members.

| Employee Complaint Mechanism |

While the company has not consistently conducted employee satisfaction surveys due to concerns about cross-influences among options, a diverse range of complaint channels has been established. These include communication software, complaint hotline, annual evaluations, and email, with the aim of promptly addressing and resolving employee issues. In 2022, Highwealth Construction did not experience any legal lawsuits resulting in financial losses due to violations of labor laws.

| Occupational Safety and Health |

Highwealth Construction upholds the principles of "Safety First, and Sustainable Operation and Development" and aligns with international trends. We have formulated an Occupational Safety and Health policy that encompasses legal compliance, participation by all, prioritizing safety, and aiming for zero accidents. In 2022, we strive to enhance safety education and training for new employees, aiming to raise risk awareness and further cultivate a culture of preventing occupational hazards.

Heat Hazards

- Shades to avoid direct sunlight
- Install temperature and humidity gauges

- ▶ If an individual experiences physical discomfort, immediately instruct them to rest in a shaded area, and encourage hydration. If the condition does not improve, seek medical attention promptly.



Typhoon

- Comprehensive checks on related facilities and materials for stability.
- Ensure the adequacy of the drainage system for proper water discharge.

- ▶ Following the issuance of a typhoon warning, each construction site shall implement typhoon preparedness measures in advance.
- ▶ Following the issuance of a typhoon warning, each construction site shall implement typhoon preparedness measures in advance.
- ▶ After the typhoon warning is lifted, all construction sites are required to conduct comprehensive checks for any damages and report accordingly.



Earthquake

- Consider earthquake factors during the design phase.
- ▶ Conduct comprehensive post-earthquake inspections and report findings.



Laceration



- Install protective barriers on elevated work platforms.
- ▶ Check for the presence of protective measures when machinery enters the work area.



Fall

- Install protective measures at openings.
- Elevated work personnel must use safety harnesses.
- ▶ Conduct environmental and personal equipment checks before operations.
- ▶ During daily inspections, if damaged protective facilities are found, arrange for immediate restoration; if unsafe behavior is observed, intervene immediately.



| Occupational Safety Precautions |

Phase	Measures
Preparation before Construction Entry	<ul style="list-style-type: none"> ● Issuing identification cards to all construction personnel ● Signing in upon entry ● Completing new employee safety education training (1 hour) ● Contractors completing safety and health education training (6 hours)
8.00AM Morning Meeting	<ul style="list-style-type: none"> ● Attended by responsible personnel from each construction site, advocating safety and health regulations and related safety matters. ● Conducting entry personnel statistics, inspecting appropriate protective measures, and recording on the labor safety bulletin board.
3.30PM Workers and Contractors Meeting	The responsible personnel from each construction site on that day must attend and participate. They will discuss construction quality, workers' performance, coordination among different sections, work schedule for the next day, material in and out arrangements, borrowing of construction elevators, and safety conditions for review.
5.00PM Internal Meeting	Reviewing work-related issues and progress, as well as safety and health considerations
Weekly Site Inspection	Weekly, the project director leads site engineers to inspect the construction site, documenting any deficiencies for improvement by the responsible personnel for each project. The inspection covers safety, hygiene, construction quality, and material storage conditions. The responsible personnel for each project must document the conditions before and after improvements and report back to the project director.
Agreement Organizational Meeting	Participated by responsible personnel, the small package managers, team leaders, and on-site supervisors gather together in the 2nd and 4th weeks of each month.
Monthly Safety Incentives	Monthly evaluations are conducted to assess and compare the performance of contractors. Outstanding and most improved contractors are publicly recognized to encourage their efforts.

Sustainable Society

| Sports Promotion |

<p>Total Donation Amount of 4M NTD</p> <p>【Highwealth Construction Taipei Baseball Team】 Department of Sports, Taipei City Government</p>	<p>Total Donation Amount of 1.75M NTD</p> <p>Association of Cross-Strait Exchange Athletics, Culture and Education</p>	<p>Total Donation Amount of 50000 NTD</p> <p>【Baseball Team】 Tainan Municipal Anping District Yizai Elementary School</p>
<p>Total Donation Amount of 50000 NTD</p> <p>【Football Team】 Taipei Municipal Minzu Junior High School</p>	<p>Total Donation Amount of 50000 NTD</p> <p>【Football Team】 Mindao High School</p>	<p>Total Donation Amount of 30000 NTD</p> <p>【Football Team】 Kaohsiung Cisian Junior High School</p>
<p>Total Donation Amount of 250,000 NTD</p> <p>ETToday Charity Golf Invitation Tourna-ment</p>	<p>Total Donation Amount of 300,000 NTD</p> <p>Commercial Times "Urban Regenera-tion and Housing in Kaohsiung" Summit Forum</p>	<p>Total Donation Amount of 575,518,353 NTD</p> <p>Taichung Highwealth Art and Culture Foundation</p>

| Public Welfare Volunteer Leave |

In 2022, Highwealth Construction established the "Public Welfare Volunteer Leave" to encourage employees to take action beyond their daily work, actively participating in environmental protection and social care activities. The Public Welfare Volunteer Leave provides Highwealth Construction employees with 8 hours of paid leave per year, during which they are required to engage in volunteer services. After completing the service, employees must submit relevant service photos, activity summaries, and proof of service hours issued by the service organization within one week. Highwealth Construction will consider their individual participation as a performance enhancement factor and will also commend and encourage employees who have made outstanding contributions to society.

| Local Revitalization|

Greening the Community - FuXing N. Rd. Project Public Welfare Planning

The FuXing N. Rd. Project is a response to the government's "Taipei Beautiful City Series II Plan," aimed at revitalizing idle buildings, promoting green beautification of architectural sites, and initiating urban transformation. Since acquiring this project, Highwealth Construction has been committed to giving back to the public and pursuing sustainable operations. We have gradually developed various public welfare initiatives, aiming to provide the community with a high-quality living environment, convenience, and accessible facilities, while creating diverse spaces and enhancing residential quality.



Enhancing the environment and landscape

- Providing a comfortable residential environment, addressing existing issues such as public health concerns, aging and abandoned buildings, and vacant lots within the area.
- Offering ample parking space, well-lit and well-ventilated buildings, and verdant pedestrian walkways.

Biodiversity

- The multi-layered greenery is primarily planned with trees, shrubs, and ground cover, taking into consideration their ecological value. Planting trees that are valuable and rich in wildlife resources.

Public access and openness

- The site is located in the Zhongshan District of Taipei City, bordered by roads on three sides. The green beautification adopts an open design, providing green spaces for activities in the neighboring area.
- At the intersection of FuXing North Road and ChangAn East Road, a green belt space is provided for the public to rest and relax.

Appendix

Appendix 1 : GRI Index

Statement of Usage	Highwealth Construction follows the GRI Standards for the disclosure of information dated January 1 to December 31, 2022.
Application of GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Standards	N/A

GRI Standards	Disclosures	Corresponding Section	Page	Remarks	
General disclosure					
The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	Introduction	3	
	2-2	Entities included in the organization's sustainability reporting	Introduction	3	
	2-3	Reporting period, frequency and contact point	Introduction	3	
	2-4	Restatements of information	Introduction	3	
	2-5	External Validation / Assurance	-	-	
	Activities and workers				
	2-6	Activities, value chain and other business relationships	Introduction	3	
	2-7	Employees	Composition of Human Resources	36	
	2-8	Workers who are not employees	Composition of Human Resources	36	
	Governance				
	2-9	Governance structure and composition	Organization Structure	15	
2-10	Nomination and selection of the highest governance body	Board of Directors and Functional Committees	16		
2-11	Chair of the highest governance body	Board of Directors and Functional Committees	16		

GRI Standards	Disclosures		Corresponding Section	Page	Remarks	
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impact	Board of Directors and Functional Committees	16		
	2-13	Delegation of responsibility for managing impacts	Organization Structure	15		
	2-14	Role of the highest governance body in sustainability reporting	Organization Structure	15		
	2-15	Conflicts of interest	Ethical Operations	16		
	2-16	Communication of critical concerns	Employee Complaint Mechanism	39		
	2-17	Collective knowledge of the highest governance body	Board of Directors and Functional Committees	16		
	2-18	Evaluation of the performance of the highest governance body	Board of Directors and Functional Committees	16		
	2-19	Remuneration policies	Board of Directors and Functional Committees	16		
	2-20	Process to determine remuneration	Board of Directors and Functional Committees	16		
	2-21	Annual total compensation ratio	Board of Directors and Functional Committees	16		
	Message from the Management					
	2-22	Statement on sustainable development strategy	Sustainable Development Blueprint	4, 5, 9		
	2-23	Policy Commitment	Sustainable Development Blueprint	10, 11		
	2-24	Policy Commitments	Identifying Material Topics of Sustainability	12, 13		
	2-25	Processes to remediate negative impacts	Risk Management	17		
	2-26	Mechanisms for seeking advice and raising concerns	Employee Complaint Mechanism	39		
	2-27	Compliance with laws and regulations	Regulatory Compliance	19		
2-28	Membership of associations	External Organization Engagement	13			

GRI Standards	Disclosures		Corresponding Section	Page	Remarks
	Stakeholder engagement				
	2-29	Approach to stakeholder engagement	Identifying Material Topics of Sustainability	12, 13	
	2-30	Collective bargaining agreements	Identifying Material Topics of Sustainability	12, 13	
	Material Topics				
GRI 3: Material Topics 2021	3-1	Process of Identifying Material Topics	Identifying Material Topics of Sustainability	12	
	3-2	Material Topics List	Identifying Material Topics of Sustainability	13	
	Sustainability Strategy and Risk Management				
GRI 3: Material Topics 2021	3-3	Material Topics Management	Risk Management Regulatory Compliance Employee Development Occupational Safety and Health	17 19 37 39	
	Sustainable Operations Management				
GRI 3: Material Topics 2021	3-3	Material Topics Management	Sustainable Construction Philosophy	20	
	Customer Privacy Management				
GRI 3: Material Topics 2021	3-3	Material Topics Management	Regulatory Compliance	19	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Regulatory Compliance	19	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Regulatory Compliance	19	

Specific Standards Disclosure

GRI Standards	Disclosures	Corresponding Section	Page	Remarks
Other Topics				
GRI 201 : Economic Performance	201-1 Direct economic value generated and distributed	Financial Performance	8	
GRI 302 : Energy	302-1 Energy consumption within the organization	Energy Management	25	
	302-3 Energy intensity	Energy Management	25	
	302-4 Reduction of energy consumption	Energy Management	25	
GRI 303 : Water	303-1 Interactions with water as a shared resource	Water Resource Management	26	
GRI 305 : Emissions	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Inventory	29	
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Inventory	29	
	305-4 GHG emissions intensity	Greenhouse Gas Inventory	29	
	305-5 Reduction of GHG emissions	Greenhouse Gas Inventory	29	
GRI 306 : Waste	306-2 Management of significant waste-related impacts	Waste Management	30	
GRI 401 : Employment	401-1 New employee hires and employee turnover	Compositions of Human Resources	36	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compositions of Human Resources	36	

GRI Standards	Disclosures	Corresponding Section	Page	Remarks
Occupational Safety and Health				
GRI 403 : Occupational Health and Safety	403-3 Occupational health services	Occupational Safety Precautions	39, 40, 41	
	403-9 Work-related injuries	Occupational Safety and Health	39, 40	
GRI 405 : Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Board of Directors and Functional Committees	16	
GRI 417 : Marketing and Labeling	417-1 Requirements for product and service information and la-beling	Regulatory Compliance	19	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Regulatory Compliance	19	

Appendix 2: SASB Index

Based on the industry classification results from the SASB official website, Highwealth Construction selects applicable indicators for disclosure from the 11 sectors and 77 industries within the SASB Materiality Map, following the Sustainable Accounting Standards (SASB) guidelines.

Sector: Infrastructure

Industry: Home Builders

Topic	Code	Metric	Category	Response	Page
Land Use & Ecological Impacts	IF-HB-160a.1	Number of (1) lots and (2) homes delivered on redevelopment sites	Quantitative	1.Delivered Land Area: 159053.94 m2 2.Delivered Number of Housing Units: 14,847 units	Referring to the left column
	IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	Quantitative	The Taiwan region is not classified as a high groundwater withdrawal area. Highwealth Construction has not delivered land or housing in high groundwater withdrawal areas.	Referring to the left column
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	Quantitative	In 2022, Highwealth Construction did not incur any losses due to environmental regulatory-related litigation. As Highwealth Construction is not the actual executing contractor, any violations of environmental regulations are managed by the construction plants upon receiving notifications from the competent authorities. Currently, Highwealth Construction does not have any such litigation cases.	Referring to the left column
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	Discussion and Analysis	During site selection, Highwealth Construction considers the following factors: 1.Whether the site has geological contamination (if so, it is not considered for development). 2.If the site is located in a geologically sensitive area, special reinforcement will be applied to the structural design. 3.Development of the site will adhere to relevant building regulations to ensure it does not adversely affect neighboring communities' rights, such as sunlight access. 4.Location choices aim to avoid ecologically sensitive areas, areas with soil contamination, and areas with special geological sensitivities. If present, environmental monitoring is conducted in advance, and measures are evaluated based on monitoring and investigative results.	Referring to the left column
Workforce Health & Safety	IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	In 2022, there were two reported workplace accidents involving direct employees.	Referring to the left column

Topic	Code	Metric	Category	Response	Page
Design for Resource Efficiency	IF-HB-410a.1	(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating	Quantitative	In 2022, there was no statistical data or disclosure specifically related to this indicator.	Referring to the left column
	IF-HB-410a.2	Percentage of installed water fixtures certified to a water efficiency standard	Quantitative	In 2022, there was no statistical data or disclosure specifically related to this indicator.	Referring to the left column
	IF-HB-410a.3	Number of homes delivered certified to a third-party multiattribute green building standard	Quantitative	Highwealth Construction has obtained a total of 2,185 residential units certified with the EEWB Green Building Label.	Referring to the left column
	F-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Discussion and Analysis	See Product Strategy	Referring to the left column
Community Impacts of New Developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	Discussion and Analysis	In the 2022 sustainability report of Highwealth Construction, there is no disclosure regarding the impact of facility proximity to economic centers on site selection and development decisions. For more information on this matter, please visit the official website of Highwealth Construction.	Referring to the left column
	IF-HB-410b.2	Number of (1) lots and (2) homes delivered on infill sites	Quantitative	1.Delivered Land Area: 159053.94 m2 2.Delivered Number of Housing Units: 14,847 units Note: *Developable areas refer to underutilized or unused land with existing infrastructure such as roads, power lines, sewage systems, and water supply services.	Referring to the left column

Topic	Code	Metric	Category	Response	Page
Community Impacts of New Developments	IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) average density	Quantitative	1.Delivered Number of Housing Units: 14,847 units 2.The average density is 1.02 households per square meter Note: As the definition of high-density development areas is not yet specified by Taiwanese regulations, Highwealth Construction only discloses based on the current delivered area and number of units.	Referring to the left column
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	Quantitative	Taiwan is not classified as a hundred-year flood zone, and Highwealth Construction does not hold any land in such ar-eas.	Referring to the left column
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	See Climate Change Risk Mitigation	Referring to the left column
Activity Metrics	IF-HB-000.A	Number of controlled lots	Quantitative	159053.94 m2	Referring to the left column
	IF-HB-000.B	Number of homes delivered	Quantitative	14,847units	Referring to the left column
	IF-HB-000.C	Number of active selling communities	Quantitative	24pcs	Referring to the left column

SASB Materiality Map: <https://materiality.sasb.org/>

SASB Official Website: <https://www.sasb.org>

Appendix 3: TCFD Index

In response to section 3.1 of the report - Climate Change Risks and Opportunities		
Aspect	Recommended Disclosures	Page
Governance	Describe the board's oversight of climate-related risks and opportunities.	32, 33
	Describe management's role in assessing and managing climate-related risks and opportunities.	31
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	32, 33
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	31
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	31
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	30
	Describe the organization's processes for managing climate-related risks.	30
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	30
Metrics and Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	31
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	28, 29
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	32, 33